

North Shore Gas Company

Jurisdictional Operating Income Summary

For the Test Year Ending December 31, 2015

Line No.	I.C.C. Acc. No. [A]	Description [B]	Forecast Under Present Rates (Schedule C-4) [C]	Rate Making Adjustments (Schedule C-2, p3) [D]	As Adjusted Under Present Rates [E] = [C + D]	Requested Rate Increase [F]	As Adjusted Under Proposed Rates [G]	
1	480-481, 489	Base Rate Revenues exclude Base Rate adjustments	\$ 81,741,000	\$ -	\$ 81,741,000	\$ 7,049,000	\$ 88,790,000	1
2	480-481, 489	Uncollectible Expense Adjustment-Gas Costs Revenues	\$ 873,000	\$ (873,000)	\$ -		\$ -	2
3	480-481, 489	Volume Balancing Adjustment Revenues	\$ 591,000	\$ (591,000)	\$ -		\$ -	3
4	480-481, 489	Franchise Cost Adjustment Revenues	\$ 1,005,000	\$ (1,005,000)	\$ -		\$ -	4
5		Base Rate Revenues	\$ 84,210,000	\$ (2,469,000)	\$ 81,741,000	\$ 7,049,000	\$ 88,790,000	5
6	480-481, 489	PGA Revenues	\$ 104,928,000	\$ (104,928,000)	\$ -		\$ -	6
7	480-481, 489	Coaltar Revenues	\$ 11,082,000	\$ (11,082,000)	\$ -		\$ -	7
8	480-481, 489	Energy Efficiency and On-Bill Financing Revenues	\$ 4,273,000	\$ (4,273,000)	\$ -		\$ -	8
9		Pass Through Service Revenues	\$ 120,283,000	\$ (120,283,000)	\$ -	\$ -	\$ -	9
10	495	Other Revenues	\$ 1,492,000	\$ 21,000	\$ 1,513,000	\$ 86,000	\$ 1,599,000	10
11	480-495	Operating Revenues	\$ 205,985,000	\$ (122,731,000)	\$ 83,254,000	\$ 7,135,000	\$ 90,389,000	11
12		Operating Expenses						12
13	401	Cost of Gas	\$ 104,928,000	\$ (104,928,000)	\$ -		\$ -	13
14		Other Operation and Maintenance:						14
15	401 & 402	Other Production	\$ 772,000	\$ -	\$ 772,000		\$ 772,000	15
16	401 & 402	Storage	\$ -	\$ -	\$ -		\$ -	16
17	401 & 402	Transmission	\$ 248,000	\$ -	\$ 248,000		\$ 248,000	17
18	401 & 402	Distribution	\$ 19,455,000	\$ -	\$ 19,455,000		\$ 19,455,000	18
19	401	Customer Accounts - Uncollectible Expense -Net Write Off	\$ 1,676,000	\$ (1,198,000)	\$ 478,000	\$ 39,000	\$ 517,000	19
20	401	Customer Accounts - Other than Uncollectible Expense -Net Write off	\$ 6,111,000	\$ 277,000	\$ 6,388,000		\$ 6,388,000	20
21	401	Customer Services and Informational Services	\$ 758,000	\$ -	\$ 758,000		\$ 758,000	21
22	401	Sales	\$ -	\$ -	\$ -		\$ -	22
23	401 & 402	Administrative and General	\$ 40,653,000	\$ (15,106,000)	\$ 25,547,000		\$ 25,547,000	23
24		Total Other Operation and Maintenance	\$ 69,673,000	\$ (16,027,000)	\$ 53,646,000	\$ 39,000	\$ 53,685,000	24
25	403	Depreciation	\$ 11,759,000	\$ -	\$ 11,759,000		\$ 11,759,000	25
26	404	Amortization	\$ -	\$ -	\$ -		\$ -	26
27	408.1	Taxes Other than Income	\$ 3,255,000	\$ 34,000	\$ 3,289,000		\$ 3,289,000	27
28		Income Taxes						28
29	409.1	Federal Income Taxes - Current	\$ 7,212,000	\$ (408,000)	\$ 6,804,000	\$ 2,291,000	\$ 9,095,000	29
30	409.1	State Income Taxes - Current	\$ 538,000	\$ (99,000)	\$ 439,000	\$ 550,000	\$ 989,000	30
31	410.1 & 411.1	Deferred Income Taxes	\$ (2,928,000)	\$ (296,000)	\$ (3,224,000)		\$ (3,224,000)	31
32	411.4	Investment Tax Credit	\$ -	\$ -	\$ -		\$ -	32
33		Total Operating Expenses	\$ 194,437,000	\$ (121,724,000)	\$ 72,713,000	\$ 2,880,000	\$ 75,593,000	33
34		Jurisdictional Operating Income (Loss)	\$ 11,548,000	\$ (1,007,000)	\$ 10,541,000	\$ 4,255,000	\$ 14,796,000	34

North Shore Gas Company

Summary of Proposed Adjustments to Operating Income  
For the Test Year Ending December 31, 2015

Line No.	I.C.C. Acc. No.	Description	Adjust Non-Base Rate Charges PGA and Coaltar (Schedule C-2.1)	Adjust Non-Base Rate Charges Energy Efficiency & On-Bill Financing (Schedule C-2.2)	Adjust Non-Base Rate Charges Uncollectible Exp Adjustment (Schedule C-2.3)	Adjust Non-Base Rate Charges Volume Balancing Adjustment (Schedule C-2.4)	Adjust Non-Base Rate Charges Franchise Cost Adjustment (Schedule C-2.5)	Adjust to reflect amortization of proposed 2015 rate case expenses (Schedule C-2.6)	Adjust for charitable contributions (Schedule C-2.7)		Subtotal Operating Statement Adjustments
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
1	480-481, 489	Base Rate Revenues exclude Base Rate adjustments	\$ -								\$ -
2	480-481, 489	Uncollectible Expense Adjustment-Gas Costs Revenues	\$ -		\$ (873,000)						\$ (873,000)
3	480-481, 489	Volume Balancing Adjustment Revenues	\$ -			\$ (591,000)					\$ (591,000)
4	480-481, 489	Franchise Cost Adjustment Revenues	\$ -				\$ (1,005,000)				\$ (1,005,000)
5		Base Rate Revenues	\$ -	\$ -	\$ (873,000)	\$ (591,000)	\$ (1,005,000)	\$ -	\$ -	\$ -	\$ (2,469,000)
6	480-481, 489	PGA Revenues	\$ (104,928,000)								\$ (104,928,000)
7	480-481, 489	Coaltar Revenues	\$ (11,082,000)								\$ (11,082,000)
8	480-481, 489	Energy Efficiency and On-Bill Financing Adjustment Revenues		\$ (4,273,000)							\$ (4,273,000)
9		Pass Through Service Revenues	\$ (116,010,000)	\$ (4,273,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (120,283,000)
10	487,488,495	Other Revenues	\$ -	\$ -	\$ 277,000	\$ (256,000)	\$ -	\$ -	\$ -	\$ -	\$ 21,000
11	400	Operating Revenues (Lines 5 + 9 +10)	\$ (116,010,000)	\$ (4,273,000)	\$ (596,000)	\$ (847,000)	\$ (1,005,000)	\$ -	\$ -	\$ -	\$ (122,731,000)
12		Operating Expenses									\$ -
13	401	Cost of Gas	\$ (104,928,000)								\$ (104,928,000)
14	401 & 402	Other Operation and Maintenance									\$ -
15	401 & 402	Other Production	\$ -								\$ -
16	401 & 402	Storage	\$ -								\$ -
17	401 & 402	Transmission	\$ -								\$ -
18	401 & 402	Distribution	\$ -								\$ -
19	401	Customer Accounts - Uncollectible Expense -Net Write Off			\$ (1,198,000)						\$ (1,198,000)
20	401	Customer Accounts Other than Uncollectible Expense -Net Write off	\$ -		\$ 277,000						\$ 277,000
21	401	Customer Service and Informational Services	\$ -								\$ -
22	401	Sales	\$ -								\$ -
23	401 & 402	Administrative and General	\$ (11,082,000)	\$ (4,273,000)	\$ -	\$ -	\$ (674,000)	\$ 1,036,000	\$ 125,000	\$ -	\$ (14,868,000)
24		Total Other Operations and Maintenance	\$ (11,082,000)	\$ (4,273,000)	\$ (921,000)	\$ -	\$ (674,000)	\$ 1,036,000	\$ 125,000	\$ -	\$ (15,789,000)
25	403	Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	404	Amortization	\$ -								\$ -
27	408.1	Taxes Other than Income	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28		Income Taxes									\$ -
29	409.1	Federal Income Taxes - Current	\$ -	\$ -	\$ 105,000	\$ (273,000)	\$ (107,000)	\$ -	\$ (40,000)	\$ -	\$ (315,000)
30	409.1	State Income Taxes - Current	\$ -	\$ -	\$ 25,000	\$ (66,000)	\$ (26,000)	\$ -	\$ (10,000)	\$ -	\$ (77,000)
31	410.1 & 411.1	Deferred Income Taxes	\$ -					\$ (415,000)			\$ (415,000)
32	411.4	Investment Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33		Total Operating Expenses	\$ (116,010,000)	\$ (4,273,000)	\$ (791,000)	\$ (339,000)	\$ (807,000)	\$ 621,000	\$ 75,000	\$ -	\$ (121,524,000)
34		Net Operating Income	\$ -	\$ -	\$ 195,000	\$ (508,000)	\$ (198,000)	\$ (621,000)	\$ (75,000)	\$ -	\$ (1,207,000)

North Shore Gas Company

Summary of Proposed Adjustments to Operating Income  
For the Test Year Ending December 31, 2015

Line No.	I.C.C. Acc. No.	Description	Subtotal Operating Statement Adjustments	Adjust amortization of unamortized rate case expenses in prior cases (Schedule C-2.8)	Adjust amortization of rate case rehearing costs Docket #12-0511/0512 (Schedule C-2.9)	Adjust for effect of interest on customer deposits (Schedule C-2.10)	Adjust for effect of interest on budget plan accounts (Schedule C-2.11)	Adjust income taxes to eliminate effect of items not included in revenue requirement (Schedule C-2.12)	-	-	Subtotal Operating Statement Adjustments
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]
1	480-481, 489	Base Rate Revenues exclude Base Rate adjustments	\$ -								\$ -
2	480-481, 489	Uncollectible Expense Adjustment-Gas Costs Revenues	\$ (873,000)								\$ (873,000)
3	480-481, 489	Volume Balancing Adjustment Revenues	\$ (591,000)								\$ (591,000)
4	480-481, 489	Franchise Cost Adjustment Revenues	\$ (1,005,000)								\$ (1,005,000)
5		Base Rate Revenues	\$ (2,469,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,469,000)
6	480-481, 489	PGA Revenues	\$ (104,928,000)								\$ (104,928,000)
7	480-481, 489	Coaltar Revenues	\$ (11,082,000)								\$ (11,082,000)
8	480-481, 489	Energy Efficiency and On-Bill Financing Adjustment Revenues	\$ (4,273,000)								\$ (4,273,000)
9		Pass Through Service Revenues	\$ (120,283,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (120,283,000)
10	487,488,495	Other Revenues	\$ 21,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,000
11	400	Operating Revenues (Lines 5 + 9 + 10)	\$ (122,731,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (122,731,000)
12		Operating Expenses	\$ -								\$ -
13	401	Cost of Gas	\$ (104,928,000)								\$ (104,928,000)
14	401 & 402	Other Operation and Maintenance	\$ -								\$ -
15	401 & 402	Other Production	\$ -								\$ -
16	401 & 402	Storage	\$ -								\$ -
17	401 & 402	Transmission	\$ -								\$ -
18	401 & 402	Distribution	\$ -								\$ -
19	401	Customer Accounts - Uncollectible Expense -Net Write Off	\$ (1,198,000)								\$ (1,198,000)
20	401	Customer Accounts Other than Uncollectible Expense -Net Write off	\$ 277,000								\$ 277,000
21	401	Customer Service and Informational Services	\$ -								\$ -
22	401	Sales	\$ -								\$ -
23	401 & 402	Administrative and General	\$ (14,868,000)	\$ (334,000)	\$ 37,000	\$ 27,000	\$ 32,000	\$ -	\$ -	\$ -	\$ (15,106,000)
24		Total Other Operations and Maintenance	\$ (15,789,000)	\$ (334,000)	\$ 37,000	\$ 27,000	\$ 32,000	\$ -	\$ -	\$ -	\$ (16,027,000)
25	403	Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	404	Amortization	\$ -								\$ -
27	408.1	Taxes Other than Income	\$ -	\$ -	\$ -	\$ -		\$ -			\$ -
28		Income Taxes	\$ -								\$ -
29	409.1	Federal Income Taxes - Current	\$ (315,000)			\$ (9,000)	\$ (11,000)	\$ 22,000	\$ -	\$ -	\$ (313,000)
30	409.1	State Income Taxes - Current	\$ (77,000)			\$ (2,000)	\$ (2,000)	\$ 5,000	\$ -	\$ -	\$ (76,000)
31	410.1 & 411.1	Deferred Income Taxes	\$ (415,000)	\$ 134,000	\$ (15,000)		\$ -	\$ -	\$ -	\$ -	\$ (296,000)
32	411.4	Investment Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33		Total Operating Expenses	\$ (121,524,000)	\$ (200,000)	\$ 22,000	\$ 16,000	\$ 19,000	\$ 27,000	\$ -	\$ -	\$ (121,640,000)
34		Net Operating Income	\$ (1,207,000)	\$ 200,000	\$ (22,000)	\$ (16,000)	\$ (19,000)	\$ (27,000)	\$ -	\$ -	\$ (1,091,000)

North Shore Gas Company

Summary of Proposed Adjustments to Operating Income  
For the Test Year Ending December 31, 2015

Line No.	I.C.C. Acc. No.	Description	Subtotal Operating Statement Adjustments	[D]	[E]	[F]	[G]	[H]	Invested Capital Tax Adjustment (Schedule C-2.13)	Interest Synchronization Adjustment (Schedule C-2.14)	Total Operating Statement Adjustments
	[A]	[B]	[C]						[I]	[J]	[K]
1	480-481, 489	Base Rate Revenues exclude Base Rate adjustments	\$ -								\$ -
2	480-481, 489	Uncollectible Expense Adjustment-Gas Costs Revenues	\$ (873,000)								\$ (873,000)
3	480-481, 489	Volume Balancing Adjustment Revenues	\$ (591,000)								\$ (591,000)
4	480-481, 489	Franchise Cost Adjustment Revenues	\$ (1,005,000)								\$ (1,005,000)
5		Base Rate Revenues	\$ (2,469,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (2,469,000)
6	480-481, 489	PGA Revenues	\$ (104,928,000)								\$ (104,928,000)
7	480-481, 489	Coaltar Revenues	\$ (11,082,000)								\$ (11,082,000)
8	480-481, 489	Energy Efficiency and On-Bill Financing Adjustment Revenues	\$ (4,273,000)								\$ (4,273,000)
9		Pass Through Service Revenues	\$ (120,283,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (120,283,000)
10	487,488,495	Other Revenues	\$ 21,000								\$ 21,000
11	400	Operating Revenues (Lines 5 + 9 + 10)	\$ (122,731,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (122,731,000)
12		Operating Expenses	\$ -								\$ -
13	401	Cost of Gas	\$ (104,928,000)								\$ (104,928,000)
14	401 & 402	Other Operation and Maintenance	\$ -								\$ -
15	401 & 402	Other Production	\$ -								\$ -
16	401 & 402	Storage	\$ -								\$ -
17	401 & 402	Transmission	\$ -								\$ -
18	401 & 402	Distribution	\$ -								\$ -
19	401	Customer Accounts - Uncollectible Expense -Net Write Off	\$ (1,198,000)								\$ (1,198,000)
20	401	Customer Accounts Other than Uncollectible Expense -Net Write off	\$ 277,000								\$ 277,000
21	401	Customer Service and Informational Services	\$ -								\$ -
22	401	Sales	\$ -								\$ -
23	401 & 402	Administrative and General	\$ (15,106,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (15,106,000)
24		Total Other Operations and Maintenance	\$ (16,027,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (16,027,000)
25	403	Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	404	Amortization	\$ -								\$ -
27	408.1	Taxes Other than Income	\$ -						\$ 34,000	\$ -	\$ 34,000
28		Income Taxes	\$ -								\$ -
29	409.1	Federal Income Taxes - Current	\$ (313,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (11,000)	\$ (84,000)	\$ (408,000)
30	409.1	State Income Taxes - Current	\$ (76,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,000)	\$ (20,000)	\$ (99,000)
31	410.1 & 411.1	Deferred Income Taxes	\$ (296,000)								\$ (296,000)
32	411.4	Investment Tax Credit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33		Total Operating Expenses	\$ (121,640,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 20,000	\$ (104,000)	\$ (121,724,000)
34		Net Operating Income	\$ (1,091,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (20,000)	\$ 104,000	\$ (1,007,000)

North Shore Gas Company

Adjustment No. 1  
Test Year Ending December 31, 2015

<u>Line No.</u>				<u>Line No.</u>
1	Title of Adjustment:	Non-Base Rate Rider 2 Purchased Gas and Rider 11 Environmental Activity Revenues and Charges from revenue requirement		1
2	Schedule C-2, Adjustment No. 1			2
3	Supporting Work Paper Reference	WPC-2.1		3
4	Purpose and Description:			4
5	See testimony of S. Moy regarding Adjustment No.1			5
6	Summary Calculations:			6
7	OPERATING REVENUES			7
8	ICC 480-481,489	Sales of Gas-Residential, Commercial & Industrial, Transportation		8
9	ICC 480-481,489	Rider 2 Purchased Gas Charges - Cost of Gas	\$ (104,928,000)	9
10	ICC 480-481,489	Rider 11 Environmental Activity Charges	<u>\$ (11,082,000)</u>	10
			\$ (116,010,000)	
11	OPERATING EXPENSES			11
12	ICC 804	Natural Gas City Gate Purchases	\$ (106,061,000)	12
13	ICC 808.1	Gas withdrawn from storage-Debit	\$ (39,996,000)	13
14	ICC 808.2	Gas delivered to storage-Credit	\$ 40,195,000	14
15	ICC 810	Gas used for compressor station fuel-Credit	\$ 296,000	15
16	ICC 812	Gas used for other utility operations-Credit	\$ 638,000	16
17	ICC 930.2	Administrative & General -Miscellaneous	\$ (11,082,000)	17
18		General Expenses	<u>\$ (116,010,000)</u>	18
19	Subtotal Operating Revenues less Expenses before Income Taxes		\$ -	19
20	ICC 409.1-Income Taxes	State 7.75%	\$ -	20
21	ICC 409.1-Income Taxes	Federal 35.00%	<u>\$ -</u>	21
22	Total Income taxes		<u>\$ -</u>	22
23	EFFECT ON OPERATING INCOME		<u><u>\$ -</u></u>	23



North Shore Gas Company

Adjustment No. 3

Test Year Ending December 31, 2015

<u>Line No.</u>		<u>Line No.</u>
1	Title of Adjustment: Non-Base Rate Uncollectible Expense Writeoff Adjustment-Gas Cost Revenues	1
2	and Rider UEA Amortization from revenue requirement	2
3	Schedule C-2, Adjustment No. 3	3
4	Supporting Work Paper Reference WPC-2.3	4
5	Purpose and Description:	5
6	See testimony of S. Moy regarding Adjustment No. 3	6
7	Summary Calculations:	7
8	OPERATING REVENUES	8
9	ICC 480-481,489 Uncollectible-Rider UEA-Gas Costs	\$ (873,000) 9
10	ICC 495 Other Revenues-Rider UEA Amortization	\$ 277,000 10
11	OPERATING EXPENSES	11
12	ICC 904 Uncollectible Accounts	\$ (953,000) 12
13	ICC 904 Customer Accounts -Uncollectible Expense -Bad Debt Writeoff Adjustment (Note)	\$ (245,000) 13
14	ICC 905 Miscellaneous customer accounts expenses-Rider UEA Amortization	\$ 277,000 14
15	Subtotal Operating Revenues less Expenses before Income Taxes	<u>\$ 325,000</u> 15
16	ICC 409.1-Income Taxes State 7.75%	\$ (25,000) 16
17	ICC 409.1-Income Taxes Federal 35.00%	<u>\$ (105,000)</u> 17
18	Total Income taxes	<u>\$ (130,000)</u> 18
19	EFFECT ON OPERATING INCOME	<u>\$ 195,000</u> 19

Note: Bad Debt Writeoff Adjustment recorded in Peoples Gas Account 905009-Bad Debt Writeoff Adjustment

North Shore Gas Company

Adjustment No. 4

Test Year Ending December 31, 2015

<u>Line No.</u>		<u>Line No.</u>
1	Title of Adjustment: Non-Base Rate Rider VBA -Volume Balancing Adjustment	1
2	from revenue requirement	2
3	Schedule C-2, Adjustment No. 4	3
4	Supporting Work Paper Reference WPC-2.4	4
5	Purpose and Description:	5
6	See testimony of S. Moy regarding Adjustment No. 4	6
7	Summary Calculations:	7
8	OPERATING REVENUES	8
9	ICC 480-481,489 Sales of Gas-Residential, Commercial & Industrial, Transportation	\$ (591,000) 9
10	ICC 495 Other Gas Revenues	\$ (256,000) 10
11	Total Operating Revenues	\$ (847,000) 11
12	ICC 409.1-Income Taxes State 7.75%	\$ 66,000 12
13	ICC 409.1-Income Taxes Federal 35.00%	\$ 273,000 13
14	Total Income taxes	\$ 339,000 14
15	Total after income taxes	\$ (508,000) 15
16	EFFECT ON OPERATING INCOME	\$ (508,000) 16

North Shore Gas Company  
Adjustment No. 5  
Test Year Ending December 31, 2015

<u>Line No.</u>				<u>Line No.</u>
1	Title of Adjustment:	Non-Base Rate Rider FCA - Franchise Cost Adjustment		1
2		from revenue requirement		2
3	Schedule C-2, Adjustment No. 5			3
4	Supporting Work Paper Reference	WPC-2.5		4
5	Purpose and Description:			5
6	See testimony of S. Moy regarding Adjustment No. 5			6
7	Summary Calculations:			7
8	OPERATING REVENUES			8
9	ICC 480-481,489	Sales of Gas-Residential, Commercial & Industrial, Transportation	\$ (1,005,000)	9
10	OPERATING EXPENSES			10
11	ICC 927	Administrative & General -Franchise Requirements	\$ (674,000)	11
12	Subtotal Operating Revenues less Expenses before Income Taxes		<u>\$ (331,000)</u>	12
13	ICC 409.1-Income Taxes	State 7.75%	\$ 26,000	13
14	ICC 409.1-Income Taxes	Federal 35.00%	<u>\$ 107,000</u>	14
15	Total Income taxes		<u>\$ 133,000</u>	15
16	Total after Income taxes		<u>\$ (198,000)</u>	16
17	EFFECT ON OPERATING INCOME		<u><u>\$ (198,000)</u></u>	17

North Shore Gas Company  
Adjustment No. 6  
Test Year Ending December 31, 2015

<u>Line No.</u>		<u>Line No.</u>	
1	Title of Adjustment: Adjust to reflect amortization of proposed Test Year 2015 rate case expenses	1	
2	Schedule C-2, Adjustment No. 6	2	
3	Supporting Work Paper Reference WPC-2.6	3	
4	Purpose and Description:	4	
5	See testimony of S.Moy regarding Adjustment No. 6	5	
6	Summary Calculations:	6	
7	OPERATING EXPENSES	7	
8	ICC 928 Administrative & General -Regulatory Commission Expenses	\$ 1,036,000	8
9	Total Normalized Income Taxes - State 7.75%	\$ (80,000)	9
10	- Federal 35.00%	<u>\$ (335,000)</u>	10
11	Total	<u>\$ (415,000)</u>	11
12	ICC 409.1 -Current - State	\$ -	12
13	- Federal	\$ -	13
14	ICC 410.1-Deferred	<u>\$ (415,000)</u>	14
15	Total Operating Expenses	<u>\$ 621,000</u>	15
16	EFFECT ON OPERATING INCOME	<u>\$ (621,000)</u>	16



North Shore Gas Company

Adjustment No. 8  
Test Year Ending December 31, 2015

<u>Line No.</u>		<u>Line No.</u>
1	Title of Adjustment: Adjust Amortization of Unamortized Rate Case Expenses in prior cases	1
2	Schedule C-2, Adjustment No. 8	2
3	Supporting Work Paper Reference WPC-2.8	3
4	Purpose and Description:	4
5	See testimony of S. Moy regarding Adjustment No. 8	5
6	Summary Calculations:	6
7	OPERATING EXPENSES	7
8	ICC 928 Administrative & General -Regulatory Commission Expenses \$ (334,000)	8
9	Total Normalized Income Taxes - State 7.75% \$ 26,000	9
10		10
11	- Federal 35.00% \$ 108,000	11
12	Total <u>\$ 134,000</u>	12
13	ICC 409.1 -Current - State \$ -	13
14	- Federal \$ -	14
15	ICC 410.1-Deferred <u>\$ 134,000</u>	15
16	Total Operating Expenses <u>\$ (200,000)</u>	16
17	EFFECT ON OPERATING INCOME <u>\$ 200,000</u>	17

North Shore Gas Company  
Adjustment No. 9  
Test Year Ending December 31, 2015

<u>Line No.</u>		<u>Line No.</u>
1	Title of Adjustment: Amortization of Rate Case expenses -Rehearing/Appeal in Docket #12-0511/12-0512 Consolidated	1
2	Schedule C-2, Adjustment No. 9	2
3	Supporting Work Paper Reference WPC-2.9	3
4	Purpose and Description:	4
5	See testimony of S. Moy regarding Adjustment No. 9	5
6	Summary Calculations:	6
7	OPERATING EXPENSES	7
8	ICC 928 Administrative & General -Regulatory Commission Expenses \$ 37,000	8
9	Total Normalized Income Taxes - State 7.75% \$ (3,000)	9
10	- Federal 35.00% \$ (12,000)	9
11	Total <u>\$ (15,000)</u>	11
12	ICC 409.1 -Current - State \$ -	12
13	ICC 410.1-Deferred - Federal \$ (15,000)	13
14	Total Operating Expenses <u>\$ 22,000</u>	14
15	EFFECT ON OPERATING INCOME <u>\$ (22,000)</u>	15

North Shore Gas Company  
Adjustment No. 10  
Test Year Ending December 31, 2015

<u>Line No.</u>		<u>Line No.</u>
1	Title of Adjustment: Adjust for effect of interest on customer deposits	1
2	Schedule C-2, Adjustment No. 10	2
3	Supporting Work Paper Reference WPC-2.10	3
4	Purpose and Description:	4
5	See testimony of S. Moy regarding Adjustment No. 10	5
6	Summary Calculations:	6
7	OPERATING EXPENSES	7
8	ICC 930.20 Administrative & General -Miscellaneous General Expenses \$ 27,000	8
9	ICC 409.1-Income Taxes State 7.75% \$ (2,000)	9
10	ICC 409.1-Income Taxes Federal 35.00% \$ (9,000)	10
11	Total Operating Expenses \$ 16,000	11
12	EFFECT ON OPERATING INCOME \$ (16,000)	12

North Shore Gas Company

Adjustment No. 11

Test Year Ending December 31, 2015

<u>Line No.</u>		<u>Line No.</u>	
1	Title of Adjustment: Adjust for effect of interest on budget plan accounts	1	
2	Schedule C-2, Adjustment No. 11	2	
3	Supporting Work Paper Reference WPC-2.11	3	
4	Purpose and Description:	4	
5	See testimony of S. Moy regarding Adjustment No. 11	5	
6	Summary Calculations:	6	
7	OPERATING EXPENSES	7	
8	ICC 930.20 Administrative & General -Miscellaneous General Expenses	\$ 32,000	8
9	ICC 409.1-Income Taxes State 7.75%	\$ (2,000)	9
10	ICC 409.1-Income Taxes Federal 35.00%	<u>\$ (11,000)</u>	10
11	Total Operating Expenses	<u>\$ 19,000</u>	11
12	EFFECT ON OPERATING INCOME	<u>\$ (19,000)</u>	12



North Shore Gas Company

Adjustment No. 13

Test Year Ending December 31, 2015

<u>Line No.</u>		<u>Line No.</u>
1	Title of Adjustment: Adjust to reflect increase in invested capital tax	1
2	Schedule C-2, Adjustment No. 13	2
3	Supporting Work Paper Reference WPC-2.13	3
4	Purpose and Description:	4
5	See testimony of S. Moy regarding Adjustment No. 13	5
6	Summary Calculations:	6
7	OPERATING EXPENSES	7
8	ICC 408.1 Taxes Other Than Income Taxes	\$ 34,000 8
9	ICC 409.1-Income Taxes - State 7.75%	\$ (3,000) 9
10	ICC 409.1-Income Taxes - Federal 35.00%	<u>\$ (11,000)</u> 10
11	Total Operating Expenses	<u>\$ 20,000</u> 11
12	EFFECT ON OPERATING INCOME	<u><u>\$ (20,000)</u></u> 12



North Shore Gas Company

Sales Statistics by Customer Classification (All Volume in Therms)

Line No.	Description	Test Year Ending December 31, 2015		Historical Year Ended December 31, 2012		Historical Year Ended December 31, 2011		Historical Year Ended December 31, 2010		Line No.
		Total Company Revenues	Total Company Volume	Total Company Revenues	Total Company Volume	Total Company Revenues	Total Company Volume	Total Company Revenues	Total Company Volume	
	[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	
1	Sales by customer class									1
2	Residential	\$154,306,000	172,723,000	\$123,532,000	159,443,000	\$153,411,000	181,764,000	\$163,206,000	178,065,000	2
3	Commercial	22,026,000	26,832,000	17,488,000	25,467,000	22,856,000	30,816,000	25,029,000	30,682,000	3
4	Industrial	4,184,000	5,545,000	3,384,000	5,392,000	3,966,000	5,725,000	4,084,000	5,276,000	4
5	Transportation by customer class									5
6	Residential	\$5,669,000	15,305,000	\$4,732,000	12,861,000	\$5,082,000	15,233,000	5,519,000	15,457,000	6
7	Commercial	12,472,000	79,792,000	8,402,000	61,372,000	8,361,000	69,641,000	8,577,000	69,761,000	7
8	Industrial	5,434,000	40,205,000	3,575,000	49,884,000	3,554,000	51,715,000	3,438,000	47,146,000	8
9	Contract	402,000		623,000		1,122,000		1,171,000		9
10	Total Sales and Transportation	<u>\$204,493,000</u>	<u>340,402,000</u>	<u>\$161,736,000</u>	<u>314,419,000</u>	<u>\$198,352,000</u>	<u>354,894,000</u>	<u>\$211,024,000</u>	<u>\$346,387,000</u>	10
11	Other Revenues									11
12	Forfeited Discounts	\$619,000		\$570,000		\$686,000		\$653,000		12
13	Misc Service Revenues	604,000		610,000		492,000		517,000		13
14	Other Revenues	269,000		-558,000		1,893,000		-934,000		14
15	Sub-Total	<u>\$1,492,000</u>		<u>\$622,000</u>		<u>\$3,071,000</u>		<u>\$236,000</u>		15
16	Total Revenues	<u>\$205,985,000</u>		<u>\$162,358,000</u>		<u>\$201,423,000</u>		<u>\$211,260,000</u>		16

Note: All revenues and volumes are subject to the jurisdiction of the Commission. Sales and transportation revenues by customer class do not include charges for the Rider 1; additional charges for taxes and customer charge adjustments.

North Shore Gas Company

Comparative Operating Income Statements for  
Prior Years and the Test Year

Line No.	Account Number [A]	Account [B]	Test Year Ending December 31, 2015 [C]	Forecasted Year Ending December 31, 2014 (1) [D]	Forecasted Year Ending December 31, 2013 (2) [E]	Historical Year Ended December 31, 2012 [F]	Line No.
1	400	OPERATING REVENUES					1
2		Residential Sales	\$ 154,306,000	\$ 153,749,000	\$ 149,263,000	\$ 123,532,000	2
3		Commercial and Industrial Sales	26,210,000	26,033,000	26,991,000	20,872,000	3
4		Other Revenues	25,469,000	27,342,000	22,031,000	17,954,000	4
5		Total Operating Revenues	<u>\$ 205,985,000</u>	<u>\$ 207,124,000</u>	<u>\$ 198,285,000</u>	<u>\$ 162,358,000</u>	5
6		OPERATING EXPENSES					6
7	401	Cost of Gas (3)	104,928,000	104,483,000	105,246,000	83,575,000	7
8	401 and 402	Other Operation and Maintenance (3)	69,673,000	71,923,000	58,127,000	47,964,000	8
9	403	Depreciation	11,759,000	11,028,000	10,517,000	9,908,000	9
10	404.3	Amortization	-	-	-	-	10
11	408.1	Taxes Other than Income	3,255,000	3,183,000	3,067,000	3,016,000	11
12	409.1	Federal Income Taxes - Current	7,212,000	(4,264,000)	1,998,000	(3,282,000)	12
13	409.1	State Income Taxes - Current	538,000	474,000	(1,190,000)	(557,000)	13
14	410.1 and 411.1	Deferred Income Taxes	(2,928,000)	8,983,000	5,766,000	9,655,000	14
15	411.4	Investment Tax Credit	-	7,000	4,000	(27,000)	15
16		Total Operating Expenses	<u>\$ 194,437,000</u>	<u>\$ 195,817,000</u>	<u>\$ 183,535,000</u>	<u>\$ 150,252,000</u>	16
17		OPERATING INCOME	<u>\$ 11,548,000</u>	<u>\$ 11,307,000</u>	<u>\$ 14,750,000</u>	<u>\$ 12,106,000</u>	17

Note: (1) Includes zero months of actual data and twelve months of forecasted data.

(2) Includes six months of actual data and six months of forecasted data.

(3) Detail of Cost of Gas and Other Operation and Maintenance is shown by individual operation and maintenance expense accounts on pages 2 through 3.

North Shore Gas Company  
Comparative Operating Income Statements for  
Prior Years and the Test Year

Line No.	Account Number	Account	Test Year Ending December 31, 2015	Forecasted Year Ending December 31, 2014 (1)	Forecasted Year Ending December 31, 2013 (2)	Historical Year Ended December 31, 2012	Line No.
	[A]	[B]	[C]	[D]	[E]	[F]	
1		<b>Cost of Gas</b>					1
2	728	Liquefied Petroleum Gas	\$ -	\$ -	\$ 3,000	\$ 5,000	2
3	804	Natural Gas City Gate Purchases	106,061,000	105,586,000	98,058,000	82,937,000	3
4	808.1	Gas Withdrawn from Storage - Debit	39,996,000	39,249,000	43,337,000	33,103,000	4
5	808.2	Gas Delivered to Storage - Credit	(40,195,000)	(39,444,000)	(35,228,000)	(31,588,000)	5
6	810	Gas Used for Compressor Station Fuel - Credit	(296,000)	(287,000)	(299,000)	(433,000)	6
7	812	Gas Used for Other Utility Operations - Credit	(638,000)	(621,000)	(625,000)	(449,000)	7
8		Total Cost of Gas	104,928,000	104,483,000	105,246,000	83,575,000	8
9		<b>Production - Operation</b>					9
10	717	Liquefied Petroleum Gas Expenses	4,000	4,000	5,000	2,000	10
11	735	Miscellaneous Production Expenses - Manufactured Gas Production	145,000	139,000	87,000	66,000	11
12	813	Other Gas Supply Expenses	309,000	297,000	188,000	279,000	12
13		Total Production - Operation	458,000	440,000	280,000	347,000	13
14		<b>Production - Maintenance</b>					14
15	740	Maintenance Supervision and Engineering Manufactured Gas Product	254,000	245,000	182,000	160,000	15
16	741	Maintenance of Structures and Improvements	3,000	3,000	7,000	8,000	16
17	742	Maintenance of Production Equipment Manufactured Gas Product	57,000	77,000	118,000	117,000	17
18		Total Production - Maintenance	314,000	325,000	307,000	285,000	18
19		<b>Transmission Expenses - Operation</b>					19
20	856	Mains Expense	248,000	998,000	77,000	102,000	20
21		Total Transmission Expenses - Operation	248,000	998,000	77,000	102,000	21
22		<b>Transmission Expenses - Maintenance</b>					22
23	863	Maintenance of Mains	-	-	-	47,000	23
24		Total Transmission Expenses - Maintenance	-	-	-	47,000	24
25		<b>Distribution Expenses - Operation</b>					25
26	870	Operation Supervision and Engineering	382,000	311,000	353,000	379,000	26
27	871	Distribution Load Dispatching	129,000	128,000	183,000	155,000	27
28	874	Mains and Services Expenses	5,292,000	5,240,000	3,062,000	2,486,000	28
29	878	Meter and House Regulator Expenses	1,683,000	1,653,000	1,862,000	2,213,000	29
30	879	Customer Installations Expenses	608,000	597,000	631,000	794,000	30
31	880	Other Expenses	6,883,000	6,693,000	6,001,000	5,034,000	31
32	881	Rents	19,000	18,000	13,000	57,000	32
33		Total Distribution Expenses - Operation	14,996,000	14,640,000	12,105,000	11,118,000	33

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
(2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Comparative Operating Income Statements for  
Prior Years and the Test Year

Line No.	Account Number	Account Name	Test Year Ending December 31, 2015	Forecasted Year Ending December 31, 2014 (1)	Forecasted Year Ending December 31, 2013 (2)	Historical Year Ended December 31, 2012	Line No.
	[A]	[B]	[C]	[D]	[E]	[F]	
1		<b>Distribution Expenses - Maintenance</b>					1
2	885	Maintenance Supervision and Engineering	\$ 293,000	\$ 283,000	\$ 226,000	\$ 299,000	2
3	886	Maintenance of Structures and Improvements	10,000	8,000	10,000	10,000	3
4	887	Maintenance of Mains	2,512,000	2,400,000	1,515,000	1,846,000	4
5	889	Maintenance of Measuring & Regulating Station Equipment - General	2,000	2,000	35,000	63,000	5
6	891	Measuring and Regulating Station Equipment - City Gate - Distribution	120,000	106,000	91,000	131,000	6
7	892	Maintenance of Services	1,519,000	1,492,000	1,595,000	1,417,000	7
8	893	Maintenance of Meters and House Regulators	3,000	3,000	41,000	64,000	8
9		Total Distribution Expenses - Maintenance	4,459,000	4,294,000	3,513,000	3,830,000	9
10		<b>Customer Accounts Expense - Operation</b>					10
11	901	Customer Accounts Supervision	215,000	163,000	297,000	476,000	11
12	902	Meter Reading Expenses	904,000	889,000	698,000	571,000	12
13	903	Customer Records and Collection Expenses	3,935,000	4,252,000	3,808,000	4,071,000	13
14	904	Uncollectible Accounts	1,431,000	1,430,000	1,384,000	914,000	14
15	905	Miscellaneous Customer Accounts Expenses	1,302,000	1,354,000	224,000	532,000	15
16		Total Customer Accounts Expense - Operation	7,787,000	8,088,000	6,411,000	6,564,000	16
17		<b>Customer Service and Informational Services - Operation</b>					17
18	907	Customer Service Supervision	46,000	28,000	38,000	65,000	18
19	908	Customer Assistance Expenses	362,000	323,000	343,000	381,000	19
20	909	Informational and Instructional Advertising Expenses	284,000	283,000	329,000	209,000	20
21	910	Miscellaneous Customer Service and Informational Expenses	66,000	66,000	117,000	139,000	21
22		Total Customer Service and Informational Services - Operation	758,000	700,000	827,000	794,000	22
23		<b>Administrative and General Expenses - Operation</b>					23
24	920	Administrative and General Salaries	6,150,000	5,707,000	4,968,000	4,677,000	24
25	921	Office Supplies and Expenses	1,995,000	1,358,000	1,501,000	1,624,000	25
26	923	Outside Services Employed	1,153,000	1,256,000	1,083,000	821,000	26
27	924	Property Insurance	41,000	39,000	57,000	32,000	27
28	925	Injuries and Damages	1,517,000	1,489,000	1,590,000	1,334,000	28
29	926	Employee Pensions and Benefits	8,190,000	7,871,000	7,655,000	7,239,000	29
30	927	Franchise Requirements	674,000	651,000	876,000	841,000	30
31	928	Regulatory Commission Expense	625,000	1,385,000	2,008,000	1,718,000	31
32	929	Duplicate Charges - Credit	-	-	(250,000)	(392,000)	32
33	930.1	General Advertising Expenses	12,000	12,000	3,000	2,000	33
34	930.2	Miscellaneous General Expenses	19,645,000	21,969,000	14,373,000	6,192,000	34
35	931	Rents	651,000	701,000	743,000	789,000	35
36		Total Administrative and General Expenses - Operation	40,653,000	42,438,000	34,607,000	24,877,000	36
37		<b>Total Operation and Maintenance, Excluding Cost of Gas</b>	\$ 69,673,000	\$ 71,923,000	\$ 58,127,000	\$ 47,964,000	37
38		<b>Total Operation and Maintenance</b>	\$ 174,601,000	\$ 176,406,000	\$ 163,373,000	\$ 131,539,000	38

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
(2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Income Taxes

Line No.	Description [A]	Test Year Ended December 31, 2015 [B]	Line No.
1	<b>Computation of Taxes Based on Operating Income</b>		1
2	Operating Income - Schedule C-1	11,548,000	2
3	Add:		3
4	Interest Charges	(3,708,000)	4
5	Federal and State Income Taxes - Current	7,750,000	5
6	Deferred Income Taxes	(2,928,000)	6
7	Investment Tax Credit	-	7
8	Operating Income Before Taxes	<u>12,662,000</u>	8
9	Less Adjustments:		9
10	Permanent Tax Adjustments		10
11	Club Dues	-	11
12	Meals and Entertainment	(15,000)	12
13	ESOP	108,000	13
14	Total Permanent Adjustments	<u>93,000</u>	14
15	Taxable Operating Income	<u><u>12,569,000</u></u>	15
16	<u>Calculation of State Income Tax (SIT) for Operating Income</u>		16
17	Operating Income Subject to State Tax (Line 15)	12,569,000	17
18	Illinois Tax Rate	7.75%	18
19	Total State Taxes	<u>974,000</u>	19
20	Less:		20
21	Provision for State Deferred Taxes, net of ITC		21
22	State Deferred Taxes at Current rates per Schedule C-5.2	227,000	22
23	Less: Deferred Taxes on Amortization of Investment Tax Credits - Net	(2,000)	23
24	Plus: Gross up to Exclude Federal Effect	120,000	24
25	Provision for Deferred Investment Tax Credits	<u>91,000</u>	25
26	Current State Income Taxes	<u><u>538,000</u></u>	26
27	<u>Calculation of Federal Income Tax (FIT) for Operating Income</u>		27
28	Operating Income Subject to Federal Tax (Line 15 less line 19)	11,595,000	28
29	Federal Income Tax Rate	35.00%	29
30	Total Federal Taxes	<u>4,058,000</u>	30
31	Less:		31
32	Provision for Federal Deferred Taxes		32
33	Federal Deferred Taxes at Current rates per Schedule C-5.2	(3,021,000)	33
34	Less: Deferred Taxes on Amortization of Investment Tax Credits - Net	(13,000)	34
35	Less: Gross up to Exclude Federal Effect on State	(120,000)	35
36	Current Federal Income Taxes	<u><u>7,212,000</u></u>	36

North Shore Gas Company

Consolidated Federal Income Tax Return

Test Year Ended December 31, 2015

- a) The Company is part of a controlled group of corporations, required to file a consolidated federal income tax return. The Company is allocated its share of federal income tax liability based on the liability it would have if it had filed a separate return using the marginal tax rate of the consolidated group.
- b) None.
- c) Not applicable.

North Shore Gas Company

Deferred Income Tax Expense

Test Year Ended December 31, 2015

Line No.	Component of Deferred Taxes (Timing/Temporary Difference) [A]	Contra ICC Account [B]	Test Year Calendar 2015 Timing/Temporary Difference [C]	Deferred Income Taxes at Current Rates (1)		Amortization of Excesses and Deficiencies		Total Deferred Income Tax (410.1, 411.1)		Line No.
				Federal Income Tax [D]	State Income Tax [E]	Federal Income Tax [F]	State Income Tax [G]	Federal Income Tax [H]	State Income Tax [I]	
1	Tax vs. Book Depreciation-Federal	282	\$ 2,208,000	\$ 773,000	\$ -	\$ (34,000)	\$ -	\$ 739,000	\$ -	1
2	Tax vs. Book Depreciation-State	282	4,245,000	-	214,000	-	27,000	-	241,000	2
3	Environmental Costs	283	(10,050,000)	(3,517,000)	(507,000)	-	(112,000)	(3,517,000)	(619,000)	3
4	Loss on Reacquired Debt	283	(170,000)	(59,000)	(9,000)	-	-	(59,000)	(9,000)	4
5	Prepaid Insurance	283	23,000	8,000	1,000	-	-	8,000	1,000	5
6	Reg Assets (Non Current)	283	275,000	96,000	14,000	-	-	96,000	14,000	6
7	Reg Assets - Bad Debt Rider LT	283	478,000	168,000	24,000	-	-	168,000	24,000	7
8	Bad Debt	190	12,000	4,000	1,000	-	-	4,000	1,000	8
9	Post Empolyee Benefits-FAS112	190	46,000	16,000	2,000	-	-	16,000	2,000	9
10	Gas Cost Reconciliation	190	(774,000)	(271,000)	(39,000)	-	(8,000)	(271,000)	(47,000)	10
11	Pension Expense	190	(803,000)	(281,000)	(40,000)	-	(6,000)	(281,000)	(46,000)	11
12	Post Retirement-Cumulative Medicare	190	(93,000)	(33,000)	(5,000)	33,000	5,000	-	-	12
13	Post Retirement-Health	190	(417,000)	(146,000)	(21,000)	-	-	(146,000)	(21,000)	13
14	Reg Assets (Current)	190	(625,000)	(219,000)	(31,000)	-	(4,000)	(219,000)	(35,000)	14
15	Reg Liabilities-Bad Debt Rider ST	190	(202,000)	(71,000)	(10,000)	-	-	(71,000)	(10,000)	15
16	Reg Liabilities-Bad Debt Rider LT	190	(245,000)	(86,000)	(12,000)	-	0	(86,000)	(12,000)	16
17	Restricted Stock	190	(3,000)	(1,000)	-	-	-	(1,000)	-	17
18	Rider EOA	190	60,000	21,000	3,000	-	1,000	21,000	4,000	18
19	Vacation	190	(46,000)	(16,000)	(2,000)	-	-	(16,000)	(2,000)	19
20	Net Operating Loss - Fed	190	1,749,000	612,000	N/A	-	-	612,000	-	20
21	Net Operating Loss - IL	190	12,747,000	N/A	642,000	-	(33,000)	-	609,000	21
22	Illinois Replacement Tax - Investment Tax Credit - Amortization	190	38,000	13,000	2,000	(2,000)	(1,000)	11,000	1,000	22
23	Illinois Replacement Tax - Investment Tax Credit - Provision	190	(91,000)	(32,000)	N/A	-	-	(32,000)	-	23
<b>24</b>	<b>Total Deferred Taxes</b>			<b>\$ (3,021,000)</b>	<b>\$ 227,000</b>	<b>\$ (3,000)</b>	<b>\$ (131,000)</b>	<b>\$ (3,024,000)</b>	<b>\$ 96,000</b>	<b>24</b>

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Note: (1) Current Rates are as follows:

Column	[D]	[E]
Line 1-23	35.000%	5.0375%

North Shore Gas Company

Differences Between Book And Tax Depreciation

Test Year Ending December 31, 2015

Line No.	Description	Amount [B]	Timing Difference [C]	Deferred Taxes Current Rate (1) [D]	Deferred Taxes Difference at Average Rates (2) [E]	Amortization of Excesses / and Deficiencies [F]	Line No.
1	Liberalized Depreciation						1
2	Accelerated Depreciation	11,778,000					2
3	(Gain)/Loss on Early Retirements	<u>0</u>					3
4	Total Accelerated Depreciation and Loss	<u>11,778,000</u>					4
5	Depreciation - Straight Line	12,438,000					5
6	(Gain)/Loss on Early Retirements	<u>0</u>					6
7	Total Straight Line Depreciation and Loss	<u>12,438,000</u>					7
8	Liberalized / Straight-line on Book Difference	<u>(660,000)</u>	(660,000)	(231,000)	(265,000)	(34,000)	
9	Basis Differences						9
10	Asset Retirement Obligations	222,000					10
11	Construction Work In-Progress	0					11
12	Interest Capitalized	(82,000)					12
13	Repairs	3,347,000					13
14	Other	<u>(619,000)</u>					14
		<u>2,868,000</u>	<u>2,868,000</u>	<u>1,004,000</u>	<u>1,004,000</u>	<u>0</u>	
15	Difference - Federal Income Tax	<u>2,208,000</u>	2,208,000	773,000	739,000	(34,000)	15
16	Difference - Federal Income Tax	2,208,000					16
17	Net Adjustment - Federal / State Depreciation Differences	<u>2,037,000</u>					17
18	Difference - State Income Tax	<u>4,245,000</u>	4,245,000	214,000	241,000	27,000	18
19	Total Deferred Tax			<u>987,000</u>	<u>980,000</u>	<u>(7,000)</u>	19

Notes: (1) Includes Federal and State as follows. See Schedule C-5.2 for similar calculations.

	Used for lines 8, 15	Used for line 18
Federal	35.00000%	35.00000%
Federal-SIT credit		-2.71250%
State		5.25000%
Illinois Replacement		2.50000%
	<u>35.00000%</u>	<u>5.03750%</u>
		<u>40.03750%</u>

(2) Computations on amounts in this column are performed on a vintage year basis.

North Shore Gas Company

Interest Synchronization

Test Year Ending December 31, 2015

<u>Line No.</u>						<u>Line No.</u>
1	Original Cost Rate Base			Schedule B-1	\$ 210,763,000	1
2	Aggregated Cost of Short Term and Long-Term Debt			Schedule D-1	<u>1.85%</u>	2
3	Synchronized Interest				3,899,000	3
4	Interest Expense on Long-Term Debt					4
	<u>Account Number</u>	<u>General Ledger Number</u>	<u>Description</u>		<u>Amount</u>	
5	427.00	427000	Interest on Long-Term Debt	\$	3,099,000	5
6	428.00	428000	Amortization of Debt Discount and Expense		29,000	6
7	428.10	428100	Amortization of Loss on Reacquired Long-Term Debt		<u>170,000</u>	7
					3,298,000	
8	430.00	430001	Interest Expense on Short-Term Debt -Associated Companies		52,000	8
9	431.00	431000	Amortization of Credit Line Fees		60,000	9
10	431.00	431020	Interest Expense on Short-Term Debt Borrowing		<u>230,000</u>	10
					<u>342,000</u>	
11	Total Interest Expense on Short-Term and Long-Term Debt				<u>3,640,000</u>	(1) 11
12	Increase (Decrease) in Interest Expense				<u>\$ 259,000</u>	12

Note: (1) Schedule C-5.4, line 11 picks up interest related to short-term and long term debt. This will not tie to Schedule C-5, line 4 because other interest expense items are not included on Schedule C-5.4.

The Company's position is a portion of rate base is financed by short-term and long-term debt borrowing.

Capital Structure on Schedule D-1 reflects Common Equity, Short Term Debt and Long Term Debt

North Shore Gas Company

Investment Tax And Job Development Credits

Test Year Ending December 31, 2015

Line No.	Description [A]	Balance at December 31, 2014 [B]	Amortization of Credits [C]	Addition to Credits [D]	Balance at December 31, 2015 [F]	Line No.
1	Unamortized Job Development Investment Credit	\$ (1,306,000)	\$ 53,000	\$ -	\$ (1,253,000)	1
2	Unamortized Illinois Replacement Tax Investment Credit	\$ (1,310,000)	\$ 38,000	\$ (91,000)	\$ (1,363,000)	2

North Shore Gas Company

Social and Service Club Membership Dues (1)

Line No.	Organization [A]	Purpose and Nature of Organization [B]	Test Year Ending December 31, 2015 Under Proposed Rates (2) [C]	Test Year Ending December 31, 2015 (2) [D]	Forecasted Year Ending December 31, 2014 (2)(3) [E]	Forecasted Year Ending December 31, 2013 (2)(4) [F]	Historical Year Ended December 31, 2012 [G]	Line No.
1	Illinois Chamber of Commerce	The Illinois Chamber of Commerce leads and serves members as well as the entire Illinois business community. The organization has a reputation as a credible, highly regarded and effective business advocate, which enables the Chamber to serve as the unifying voice of the Illinois business community.					\$ 4,000	1
2	Other - (Under \$1,000)						1,000	2
3	Total		\$ 19,000	\$ 19,000	\$ 19,000	\$ 12,000	\$ 5,000	3

- Note: (1) All amounts charged to accounts 880 (Other Expenses), 921 (A&G - Office Supplies & Expense) or 930.2 (Misc. General Expenses).  
(2) Actual expenses for membership dues are only available for the historical year ended December 31, 2012. North Shore does not have estimates as to the level of dues for any individual organization for calendar years 2013, 2014 and 2015, only an estimate of total social and service club membership dues.  
(3) Includes zero months actual and twelve months forecasted data.  
(4) Includes six months actual and six months forecasted data.

North Shore Gas Company

Industry Association Dues (1)

Line No.	Organization [A]	Purpose and Nature of Organization [B]	Test Year Ending December 31, 2015 Under Proposed Rates (2) [C]	Test Year Ending December 31, 2015 (2) [D]	Forecasted Year Ending December 31, 2014 (2)(3) [E]	Forecasted Year Ending December 31, 2013 (4) [F]	Historical Year Ended December 31, 2012 [G]	Line No.
1	Other (Under \$250,000) (5)						\$ 56,000	1
2	Total		<u>\$ 68,000</u>	<u>\$ 68,000</u>	<u>\$ 66,000</u>	<u>\$ 54,000</u>	<u>\$ 56,000</u>	2

- Note: (1) All amounts charged to accounts 880 (Distribution - Other Expenses), 908 Customer Assistance Expenses, 921 ( A&G-Office Supplies & Expenses) and 930.2 (Misc. General Expense).  
(2) Actual expenses for industry association dues are only available for the historical year ended December 31,2012. Respondent does not have estimates as to the level of dues for any individual organization for calendar years 2013, 2014 and 2015, only an estimate of total industry association dues.  
(3) Includes zero months of actual data and twelve months of forecasted data.  
(4) Includes six months of actual data and six months of forecasted data.  
(5) None of the items met the \$250,000 minimum required for individual listing.

North Shore Gas Company

Expenses for Outside Professional Services (1)

Line No.	Organization/ Nature of Service Provided (2) [A]	Test Year Ending December 31, 2015 Under Proposed Rates (3) [B]	Test Year Ending December 31, 2015 (3)(4) [C]	Forecasted Year Ending December 31, 2014 (3)(4) [D]	Forecasted Year Ending December 31, 2013 (3)(5) [E]	Historical Year Ended December 31, 2012 [F]	Line No.
1	<b><u>Accounting and Auditing Services</u></b>						1
2	Deloitte & Touche LLP					\$ 184,000	2
3	<b><u>Business Services</u></b>						3
4	Behavioral Science Technology Inc.					52,000	4
5	First Contact					683,000	5
6	<b><u>Legal</u></b>						6
7	Johnson & Bell Ltd.					303,000	7
8	<b><u>Other</u></b>						8
9	Total Under \$50,000					386,000	9
10	Total	\$ 2,011,000 (6)	\$ 2,011,000	\$ 1,877,000	\$ 1,756,000	\$ 1,608,000	10

- Note: (1) For the historical year 2012, amounts were charged to O&M accounts 609010 - Contractor - Outside Engineering & Professional Fees, 618000 - Outsourced Services, 620000 - Due Diligence, 620001 - Proj Costs - Professional Fees, 622000 - Audit Fees, 625000 - Legal Fees, 626000 - Consulting and Other Professional Services, and 670005 - Injuries and Damages. For forecasted years, charges are to the accounts listed above. Outside Services charged to Balance Sheet/ Deferred accounts are not reflected in this schedule.
- (2) Purpose and nature of outside services provided by organization is noted by service category.
- (3) Detail of outside service expense is only available for the historical year ended December 31, 2012. The Company does not have estimates as to the level of charges for any individual outside service provider for the years 2013, 2014 and 2015, but only an estimate of total outside service fees.
- (4) Includes zero months of actual data and twelve months of forecasted data.
- (5) Includes six months of actual data and six months of forecasted data.
- (6) Test year expense shown in columns (C) and (G) on Schedule C-1. This amount does not include rate case expense to be recovered in this proceeding (see Schedule C-2).

North Shore Gas Company

Charitable Contributions (1)

Line No.	Organization [A]	Purpose and Nature of Organization [B]	Benefits of Contribution [C]	Test Year Ending December 31, 2015 Under Proposed Rates (2) (5) [D]	Test Year Ending December 31, 2015 (2) [E]	Forecasted Year Ending December 31, 2014 (2)(3) [F]	Forecasted Year Ending December 31, 2013 (2)(4) [G]	Historical Year Ended December 31, 2012 (2) [H]	Line No.
1	<b>United Way</b>								1
2	United Way of Lake County	Increasing capacity of organization community health and social services organizations to meet the service needs of people in the local community.	Corporate contribution to support the United Way campaign.					\$ 21,000	2
3	<b>Neighborhood Development</b>								3
4	Donors Forum	The Donors Forum of Chicago is the membership organization for philanthropy – grantmakers and nonprofits – in Illinois. For grantmakers it provides on-going professional development programs focusing on best practices and current challenges. The Donors Forum programming at the Philanthropy Center at the College of Lake County in Grayslake serves the entire non-profit community in Lake County with materials, guidance and forums on fundraising, management and governance.	Support for the Donors Forum programming at the Philanthropy Center at the College of Lake County in Grayslake serving the entire non-profit community in Lake County with materials, guidance and forums on fundraising, management and governance.					5,000	4
5	Family Services	Family Services' Nuestro Center serves the Mexican immigrant population in Highwood and surrounding communities. On-site programs are provided for children and adults – after school activities and homework assistance, summer day camp, ESL classes, computer training, GED classes, etc.	General operating support for Family Services' Nuestro Center program serving the Mexican immigrant population in Highwood and surrounding communities.					5,000	5
6	Lambs Farm	Located in Libertyville, IL, Lambs Farm works with people with developmental disabilities, providing on-site and off-site group homes, a vocational services program that provides a system of assessment, training, job placement and job support, health, social and recreational programs and a seniors program.	General operating support for Lambs Farm program working with people with developmental disabilities, providing on-site and off-site group homes, a vocational services program that provides a system of assessment, training, job placement and job support, health, social and recreational programs and a seniors program.					5,000	6

Charitable Contributions (1)

Line No.	Organization [A]	Purpose and Nature of Organization [B]	Benefits of Contribution [C]	Test Year Ending December 31, 2015 Under Proposed Rates (2) (5) [D]	Test Year Ending December 31, 2015 (2) [E]	Forecasted Year Ending December 31, 2014 (2)(3) [F]	Forecasted Year Ending December 31, 2013 (2)(4) [G]	Historical Year Ended December 31, 2012 (2) [H]	Line No.
7	Youth Build	YouthBuild programs serve the Waukegan, IL area, assisting low-income young people ages 16 to 24 work full-time for 6 to 24 months toward their GEDs or high school diplomas while learning job skills by building affordable housing in their communities. Emphasis is placed on leadership development, community service, and the creation of a positive mini-community of adults and youth committed to each other's success. Students may earn AmeriCorps education awards through their homebuilding and other community service. At exit, they are placed in college, jobs, or both.	General operating support of the YouthBuild programs for youth working towards their GEDs while learning job skills.					5,000	7
8	<b>Health and Human Services</b>								8
9	ElderCARE at Christ Church	ElderCARE uses volunteers from Waukegan congregations and the community to visit and work with the frail elderly. The trained volunteers make visits to low-income homebound seniors – they do grocery shopping, check for home safety, provide assistance with safety items, provide transportation to and from medical appointments– and often, just check in to visit and decrease isolation.	General operating support for ElderCARE program that uses volunteers from Waukegan congregations and the community to visit and work with the frail elderly.					5,000	9
10	Mothers Trust Foundation	Mothers Trust works with social service providers in Lake County to provide financial assistance to children and their families. They partner with more than 120 agencies and schools in Lake County. Examples of the support they provide are as diverse as children needing underwear, tattoo removal and families needing assistance with security deposits, rent and utilities.	General operating support for Mothers Trust program working with social service providers in Lake County to provide financial assistance to children and their families.					8,000	10
11	<b>Culture</b>								11
12	Ravinia Festival Association	Ravinia is an internationally recognized non-profit arts organization dedicated to drawing together artists and audiences for the celebration of music. Annually it presents more than 150 live concerts. It has an extensive music education program in the school that places teaching artists in the classrooms and brings students to the Ravinia Festival for performances.	Support for Education programs serving students in low income communities in Lake and Cook counties.					6,000	12

North Shore Gas Company

Charitable Contributions (1)

Line No.	Organization [A]	Purpose and Nature of Organization [B]	Benefits of Contribution [C]	Test Year Ending December 31, 2015 Under Proposed Rates (2) (5) [D]	Test Year Ending December 31, 2015 (2) [E]	Forecasted Year Ending December 31, 2014 (2)(3) [F]	Forecasted Year Ending December 31, 2013 (2)(4) [G]	Historical Year Ended December 31, 2012 (2) [H]	Line No.
13	<b>Environment</b>								13
14	Preservation Foundation	The Preservation Foundation provides programs to restore and protect sensitive lands in the Lake County Forest Preserves, comprehensive environmental education programs for students and adults and extensive cultural programming.	Support for the Living Wall installation and the environmental education program of the Greenbelt Cultural Center.					19,000	14
15	Lake Forest Open Lands	LFOL focuses on conserving the natural environment through land acquisition, habitat restoration, environmental education and conservation advocacy. A major focus is on the environmental education program – with grade specific curricula K-12, in and after school programs, and summer camps.	General operating support to LFOL programs focusing on conserving the natural environment through land acquisition, habitat restoration, environmental education and conservation advocacy.					7,000	15
16	Others > \$5,000							19,000	16
17	Total			<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 125,000</u>	<u>\$ 114,000</u>	<u>\$ 105,000</u>	17

- Note: (1) Unless noted all amounts are charged to account 426.1, Donations.  
(2) Actual expenses for charitable contributions to individual organizations are only available for the historical year ended December 31, 2012. The Company does not have estimates as to the level of contributions for any individual organization for calendar years 2013, 2014, and 2015, only an estimate of total charitable contributions.  
(3) Includes zero months of actual data and twelve months of forecasted data.  
(4) Includes six months of actual data and six months of forecasted data.  
(5) Amount for test year jurisdictional pro forma at proposed rates on Schedule C-1 was adjusted by Schedule C-2 ratemaking adjustment No. 7 to equal Test Year amount reflected in column D.

North Shore Gas Company

Demonstration and Selling, Advertising  
 and Miscellaneous Sales Expenses

Test Year Ending December 31, 2015

<u>Line No.</u>	<u>Account Number</u> [A]	<u>Account Description</u> [B]	<u>Test Year Ending December 31, 2015</u> [C]	<u>RateMaking Adjustments to Exclude Disallowable Expenses</u> [D]	<u>Expense Included on Schedule C-1 at Present Rates</u> [E]	<u>Line No.</u>
1	909	Informational and Instructional Advertising Expenses	\$ 284,000	\$ -	\$ 284,000	1

"In accordance to the requirements of 83 Ill. Adm. Code 295.40, workpapers and materials supporting 83 Ill. Adm. Code 285.3075 shall be made available to the Commission Staff at the time of the Staff investigation."

North Shore Gas Company

Rate Case Expense

Line No.	Item of Expense [A]	Type of Service Rendered [B]	Specific Service Rendered [C]	Basis of Charge [D]	Estimated Fee [E]	Travel Expenses [F]	Total Expenses [G]	Amount Expensed During Test Year [H]
1	<u>Outside Consultants or Witnesses</u>							
2	Hengtgen Consulting, LLC	Consultants	Rate Base and Cash Working Capital	Estimated Hours	\$ 257,000	\$ -	\$ 257,000	
3	Stafflogix / PRO Unlimited		Rate Design and Cost of Service					
4	Centric Consulting		Rate Case Support					
5	SFIO Consulting	Consultants	Rate Case/Regulatory Policy	Estimated Hours	64,000	-	64,000	
6	Deloitte & Touche	Public Accounting Services	Examination of the projected financial	Level of staff and estimated	132,000	-	132,000	
7			statements for the year ending	hours, plus out-of-pocket				
8			December 31, 2015	expenses				
9	P. Moul & Associates	Expert Witness	Return on Equity	Estimated Hours	44,000	-	44,000	
10	Towers Watson	Consultants	Actuarial Studies	Estimated Hours	2,000	-	2,000	
11	Gannett Fleming	Expert Witness	Depreciation Study/Net Dismantling	Estimated Hours	40,000	-	40,000	
12	Rebuttal Witness -To be determined	Consultants	Rate Case/Regulatory Policy	Estimated Hours	14,000	-	14,000	
13	Total Outside Consultants or Witnesses				<u>553,000</u>	<u>-</u>	<u>553,000</u>	
14	Outside Legal Services - Foley & Lardner, LLP		Rate Case Support	Estimated Hours	345,000	-	345,000	
15	Outside Legal Services - Rooney Rippie & Ratnaswamy LLP		Rate Case Support	Estimated Hours	375,000	-	375,000	
16	InterCompany - billings from Affiliates				780,000	-	780,000	(1)
17	Other Expenses				<u>18,000</u>	<u>-</u>	<u>18,000</u>	(2)
18	Total Expense				<u>\$ 2,071,000</u>	<u>\$ -</u>	<u>\$ 2,071,000</u>	<u>\$ 1,036,000</u> (3) WPC-2.6
19	Previous rate case expenses - amortization expense under proposed rates effective February 1, 2015:			Docket #12-0511/12-0512 (consol.)		through compliance	476,000	238,000 (5) WPC-2.8
20				Docket #11-0280/11-0281 (consol.)		through compliance	0	0 (4)
21				Docket #09-0166/09-0167(consol.)		through compliance	0	0 (4)
							\$ 476,000	\$ 238,000 WPC-2.8
22				Docket #12-0511/12-0512 (consol.)		rehearing/appeal	74,000	37,000 (6) WPC-2.9
23				Docket #11-0280/11-0281 (consol.)		rehearing/appeal	20,000	10,000 (5) WPC-2.8
24				Docket #09-0166/09-0167(consol.)		rehearing/appeal	<u>25,000</u>	<u>13,000</u> (5) WPC-2.8
							\$ 119,000	\$ 60,000

- Notes: (1) Paid Overtime was not forecasted in the amount.  
(2) Other expenses include charges for outside printing services, court reporting, express courier and other miscellaneous expenses.  
(3) Based upon a two-year amortization period and included in column (G) of Schedule C-1.  
(4) Final Order Docket #11-0280/11-0281 (consol.), page 85-86  
(5) Final Order Docket #12-0511/12-0512 (consol.), page 175  
(6) Pending approval in this proceeding by Illinois Commerce Commission.

North Shore Gas Company  
Rate Case Expense Comparisons

Line No.	Item of Expense [A]	Current Rate Case [B]	Company Direct Prior Rate Case (Dkt. 12-0511) (1) [C]	Line No.
1	Outside Consultants and Witnesses	\$553,000	\$638,000	1
2	Outside Legal Services	720,000	815,000	2
3	InterCompany (Billings from Affiliates)	780,000	810,000	3
4	Paid Overtime	---	---	4
5	Other Expenses	<u>18,000</u>	<u>23,000</u>	5
6	Total Expense	<u>\$2,071,000</u>	<u>\$2,286,000</u>	6

Change between current rate case and prior rate case expenses approved -9.41% (2)

Notes: (1) The amount proposed in 2013 Future Test Year Rate Case, Docket 12-0511 - General increase in rates for gas service was approved in Docket 12-0511/12-0512 Consolidated - Final Order.

(2) Anticipate improvements in efficiencies and minimize redundancy of work performed. See NS Ex. 6.0 for further explanation.

North Shore Gas Company

Direct Payroll By Function (1)

Line No.	Category	Test Year Ending December 31, 2015	Forecasted Year Ending December 31, 2014 (2)	Forecasted Year Ended December 31, 2013 (3)	Historical Year Ended December 31, 2012	Line No.
	[A]	[B]	[C]	[D]	[E]	
1	Operations and Maintenance					1
2	Production	\$ 711,000	\$ 676,000	\$ 472,000	\$ 472,000	2
3	Storage	-	-	-	-	3
4	Transmission	-	-	-	7,000	4
5	Distribution	10,072,000	9,629,000	9,292,000	9,345,000	5
6	Customer Accounts	2,511,000	2,164,000	2,025,000	2,403,000	6
7	Customer Service and Informational Expenses	337,000	284,000	289,000	352,000	7
8	Administrative and General	6,102,000	5,648,000	4,757,000	4,419,000	8
9	Total Operations and Maintenance	19,733,000	18,401,000	16,835,000	16,998,000	9
10	Total Construction	2,592,000	2,510,000	2,504,000	2,207,000	10
11	Total Other	2,557,000	2,758,000	2,481,000	2,443,000	11
12	Total Payroll	<u>\$ 24,882,000</u>	<u>\$ 23,669,000</u>	<u>\$ 21,820,000</u>	<u>\$ 21,648,000</u>	12

Note: (1) Direct payroll includes NSG direct labor and incentives and labor and incentives direct billed or allocated to NSG by affiliates. Detail can be found on pages 2 and 3.  
(2) Includes zero months of actual data and twelve months of forecasted data.  
(3) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Direct Payroll By Function

Line No.	Category [A]	North Shore Direct Labor [B]	North Shore Direct Incentives [C]	Labor Billed from Affiliates [D]	Incentives Billed from Affiliates [E]	Total Direct Payroll by Function [F] = [B + C + D + E]	Line No.
1	<u>Test Year Ending December 31, 2015</u>						1
2	Operations and Maintenance						2
3	Production	\$ 412,000	\$ 28,000	\$ 249,000	\$ 22,000	\$ 711,000	3
4	Storage	-	-	-	-	-	4
5	Transmission	-	-	-	-	-	5
6	Distribution	8,732,000	153,000	1,094,000	93,000	10,072,000	6
7	Customer Accounts	796,000	-	1,583,000	132,000	2,511,000	7
8	Customer Service and Informational Expenses	-	-	311,000	26,000	337,000	8
9	Administrative and General	-	-	4,663,000	1,439,000	6,102,000	9
10	Total Operations and Maintenance	9,940,000	181,000	7,900,000	1,712,000	19,733,000	10
11	Total Construction	2,424,000	37,000	120,000	11,000	2,592,000	11
12	Total Other	2,087,000	139,000	298,000	33,000	2,557,000	12
13	Total Payroll	<u>\$ 14,451,000</u>	<u>\$ 357,000</u>	<u>\$ 8,318,000</u>	<u>\$ 1,756,000</u>	<u>\$ 24,882,000</u>	13
14	<u>Forecasted Year Ending December 31, 2014 (1)</u>						14
15	Operations and Maintenance						15
16	Production	\$ 388,000	\$ 27,000	\$ 240,000	\$ 21,000	\$ 676,000	16
17	Storage	-	-	-	-	-	17
18	Transmission	-	-	-	-	-	18
19	Distribution	8,413,000	148,000	985,000	83,000	9,629,000	19
20	Customer Accounts	771,000	-	1,290,000	103,000	2,164,000	20
21	Customer Service and Informational Expenses	-	-	262,000	22,000	284,000	21
22	Administrative and General	-	-	4,371,000	1,277,000	5,648,000	22
23	Total Operations and Maintenance	9,572,000	175,000	7,148,000	1,506,000	18,401,000	23
24	Total Construction	2,333,000	36,000	129,000	12,000	2,510,000	24
25	Total Other	2,042,000	134,000	525,000	57,000	2,758,000	25
26	Total Payroll	<u>\$ 13,947,000</u>	<u>\$ 345,000</u>	<u>\$ 7,802,000</u>	<u>\$ 1,575,000</u>	<u>\$ 23,669,000</u>	26

(1) Includes zero months of actual data and twelve months of forecasted data.

North Shore Gas Company

Direct Payroll By Function

Line No.	Category [A]	North Shore Direct Labor [B]	North Shore Direct Incentives [C]	Labor Billed from Affiliates [D]	Incentives Billed from Affiliates [E]	Total Direct Payroll by Function [F] = [B + C + D + E]	Line No.
1	<u>Forecasted Year Ending December 31, 2013 (1)</u>						1
2	Operations and Maintenance						2
3	Production	\$ 277,000	\$ 18,000	\$ 163,000	\$ 14,000	\$ 472,000	3
4	Storage	-	-	-	-	-	4
5	Transmission	-	-	-	-	-	5
6	Distribution	8,050,000	132,000	1,029,000	81,000	9,292,000	6
7	Customer Accounts	658,000	-	1,266,000	101,000	2,025,000	7
8	Customer Service and Informational Expenses	-	-	269,000	20,000	289,000	8
9	Administrative and General	(156,000)	4,000	4,097,000	812,000	4,757,000	9
10	Total Operations and Maintenance	8,829,000	154,000	6,824,000	1,028,000	16,835,000	10
11	Total Construction	2,375,000	39,000	83,000	7,000	2,504,000	11
12	Total Other	1,887,000	114,000	426,000	54,000	2,481,000	12
13	Total Payroll	<u>\$ 13,091,000</u>	<u>\$ 307,000</u>	<u>\$ 7,333,000</u>	<u>\$ 1,089,000</u>	<u>\$ 21,820,000</u>	13
14	<u>Historical Year Ended December 31, 2012</u>						14
15	Operations and Maintenance						15
16	Production	\$ 217,000	\$ 16,000	\$ 217,000	\$ 22,000	\$ 472,000	16
17	Storage	-	-	-	-	-	17
18	Transmission	7,000	-	-	-	7,000	18
19	Distribution	7,978,000	141,000	1,104,000	122,000	9,345,000	19
20	Customer Accounts	585,000	-	1,639,000	179,000	2,403,000	20
21	Customer Service and Informational Expenses	-	-	319,000	33,000	352,000	21
22	Administrative and General	(158,000)	(17,000)	3,522,000	1,072,000	4,419,000	22
23	Total Operations and Maintenance	8,629,000	140,000	6,801,000	1,428,000	16,998,000	23
24	Total Construction	2,139,000	31,000	33,000	4,000	2,207,000	24
25	Total Other	1,741,000	132,000	496,000	74,000	2,443,000	25
26	Total Payroll	<u>\$ 12,509,000</u>	<u>\$ 303,000</u>	<u>\$ 7,330,000</u>	<u>\$ 1,506,000</u>	<u>\$ 21,648,000</u>	26

(1) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Number of Employees

Test Year Ending December 31, 2015

Line No	Department	January		February		March		April		May		June		No
		Forecast [B]	Authorized [C]	Forecast [D]	Authorized [E]	Forecast [F]	Authorized [G]	Forecast [H]	Authorized [I]	Forecast [J]	Authorized [K]	Forecast [L]	Authorized [M]	
1	<b>Operations</b>													1
2	B25 Meter Reading													2
3	Full Time Employees (a)	12	12	12	12	12	12	12	12	12	12	12	12	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	6
7	B45 Distribution Design													7
8	Full Time Employees (a)	7	7	7	7	7	7	7	7	7	7	7	7	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	11
12	B53 Production Department													12
13	Full Time Employees (a)	3	3	3	3	3	3	3	3	3	3	3	3	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	16
17	B80 North Shore Operations													17
18	Full Time Employees (a)	147	147	147	147	147	147	147	147	148	148	148	148	18
19	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	19
20	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	20
21	Total Full Time Equivalents (a)+(b)	147.68	147.68	147.68	147.68	147.68	147.68	147.68	147.68	148.68	148.68	148.68	148.68	21
22	Total Operations													22
23	Full Time Employees (a)	169	169	169	169	169	169	169	169	170	170	170	170	23
24	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	24
25	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	25
26	Total Full Time Equivalents (a)+(b)	169.68	169.68	169.68	169.68	169.68	169.68	169.68	169.68	170.68	170.68	170.68	170.68	26
27	<b>Fleet and Supply Chain</b>													27
28	B02 Fleet													28
29	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	29
30	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	30
31	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31
32	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	32
33	B03 Supply Chain													33
34	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	34
35	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36
37	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	37
38	Total Fleet and Supply Chain													38
39	Full Time Employees (a)	8	8	8	8	8	8	8	8	8	8	8	8	39
40	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41
42	Total Full Time Equivalents (a)+(b)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	42
43	<b>Total North Shore Gas Company</b>													43
44	Full Time Employees (a)	177	177	177	177	177	177	177	177	178	178	178	178	44
45	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	45
46	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	46
47	Total Full Time Equivalents (a)+(b)	177.68	177.68	177.68	177.68	177.68	177.68	177.68	177.68	178.68	178.68	178.68	178.68	47



North Shore Gas Company

Number of Employees

Forecasted Year Ending December 31, 2014 (1)

Line No	Department [A]	January		February		March		April		May		June		No
		Forecast [B]	Authorized [C]	Forecast [D]	Authorized [E]	Forecast [F]	Authorized [G]	Forecast [H]	Authorized [I]	Forecast [J]	Authorized [K]	Forecast [L]	Authorized [M]	
1	<b>Operations</b>													1
2	B25 Meter Reading													2
3	Full Time Employees (a)	12	12	12	12	12	12	12	12	12	12	12	12	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	6
7	B45 Distribution Design													7
8	Full Time Employees (a)	7	7	7	7	7	7	7	7	7	7	7	7	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	11
12	B53 Production Department													12
13	Full Time Employees (a)	3	3	3	3	3	3	3	3	3	3	3	3	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	16
17	B80 North Shore Operations													17
18	Full Time Employees (a)	147	147	147	147	147	147	147	147	148	148	148	148	18
19	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	19
20	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	20
21	Total Full Time Equivalents (a)+(b)	147.68	147.68	147.68	147.68	147.68	147.68	147.68	147.68	148.68	148.68	148.68	148.68	21
22	Total Operations													22
23	Full Time Employees (a)	169	169	169	169	169	169	169	169	170	170	170	170	23
24	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	24
25	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	25
26	Total Full Time Equivalents (a)+(b)	169.68	169.68	169.68	169.68	169.68	169.68	169.68	169.68	170.68	170.68	170.68	170.68	26
27	<b>Fleet and Supply Chain</b>													27
28	B02 Fleet													28
29	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	29
30	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	30
31	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31
32	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	32
33	B03 Supply Chain													33
34	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	34
35	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36
37	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	37
38	Total Fleet and Supply Chain													38
39	Full Time Employees (a)	8	8	8	8	8	8	8	8	8	8	8	8	39
40	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41
42	Total Full Time Equivalents (a)+(b)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	42
43	<b>Total North Shore Gas Company</b>													43
44	Full Time Employees (a)	177	177	177	177	177	177	177	177	178	178	178	178	44
45	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	45
46	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	46
47	Total Full Time Equivalents (a)+(b)	177.68	177.68	177.68	177.68	177.68	177.68	177.68	177.68	178.68	178.68	178.68	178.68	47

Note: (1) Includes zero months of actual data and twelve months of forecasted data.

North Shore Gas Company

Number of Employees

Forecasted Year Ending December 31, 2014 (1)

Line No	Department [A]	July		August		September		October		November		December		Line No
		Forecast [B]	Authorized [C]	Forecast [D]	Authorized [E]	Forecast [F]	Authorized [G]	Forecast [H]	Authorized [I]	Forecast [J]	Authorized [K]	Forecast [L]	Authorized [M]	
1	<b>Operations</b>													1
2	B25 Meter Reading													2
3	Full Time Employees (a)	12	12	12	12	12	12	12	12	12	12	12	12	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	6
7	B45 Distribution Design													7
8	Full Time Employees (a)	7	7	7	7	7	7	7	7	7	7	7	7	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	7.00	11
12	B53 Production Department													12
13	Full Time Employees (a)	3	3	3	3	3	3	3	3	3	3	3	3	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	16
17	B80 North Shore Operations													17
18	Full Time Employees (a)	148	148	148	148	147	147	147	147	147	147	147	147	18
19	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	19
20	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	20
21	Total Full Time Equivalents (a)+(b)	148.68	148.68	148.68	148.68	147.68	147.68	147.68	147.68	147.68	147.68	147.68	147.68	21
22	Total Operations													22
23	Full Time Employees (a)	170	170	170	170	169	169	169	169	169	169	169	169	23
24	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	24
25	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	25
26	Total Full Time Equivalents (a)+(b)	170.68	170.68	170.68	170.68	169.68	169.68	169.68	169.68	169.68	169.68	169.68	169.68	26
27	<b>Fleet and Supply Chain</b>													27
28	B02 Fleet													28
29	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	29
30	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	30
31	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31
32	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	32
33	B03 Supply Chain													33
34	Full Time Employees (a)	2	2	2	2	2	2	2	2	2	2	2	2	34
35	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36
37	Total Full Time Equivalents (a)+(b)	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	37
38	Total Fleet and Supply Chain													38
39	Full Time Employees (a)	8	8	8	8	8	8	8	8	8	8	8	8	39
40	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41
42	Total Full Time Equivalents (a)+(b)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	42
43	<b>Total North Shore Gas Company</b>													43
44	Full Time Employees (a)	178	178	178	178	177	177	177	177	177	177	177	177	44
45	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	45
46	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	46
47	Total Full Time Equivalents (a)+(b)	178.68	178.68	178.68	178.68	177.68	177.68	177.68	177.68	177.68	177.68	177.68	177.68	47

Note: (1) Includes zero months of actual data and twelve months of forecasted data.

North Shore Gas Company

Number of Employees

Forecasted Year Ending December 31, 2013 (1)

Line No	Department [A]	January		February		March		April		May		June		No
		Actual [B]	Authorized [C]	Actual [D]	Authorized [E]	Actual [F]	Authorized [G]	Actual [H]	Authorized [I]	Actual [J]	Authorized [K]	Actual [L]	Authorized [M]	
1	<b>Operations</b>													1
2	B25 Meter Reading													2
3	Full Time Employees (a)	6	8	6	8	8	8	8	8	8	8	8	8	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	6.00	8.00	6.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	6
7	B45 Distribution Design													7
8	Full Time Employees (a)	4	4	4	4	4	4	4	4	4	4	4	4	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	11
12	B53 Production Department													12
13	Full Time Employees (a)	3	3	3	3	3	3	3	3	3	3	3	3	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	16
17	B80 North Shore Operations													17
18	Full Time Employees (a)	146	146	147	146	144	146	144	146	144	146	144	146	18
19	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	19
20	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	20
21	Total Full Time Equivalents (a)+(b)	146.68	146.68	147.68	146.68	144.68	146.68	144.68	146.68	144.68	146.68	144.68	146.68	21
22	Total Operations													22
23	Full Time Employees (a)	159	161	160	161	159	161	159	161	159	161	159	161	23
24	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	24
25	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	25
26	Total Full Time Equivalents (a)+(b)	159.68	161.68	160.68	161.68	159.68	161.68	159.68	161.68	159.68	161.68	159.68	161.68	26
27	<b>Fleet and Supply Chain</b>													27
28	B02 Fleet													28
29	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	29
30	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	30
31	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31
32	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	32
33	B03 Supply Chain													33
34	Full Time Employees (a)	2	3	2	3	2	3	2	3	2	3	2	3	34
35	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36
37	Total Full Time Equivalents (a)+(b)	2.00	3.00	2.00	3.00	2.00	3.00	2.00	3.00	2.00	3.00	2.00	3.00	37
38	Total Fleet and Supply Chain													38
39	Full Time Employees (a)	8	9	8	9	8	9	8	9	8	9	8	9	39
40	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41
42	Total Full Time Equivalents (a)+(b)	8.00	9.00	8.00	9.00	8.00	9.00	8.00	9.00	8.00	9.00	8.00	9.00	42
43	<b>Total North Shore Gas Company</b>													43
44	Full Time Employees (a)	167	170	168	170	167	170	167	170	167	170	167	170	44
45	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	45
46	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	46
47	Total Full Time Equivalents (a)+(b)	167.68	170.68	168.68	170.68	167.68	170.68	167.68	170.68	167.68	170.68	167.68	170.68	47

Note: (1) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Number of Employees

Forecasted Year Ending December 31, 2013 (1)

Line No	Department [A]	July		August		September		October		November		December		Line No
		Forecast [B]	Authorized [C]	Forecast [D]	Authorized [E]	Forecast [F]	Authorized [G]	Forecast [H]	Authorized [I]	Forecast [J]	Authorized [K]	Forecast [L]	Authorized [M]	
1	<b>Operations</b>													1
2	B25 Meter Reading													2
3	Full Time Employees (a)	8	8	11	8	12	8	12	8	12	8	12	8	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	8.00	8.00	11.00	8.00	12.00	8.00	12.00	8.00	12.00	8.00	12.00	8.00	6
7	B45 Distribution Design													7
8	Full Time Employees (a)	4	4	5	4	6	4	7	4	7	4	7	4	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	4.00	4.00	5.00	4.00	6.00	4.00	7.00	4.00	7.00	4.00	7.00	4.00	11
12	B53 Production Department													12
13	Full Time Employees (a)	3	3	3	3	3	3	3	3	3	3	3	3	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	16
17	B80 North Shore Operations													17
18	Full Time Employees (a)	145	146	143	146	143	146	145	146	147	146	147	146	18
19	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	19
20	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	20
21	Total Full Time Equivalents (a)+(b)	145.68	146.68	143.68	146.68	143.68	146.68	145.68	146.68	147.68	146.68	147.68	146.68	21
22	Total Operations													22
23	Full Time Employees (a)	160	161	162	161	164	161	167	161	169	161	169	161	23
24	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	24
25	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	25
26	Total Full Time Equivalents (a)+(b)	160.68	161.68	162.68	161.68	164.68	161.68	167.68	161.68	169.68	161.68	169.68	161.68	26
27	<b>Fleet and Supply Chain</b>													27
28	B02 Fleet													28
29	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	29
30	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	30
31	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31
32	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	32
33	B03 Supply Chain													33
34	Full Time Employees (a)	2	3	2	3	2	3	2	3	2	3	2	3	34
35	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36
37	Total Full Time Equivalents (a)+(b)	2.00	3.00	2.00	3.00	2.00	3.00	2.00	3.00	2.00	3.00	2.00	3.00	37
38	Total Fleet and Supply Chain													38
39	Full Time Employees (a)	8	9	8	9	8	9	8	9	8	9	8	9	39
40	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41
42	Total Full Time Equivalents (a)+(b)	8.00	9.00	8.00	9.00	8.00	9.00	8.00	9.00	8.00	9.00	8.00	9.00	42
43	<b>Total North Shore Gas Company</b>													43
44	Full Time Employees (a)	168	170	170	170	172	170	175	170	177	170	177	170	44
45	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	45
46	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	46
47	Total Full Time Equivalents (a)+(b)	168.68	170.68	170.68	170.68	172.68	170.68	175.68	170.68	177.68	170.68	177.68	170.68	47

Note: (1) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Number of Employees

Historical Year Ended December 31, 2012

Line No	Department	January		February		March		April		May		June		No
		Actual [B]	Authorized [C]	Actual [D]	Authorized [E]	Actual [F]	Authorized [G]	Actual [H]	Authorized [I]	Actual [J]	Authorized [K]	Actual [L]	Authorized [M]	
1	<b>Operations</b>													1
2	B25 Meter Reading													2
3	Full Time Employees (a)	8	8	8	8	8	8	8	8	8	8	8	8	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	6
7	B45 Distribution Design													7
8	Full Time Employees (a)	4	4	4	4	4	4	4	4	4	4	4	4	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	11
12	B53 Production Department													12
13	Full Time Employees (a)	3	3	3	3	3	3	3	3	3	3	3	3	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	16
17	B80 North Shore Operations													17
18	Full Time Employees (a)	141	146	141	146	140	146	141	146	142	146	142	146	18
19	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	19
20	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	20
21	Total Full Time Equivalents (a)+(b)	141.68	146.68	141.68	146.68	140.68	146.68	141.68	146.68	142.68	146.68	142.68	146.68	21
22	Total Operations													22
23	Full Time Employees (a)	156	161	156	161	155	161	156	161	157	161	157	161	23
24	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	24
25	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	25
26	Total Full Time Equivalents (a)+(b)	156.68	161.68	156.68	161.68	155.68	161.68	156.68	161.68	157.68	161.68	157.68	161.68	26
27	<b>Fleet and Supply Chain</b>													27
28	B02 Fleet													28
29	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	29
30	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	30
31	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31
32	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	32
33	B03 Supply Chain													33
34	Full Time Employees (a)	3	3	3	3	3	3	3	3	3	3	3	3	34
35	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36
37	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	37
38	Total Fleet and Supply Chain													38
39	Full Time Employees (a)	9	9	9	9	9	9	9	9	9	9	9	9	39
40	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41
42	Total Full Time Equivalents (a)+(b)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	42
43	<b>Total North Shore Gas Company</b>													43
44	Full Time Employees (a)	165	170	165	170	164	170	165	170	166	170	166	170	44
45	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	45
46	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	46
47	Total Full Time Equivalents (a)+(b)	165.68	170.68	165.68	170.68	164.68	170.68	165.68	170.68	166.68	170.68	166.68	170.68	47

North Shore Gas Company

Number of Employees

Historical Year Ended December 31, 2012

Line No	Department [A]	July		August		September		October		November		December		Line No
		Actual [B]	Authorized [C]	Actual [D]	Authorized [E]	Actual [F]	Authorized [G]	Actual [H]	Authorized [I]	Actual [J]	Authorized [K]	Actual [L]	Authorized [M]	
1	<b>Operations</b>													1
2	B25 Meter Reading													2
3	Full Time Employees (a)	8	8	8	8	6	8	6	8	6	8	6	8	3
4	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	4
5	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	5
6	Total Full Time Equivalents (a)+(b)	8.00	8.00	8.00	8.00	6.00	8.00	6.00	8.00	6.00	8.00	6.00	8.00	6
7	B45 Distribution Design													7
8	Full Time Employees (a)	4	4	4	4	4	4	4	4	4	4	4	4	8
9	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	9
10	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	10
11	Total Full Time Equivalents (a)+(b)	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	11
12	B53 Production Department													12
13	Full Time Employees (a)	3	3	3	3	3	3	3	3	3	3	3	3	13
14	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	14
15	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	15
16	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	16
17	B80 North Shore Operations													17
18	Full Time Employees (a)	144	146	147	146	148	146	148	146	148	146	145	146	18
19	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	19
20	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	20
21	Total Full Time Equivalents (a)+(b)	144.68	146.68	147.68	146.68	148.68	146.68	148.68	146.68	148.68	146.68	145.68	146.68	21
22	Total Operations													22
23	Full Time Employees (a)	159	161	162	161	161	161	161	161	161	161	158	161	23
24	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	24
25	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	25
26	Total Full Time Equivalents (a)+(b)	159.68	161.68	162.68	161.68	161.68	161.68	161.68	161.68	161.68	161.68	158.68	161.68	26
27	<b>Fleet and Supply Chain</b>													27
28	B02 Fleet													28
29	Full Time Employees (a)	6	6	6	6	6	6	6	6	6	6	6	6	29
30	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	30
31	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	31
32	Total Full Time Equivalents (a)+(b)	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	32
33	B03 Supply Chain													33
34	Full Time Employees (a)	3	3	3	3	3	3	3	3	2	3	2	3	34
35	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	35
36	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	36
37	Total Full Time Equivalents (a)+(b)	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	2.00	3.00	2.00	3.00	37
38	Total Fleet and Supply Chain													38
39	Full Time Employees (a)	9	9	9	9	9	9	9	9	8	9	8	9	39
40	Part Time Employees	0	0	0	0	0	0	0	0	0	0	0	0	40
41	Full Time Equivalents for PT Employees (b)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	41
42	Total Full Time Equivalents (a)+(b)	9.00	9.00	9.00	9.00	9.00	9.00	9.00	9.00	8.00	9.00	8.00	9.00	42
43	<b>Total North Shore Gas Company</b>													43
44	Full Time Employees (a)	168	170	171	170	170	170	170	170	169	170	166	170	44
45	Part Time Employees	1	1	1	1	1	1	1	1	1	1	1	1	45
46	Full Time Equivalents for PT Employees (b)	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	0.68	46
47	Total Full Time Equivalents (a)+(b)	168.68	170.68	171.68	170.68	170.68	170.68	170.68	170.68	169.68	170.68	166.68	170.68	47

North Shore Gas Company

Employee Benefits

Historical Year Ended December 31, 2012

Line No.	Description of Benefit [A]	Employee Classification Receiving the Benefit [B]	Total Costs [C]	Amount Capitalized [D]	Percentage Capitalized [E]	Amount Expensed [F]	Percentage Expensed [G]
1	Group Insurance - Active	Active Employees	\$ 1,444,000	\$ 355,000	24.58%	\$ 1,089,000	75.42%
2	Group Insurance - Retiree	Pre and Post-65 Retirees	1,918,000	467,000	24.35%	1,451,000	75.65%
3	Post Employment Benefits	All	9,000	(7,000)	-77.78%	16,000	177.78%
4	Pension Plan	All	3,608,000	869,000	24.09%	2,739,000	75.91%
5	Savings and Investment Plan	All	417,000	110,000	26.38%	307,000	73.62%
6	Other Welfare and Social Benefits	Active Employees	(144,000)	1,000	-0.69%	(145,000)	100.69%
7	IBS Benefits Billed	Active Employees	1,782,000	-	0.00%	1,782,000	100.00%
8	TOTAL		<u>\$ 9,034,000</u>	<u>\$ 1,795,000</u>	<u>19.87%</u>	<u>\$ 7,239,000</u>	<u>80.13%</u>

North Shore Gas Company

Employee Benefits

Forecasted Year Ending December 31, 2013 (1)

Line No.	Description of Benefit [A]	Employee Classification Receiving the Benefit [B]	Total Costs [C]	Amount Capitalized [D]	Percentage Capitalized [E]	Amount Expensed [F]	Percentage Expensed [G]
1	Group Insurance - Active	Active Employees	\$ 1,445,000	\$ 385,000	26.64%	\$ 1,060,000	73.36%
2	Group Insurance - Retiree	Pre and Post-65 Retirees	1,553,000	471,000	30.33%	1,082,000	69.67%
3	Post Employment Benefits	All	(30,000)	(8,000)	26.67%	(22,000)	73.33%
4	Pension Plan	All	4,293,000	1,050,000	24.46%	3,243,000	75.54%
5	Savings and Investment Plan	All	704,000	159,000	22.59%	545,000	77.41%
6	Other Welfare and Social Benefits	Active Employees	43,000	6,000	13.95%	37,000	86.05%
7	IBS Benefits Billed	Active Employees	<u>1,710,000</u>	<u>-</u>	<u>0.00%</u>	<u>1,710,000</u>	<u>100.00%</u>
8	TOTAL		<u>\$ 9,718,000</u>	<u>\$ 2,063,000</u>	<u>21.23%</u>	<u>\$ 7,655,000</u>	<u>78.77%</u>

Notes: (1) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Employee Benefits

Forecasted Year Ending December 31, 2014 (1)

Line No.	Description of Benefit [A]	Employee Classification Receiving the Benefit [B]	Total Costs [C]	Amount Capitalized [D]	Percentage Capitalized [E]	Amount Expensed [F]	Percentage Expensed [G]
1	Group Insurance - Active	Active Employees	\$ 1,897,000	\$ 395,000	20.82%	\$ 1,502,000	79.18%
2	Group Insurance - Retiree	Pre and Post-65 Retirees	1,419,000	295,000	20.79%	1,124,000	79.21%
3	Post Employment Benefits	All	(13,000)	(3,000)	23.08%	(10,000)	76.92%
4	Pension Plan	All	3,460,000	720,000	20.81%	2,740,000	79.19%
5	Savings and Investment Plan	All	840,000	175,000	20.83%	665,000	79.17%
6	Other Welfare and Social Benefits	Active Employees	109,000	12,000	11.01%	97,000	88.99%
7	IBS Benefits Billed	Active Employees	<u>1,753,000</u>	<u>-</u>	<u>0.00%</u>	<u>1,753,000</u>	<u>100.00%</u>
8	TOTAL		<u>\$ 9,465,000</u>	<u>\$ 1,594,000</u>	<u>16.84%</u>	<u>\$ 7,871,000</u>	<u>83.16%</u>

Notes: (1) Includes zero months of actual data and twelve months of forecasted data.

North Shore Gas Company

Employee Benefits

Test Year Ending December 31, 2015

Line No.	Description of Benefit [A]	Employee Classification Receiving the Benefit [B]	Total Costs [C]	Amount Capitalized [D]	Percentage Capitalized [E]	Amount Expensed [F]	Percentage Expensed [G]
1	Group Insurance - Active	Active Employees	\$ 2,039,000	\$ 425,000	20.84%	\$ 1,614,000	79.16%
2	Group Insurance - Retiree	Pre and Post-65 Retirees	1,439,000	300,000	20.85%	1,139,000	79.15%
3	Post Employment Benefits	All	1,000	-	0.00%	1,000	100.00%
4	Pension Plan	All	3,478,000	724,000	20.82%	2,754,000	79.18%
5	Savings and Investment Plan	All	888,000	185,000	20.83%	703,000	79.17%
6	Other Welfare and Social Benefits	Active Employees	122,000	11,000	9.02%	111,000	90.98%
7	IBS Benefits Billed	Active Employees	<u>1,868,000</u>	<u>-</u>	<u>0.00%</u>	<u>1,868,000</u>	<u>100.00%</u>
8	TOTAL		<u>\$ 9,835,000</u>	<u>\$ 1,645,000</u>	<u>16.73%</u>	<u>\$ 8,190,000</u>	<u>83.27%</u>

North Shore Gas Company

Depreciation Expense (1)

Historical Year Ended December 31, 2012

Line No.	Functional Account Grouping (A)	Beginning Plant Balance 01-01-2012 (B)	Ending Plant Balance 12-31-2012 (C)	2012 Average Plant Balance (D)	Composite Depreciation Rate (2) (E)	Provision for Recovery of Original Cost (F)	Transportation Clearing Accounts (G)	Total Depreciation Expense (H)	Line No.
1	Distribution Plant	\$ 346,446,000	\$ 361,716,000	\$ 354,081,000	2.45%	\$ 8,664,000	\$ -	\$ 8,664,000	1
2	Underground Storage Plant	10,106,000	10,106,000	10,106,000	1.15%	116,000	-	116,000	2
3	Transmission Plant	30,634,000	31,572,000	31,103,000	1.87%	581,000	-	581,000	3
4	General Plant	13,584,000	15,121,000	14,353,000	7.43%	1,067,000	(598,000)	469,000	4
5	Production Plant	<u>6,952,000</u>	<u>7,147,000</u>	<u>7,050,000</u>	1.11%	<u>78,000</u>	<u>-</u>	<u>78,000</u>	5
6	Total Utility Plant in Service	<u>\$ 407,722,000</u>	<u>\$ 425,662,000</u>	<u>\$ 416,693,000</u>		<u>\$ 10,506,000</u>	<u>\$ (598,000)</u>	<u>\$ 9,908,000</u>	6

- Notes: (1) Income Statement Depreciation Expense for the Historical Year ended December 31, 2012, is shown on Line 6 of Column H.  
(2) North Shore Gas calculates Depreciation using Accrual Rates calculated on the Average Monthly Balance. For simplicity, the composite rates shown here reflects a mid-year balance. Therefore, the composite rates may vary slightly.

North Shore Gas Company

Depreciation Expense (1)

Forecasted Year Ending December 31, 2013

Line No.	Functional Account Grouping (A)	Beginning Plant Balance 01-01-2013 (B)	Ending Plant Balance 12-31-2013 (C)	2013 Average Plant Balance (D)	Composite Depreciation Rate (2) (E)	Provision for Recovery of Original Cost (F)	Transportation Clearing Accounts (G)	Total Depreciation Expense (H)	Line No.
1	Distribution Plant	\$ 361,716,000	\$ 384,047,000	\$ 372,882,000	2.46%	\$ 9,159,000	\$ -	\$ 9,159,000	1
2	Underground Storage Plant	10,106,000	11,684,000	10,895,000	1.19%	130,000	-	130,000	2
3	Transmission Plant	31,572,000	31,557,000	31,565,000	1.88%	594,000	-	594,000	3
4	General Plant	15,121,000	15,559,000	15,340,000	7.82%	1,199,000	(646,000)	553,000	4
5	Production Plant	<u>7,147,000</u>	<u>7,194,000</u>	<u>7,171,000</u>	1.13%	<u>81,000</u>	<u>-</u>	<u>81,000</u>	5
6	Total Utility Plant in Service	<u>\$ 425,662,000</u>	<u>\$ 450,041,000</u>	<u>\$ 437,853,000</u>		<u>\$ 11,163,000</u>	<u>\$ (646,000)</u>	<u>\$ 10,517,000</u>	6

Notes: (1) Income Statement Depreciation Expense for the Forecasted Year ending December 31, 2013, is shown on Line 6 of Column H. Includes Six Months of Actual data and Six Months of Forecasted data.

(2) North Shore Gas calculates Depreciation using Accrual Rates calculated on the Average Monthly Balance. For simplicity, the composite rates shown here reflects a mid-year balance. Therefore, the composite rates may vary slightly.

North Shore Gas Company

Depreciation Expense (1)

Forecasted Year Ending December 31, 2014

Line No.	Functional Account Grouping (A)	Beginning Plant Balance 01-01-2014 (B)	Ending Plant Balance 12-31-2014 (C)	2014 Average Plant Balance (D)	Composite Depreciation Rate (2) (E)	Provision for Recovery of Original Cost (F)	Transportation Clearing Accounts (G)	Total Depreciation Expense (H)	Line No.
1	Distribution Plant	\$ 384,047,000	\$ 398,456,000	\$ 391,252,000	2.44%	\$ 9,562,000	\$ -	\$ 9,562,000	1
2	Underground Storage Plant	11,684,000	12,021,000	11,853,000	1.16%	137,000	-	137,000	2
3	Transmission Plant	31,557,000	38,301,000	34,929,000	1.77%	617,000	-	617,000	3
4	General Plant	15,559,000	16,884,000	16,222,000	8.04%	1,305,000	(677,000)	628,000	4
5	Production Plant	<u>7,194,000</u>	<u>8,314,000</u>	<u>7,754,000</u>	1.08%	<u>84,000</u>	<u>-</u>	<u>84,000</u>	5
6	Total Utility Plant in Service	<u>\$ 450,041,000</u>	<u>\$ 473,976,000</u>	<u>\$ 462,010,000</u>		<u>\$ 11,705,000</u>	<u>\$ (677,000)</u>	<u>\$ 11,028,000</u>	6

Notes: (1) Income Statement Depreciation Expense for the Forecasted Year ending December 31, 2014, is shown on Line 6 of Column H. Includes Zero Months of Actual data and Twelve Months of Forecasted data.

(2) North Shore Gas calculates Depreciation using Accrual Rates calculated on the Average Monthly Balance. For simplicity, the composite rates shown here reflects a mid-year balance. Therefore, the composite rates may vary slightly.

North Shore Gas Company

Depreciation Expense (1)

Test Year Ending December 31, 2015

Line No.	Functional Account Grouping (A)	Beginning Plant Balance 01-01-2015 (B)	Ending Plant Balance 12-31-2015 (C)	2015 Average Plant Balance (D)	Composite Depreciation Rate (2) (E)	Provision for Recovery of Original Cost (F)	Transportation Clearing Accounts (G)	Total Depreciation Expense (H)	Line No.
1	Distribution Plant	\$ 398,456,000	\$ 409,781,000	\$ 404,119,000	2.52%	\$ 10,188,000	\$ -	\$ 10,188,000	1
2	Underground Storage Plant	12,021,000	12,396,000	12,209,000	1.14%	139,000	-	139,000	2
3	Transmission Plant	38,301,000	49,276,000	43,789,000	1.67%	731,000	-	731,000	3
4	General Plant	16,884,000	18,585,000	17,735,000	5.92%	1,050,000	(457,000)	593,000	4
5	Production Plant	<u>8,314,000</u>	<u>8,689,000</u>	<u>8,502,000</u>	1.27%	<u>108,000</u>	<u>-</u>	<u>108,000</u>	5
6	Total Utility Plant in Service	<u>\$ 473,976,000</u>	<u>\$ 498,727,000</u>	<u>\$ 486,354,000</u>		<u>\$ 12,216,000</u>	<u>\$ (457,000)</u>	<u>\$ 11,759,000</u>	6

- Notes: (1) Income Statement Depreciation Expense for the Test Year ending December 31, 2015, is shown on Line 6 of Column H.  
(2) North Shore Gas calculates Depreciation using Accrual Rates calculated on the Average Monthly Balance. For simplicity, the composite rates shown here reflects a mid-year balance. Therefore, the composite rates may vary slightly.

North Shore Gas Company

Summary of Affiliated Transactions

Line No.	Associated Company [A]	Nature of Transaction [B]	Amount Billed to NSG [C]	Amount Billed to Associated Companies [D]	ICC Docket Number [E]	Line No.
1	<u>Test Year Ending December 31, 2015 (1) (2)</u>					1
2	Operations and Maintenance					2
3	Integrys Business Support	Intercompany Services	\$ 31,824,000	\$ -	07-0361	3
4	The Peoples Gas Light and Coke Company	Intercompany Services	1,152,000 (3)	-	10-0408	4
5	Integrys Energy Group	Intercompany Services	10,000	-	10-0408	5
6	Wisconsin Public Service Corporation	Intercompany Services	147,000	-	10-0408	6
7	Total Operations and Maintenance		<u>33,133,000</u>	<u>-</u>		7
8	Construction					8
9	Integrys Business Support	Intercompany Services	180,000	-	07-0361	9
10	Total Construction		<u>180,000</u>	<u>-</u>		10
11	Other					11
12	Integrys Business Support	Intercompany Services	1,439,000	-	07-0361	12
13	Integrys Energy Group	Intercompany Services	284,000	-	10-0408	13
14	The Peoples Gas Light and Coke Company	Underground Gas Storage Services	1,672,000	-	12-0381	14
15	Total Other		<u>3,395,000</u>	<u>-</u>		15
16	Total Affiliated Transactions					16
17	Integrys Business Support	Intercompany Services	33,443,000	-	07-0361	17
18	The Peoples Gas Light and Coke Company	Intercompany Services	1,152,000	-	10-0408	18
19	Integrys Energy Group	Intercompany Services	294,000	-	10-0408	19
20	Wisconsin Public Service Corporation	Intercompany Services	147,000	-	10-0408	20
21	The Peoples Gas Light and Coke Company	Underground Gas Storage Services	1,672,000	-	12-0381	21
22	Total Affiliated Transactions		<u>\$ 36,708,000</u>	<u>\$ -</u>		22

Note: (1) Amounts include all income statement and construction charges from associated companies, as well as, charges for deferred rate case expenses and charges into clearing accounts.  
(2) No Intercompany borrowing (ICC Dockets 04-0603 and 04-0602) is anticipated.  
(3) Excludes amounts billed for Energy Efficiency and On-Bill Financing Adjustment (Rider EOA).

North Shore Gas Company

Summary of Affiliated Transactions

Line No.	Associated Company [A]	Nature of Transaction [B]	Amount Billed to NSG [C]	Amount Billed to Associated Companies [D]	ICC Docket Number [E]	Line No.
1	<u>Forecasted Year Ending December 31, 2014 (1) (2) (3)</u>					1
2	Operations and Maintenance					2
3	Integrys Business Support	Intercompany Services	\$ 30,589,000	\$ -	07-0361	3
4	The Peoples Gas Light and Coke Company	Intercompany Services	1,764,000 (4)	-	10-0408	4
5	Integrys Energy Group	Intercompany Services	11,000	-	10-0408	5
6	Wisconsin Public Service Corporation	Intercompany Services	158,000	-	10-0408	6
7	Total Operations and Maintenance		<u>32,522,000</u>	<u>-</u>		7
8	Construction					8
9	Integrys Business Support	Intercompany Services	197,000	-	07-0361	9
10	Total Construction		<u>197,000</u>	<u>-</u>		10
11	Other					11
12	Integrys Business Support	Intercompany Services	2,493,000	-	07-0361	12
13	Integrys Energy Group	Intercompany Services	123,000	-	10-0408	13
14	The Peoples Gas Light and Coke Company	Underground Gas Storage Services	1,610,000	-	12-0381	14
15	Total Other		<u>4,226,000</u>	<u>-</u>		15
16	Total Affiliated Transactions					16
17	Integrys Business Support	Intercompany Services	33,279,000	-	07-0361	17
18	The Peoples Gas Light and Coke Company	Intercompany Services	1,764,000	-	10-0408	18
19	Integrys Energy Group	Intercompany Services	134,000	-	10-0408	19
20	Wisconsin Public Service Corporation	Intercompany Services	158,000	-	10-0408	20
21	The Peoples Gas Light and Coke Company	Underground Gas Storage Services	1,610,000	-	12-0381	21
22	Total Affiliated Transactions		<u>\$ 36,945,000</u>	<u>\$ -</u>		22

- Note: (1) Amounts include all income statement and construction charges from associated companies, as well as, charges for deferred rate case expenses and charges into clearing accounts.  
(2) No Intercompany borrowing (ICC Dockets 04-0603 and 04-0602) is anticipated.  
(3) Includes zero months of actual data and twelve months of forecasted data.  
(4) Excludes amounts billed for Energy Efficiency and On-Bill Financing Adjustment (Rider EOA).

North Shore Gas Company

Summary of Affiliated Transactions

Line No.	Associated Company [A]	Nature of Transaction [B]	Amount Billed to NSG [C]	Amount Billed to Associated Companies [D]	ICC Docket Number [E]	Line No.
1	<u>Forecasted Year Ending December 31, 2013 (1) (2)</u>					1
2	Operations and Maintenance					2
3	Integrys Business Support	Intercompany Services	\$ 29,186,000	\$ -	07-0361	3
4	The Peoples Gas Light and Coke Company	Intercompany Services	1,770,000 (3)	27,000	06-0540	4
5	Integrys Energy Group	Intercompany Services	10,000	-	06-0540	5
6	Michigan Gas Utilities Corporation	Intercompany Services	1,000	-	06-0540	6
7	Upper Peninsula Power Company	Intercompany Services	1,000	-	06-0540	7
8	Wisconsin Public Service Corporation	Intercompany Services	94,000	(1,000)	06-0540	8
9	Total Operations and Maintenance		31,062,000	26,000		9
10	Construction					10
11	Integrys Business Support	Intercompany Services	126,000	-	07-0361	11
12	The Peoples Gas Light and Coke Company	Intercompany Services	-	7,000	06-0540	12
13	Total Construction		126,000	7,000		13
14	Other					14
15	Integrys Business Support	Intercompany Services	2,072,000	-	07-0361	15
16	The Peoples Gas Light and Coke Company	Intercompany Services	14,000	15,000	06-0540	16
17	Integrys Energy Group	Intercompany Services	95,000	-	06-0540	17
18	Wisconsin Public Service Corporation	Intercompany Services	1,000	-	06-0540	18
19	The Peoples Gas Light and Coke Company	Underground Gas Storage Services	1,410,000	-	12-0381 (4)	19
20	The Peoples Gas Light and Coke Company	Interest on Intercompany Loans	8,000	10,000	04-0602	20
21	Total Other		3,600,000	25,000		21
22	Total Affiliated Transactions					22
23	Integrys Business Support	Intercompany Services	31,384,000	-	07-0361	23
24	The Peoples Gas Light and Coke Company	Intercompany Services	1,784,000	49,000	06-0540	24
25	Integrys Energy Group	Intercompany Services	105,000	-	06-0540	25
26	Michigan Gas Utilities Corporation	Intercompany Services	1,000	-	06-0540	26
27	Upper Peninsula Power Company	Intercompany Services	1,000	-	06-0540	27
28	Wisconsin Public Service Corporation	Intercompany Services	95,000	(1,000)	06-0540	28
29	The Peoples Gas Light and Coke Company	Underground Gas Storage Services	1,410,000	-	12-0381 (4)	29
30	The Peoples Gas Light and Coke Company	Interest on Intercompany Loans	8,000	10,000	04-0602	30
31	Total Affiliated Transactions		<u>\$ 34,788,000</u>	<u>\$ 58,000</u>		31

Note: (1) Amounts include all income statement and construction charges from associated companies, as well as, charges for deferred rate case expenses and charges into clearing accounts.

(2) Includes six months of forecasted data and six months of actual data.

(3) Excludes amounts billed for Energy Efficiency and On-Bill Financing Adjustment (Rider EOA).

(4) A new agreement went into effect on March 1, 2013. The new agreement, approved in ICC Docket 12-0381, replaced the agreement approved in ICC Docket 87-0401.

North Shore Gas CompanySummary of Affiliated Transactions

Line No.	Associated Company [A]	Nature of Transaction [B]	Amount Billed to NSG [C]	Amount Billed to Associated Companies [D]	ICC Docket Number [E]	Line No.
1	<u>Historical Year Ended December 31, 2012 (1)</u>					1
2	Operations and Maintenance					2
3	Integrys Business Support	Intercompany Services	\$ 28,054,000	\$ 14,000	07-0361	3
4	The Peoples Gas Light and Coke Company	Intercompany Services	1,852,000 (2)	111,000	06-0540	4
5	Integrys Energy Group	Intercompany Services	8,000	-	06-0540	5
6	Minnesota Energy Resources Corporation	Intercompany Services	-	1,000	06-0540	6
7	Michigan Gas Utilities Corporation	Intercompany Services	-	1,000	06-0540	7
8	Wisconsin Public Service Corporation	Intercompany Services	88,000	-	06-0540	8
9	Peoples Energy Home Services	Intercompany Services	-	1,000	06-0540	9
10	Total Operations and Maintenance		<u>30,002,000</u>	<u>128,000</u>		10
11	Construction					11
12	Integrys Business Support	Intercompany Services	52,000	-	07-0361	12
13	The Peoples Gas Light and Coke Company	Intercompany Services	-	1,000	06-0540	13
14	Total Construction		<u>52,000</u>	<u>1,000</u>		14
15	Other					15
16	Integrys Business Support	Intercompany Services	2,335,000	-	07-0361	16
17	The Peoples Gas Light and Coke Company	Intercompany Services	60,000	10,000	06-0540	17
18	Integrys Energy Group	Intercompany Services	80,000	-	06-0540	18
19	Wisconsin Public Service Corporation	Intercompany Services	1,000	-	06-0540	19
20	The Peoples Gas Light and Coke Company	Underground Gas Storage Services	1,512,000	-	87-0401	20
21	The Peoples Gas Light and Coke Company	Interest on Intercompany Loans	<u>22,000</u>	<u>4,000</u>	04-0602	21
22	Total Other		<u>4,010,000</u>	<u>14,000</u>		22
23	Total Affiliated Transactions					23
24	Integrys Business Support	Intercompany Services	30,441,000	14,000	07-0361	24
25	The Peoples Gas Light and Coke Company	Intercompany Services	1,912,000	122,000	06-0540	25
26	Integrys Energy Group	Intercompany Services	88,000	-	06-0540	26
27	Minnesota Energy Resources Corporation	Intercompany Services	-	1,000	06-0540	27
28	Michigan Gas Utilities Corporation	Intercompany Services	-	1,000	06-0540	28
29	Wisconsin Public Service Corporation	Intercompany Services	89,000	-	06-0540	29
30	Peoples Energy Home Services	Intercompany Services	-	1,000	06-0540	30
31	The Peoples Gas Light and Coke Company	Underground Gas Storage Services	1,512,000	-	87-0401	31
32	The Peoples Gas Light and Coke Company	Interest on Intercompany Loans	<u>22,000</u>	<u>4,000</u>	04-0602	32
33	Total Affiliated Transactions		<u>\$ 34,064,000</u>	<u>\$ 143,000</u>		33

Note: (1) Amounts include all income statement and construction charges from associated companies, as well as, charges for deferred rate case expenses and charges into clearing accounts.

(2) Excludes amounts billed for Energy Efficiency and On-Bill Financing Adjustment (Rider EOA).

North Shore Gas Company

Uncollectible Expense

Line No.	Fiscal Year [A]	Uncollectible Expense [B]	Applicable Revenues [C]	Uncollectible Expense as a Percentage of Applicable Revenues [D]
1	Test Year Ending			
2	December 31, 2015 (1)	\$ 1,431,000	\$ 204,493,000	0.70%
3	Forecasted Year Ending			
4	December 31, 2014 (1) (2)	1,430,000	204,309,000	0.70%
5	Forecasted Year Ending			
6	December 31, 2013 (1) (3)	1,384,000	197,686,000	0.70%
7	Historical Year Ended			
8	December 31, 2012 (1)	914,000	161,736,000	0.57%

Notes: (1) Percent of Revenue Method is used to determine uncollectible expense for all revenues except miscellaneous revenues. Due to infrequent write-off of accounts receivables associated with miscellaneous revenues, expense is not forecasted.

(2) Includes zero months of actual data and twelve months of forecasted data.

(3) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Uncollectible Expense

Line No.	Fiscal Year [A]	Activity in Allowance for Bad Debts					Ending Reserve Balance (1) [G]
		Beginning Reserve Balance (1) [B]	Reserve Accrual [C]	Gross Write-Offs [D]	Recoveries [E]	Adjustments [F]	
1	Test Year Ending December 31, 2015	\$ 1,481,000	\$ 1,186,000	\$ (1,198,000)	\$ -	\$ -	\$ 1,469,000
2	Forecasted Year Ending December 31, 2014 (2)	1,435,000	1,245,000	(1,199,000)	-	-	1,481,000
3	Forecasted Year Ending December 31, 2013 (3)	1,212,000	1,497,000	(1,417,000)	143,000	-	1,435,000
4	Historical Year Ended December 31, 2012	1,407,000	1,001,000	(1,542,000)	346,000	-	1,212,000

Note: (1) Reserve balance is recorded in account 144, Accumulated Provision for Uncollectible Accounts.

(2) Includes zero months of actual data and twelve months of forecasted data.

(3) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Uncollectible Expense

<u>Line No.</u>	<u>Fiscal Year</u> [A]	<u>Collection Agency Expense</u> [B]
1	Test Year Ending December 31, 2015	\$ 222,000
2	Forecasted Year Ending December 31, 2014 (1)	216,000
3	Forecasted Year Ending December 31, 2013 (2)	220,000
4	Historical Year Ended December 31, 2012	119,000

Note: (1) Includes zero months of actual data and twelve months of forecasted data.

(2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Uncollectible Expense

Summary of Current Contracts with Collection Agencies

<u>Line No.</u>	<u>Collection Agency</u>	<u>Contract Period</u>	<u>Commission Rate</u>
1			
2			
3			
4			
5			
6			
7			
8			

Summary of Collection Agencies' Results

	<u>Description</u>	<u>Calendar Year</u> <u>2012</u>
9		
10		

North Shore Gas Company

Insurance Expense

Line No.	Name of Carrier [A]	Type of Policy [B]	Historical Year Ended December 31, 2012					
			Amount of Coverage [C]	Policy Coverage Period [D]	Annual Premium [E]	Premium Expense [F]	Deductible [G]	Claims (1) [H]
<b><u>Insurance on Operations</u></b>								
1	AEGIS,EIM, Lloyd's of London, National Union	Property Insurance						
2	AEGIS, Liberty Mutual	Excess Workers' Compensation						
3	ACE, AEGIS, Axis, ARGO, Chubb, EIM, Liberty Mutual, Lexington, OIL Casualty, TORUS, XL Insurance	Excess Public Liability						
4	AEGIS, EIM, U.S. Specialty	Fiduciary Liability Insurance						
5	AEGIS, Chubb, EIM, U.S. Specialty	Directors & Officers Liability						
6	AEGIS	Professional Liability						
7	Great American Insurance Co.	Commercial Crime Coverage						
8	U.S. Aircraft Insurance Group, U.S. Specialty	Other (3)						
9								



**Self-Insurance:** North Shore Gas Company is a qualified self-insurer for up to \$500,000 per occurrence for workers compensation in the State of Illinois. When this limit is exceeded, the AEGIS excess workers compensation policy is utilized. The company has a \$2,000,000 per occurrence self-insured retention for primary casualty. When this limit is exceeded, the excess liability policies indicated above are utilized. All of the other deductibles shown above are also self-insured by the company.

- Notes: (1) Reflects amounts paid by insurer for insured losses that exceed the deductible.  
 (2) The property deductible is \$500,000 for real and personal property and \$1,000,000 for recoverable gas in storage.  
 (3) Other includes Non-Owned Aircraft Insurance and Special Risk Coverage.

North Shore Gas Company

Insurance Expense

Line No.	Name of Carrier [A]	Type of Policy [B]	Historical Year Ended December 31, 2012				
			Amount of Coverage [C]	Policy Coverage Period [D]	Annual Premium (1) [E]	Deductible (2) [F]	Claims [G]
<b>Group Insurance</b>							
1	BlueCross/BlueShield, Delta Dental, EyeMed, Express Scripts, Health Alliance, Aetna, Employee Resource Center, and Active Health Management	Active Healthcare					
2	BlueCross/BlueShield, Delta Dental, EyeMed, Express Scripts, Health Alliance, Aetna, Employee Resource Center, and Active Health Management	Retiree Medical					
3	Reliance Standard	Active Life					
4	Reliance Standard	Retiree Life					
5	Reliance Standard	Long-Term Disability					
6							

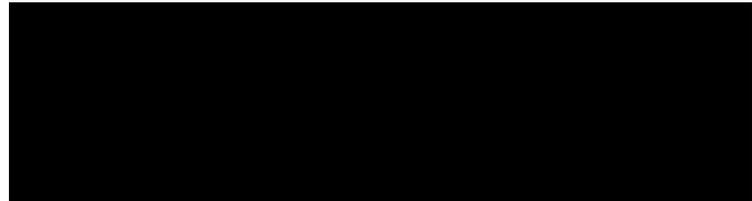
**Self-Insurance:** North Shore Gas Company provides Medical, Dental and Medicare Supplement coverage through a self insured arrangement under provisions of the Internal Revenue Code Section 501(c)(9). Administrative services are provided by BlueCross/BlueShield, Aetna, Delta Dental and Medco Health Solutions. Trustee services are provided by Northern Trust and US Bank.

- Notes:
- (1) Includes only employer money.
  - (2) Deductibles are not included since they are established at the individual level.
  - (3) Actual claims incurred, less any provider discount, reduced by applicable employee contributions.
  - (4) Actual amounts use ASC 715-60 expense rather than annual premiums or claims. Retiree contributions, if any, are used to offset claims.
  - (5) Includes Medicare Part D Subsidy.
  - (6) Active Life includes basic life and AD&D coverage, plus supplemental and optional coverage for dependents. Supplemental insurance and optional coverage for dependents is paid 100% by employees. The expense listed above in Column [E] is for the employer paid portion of basic life and AD&D coverage for our employees.

North Shore Gas Company

Insurance Expense

Forecasted Year Ending December 31, 2013 (1)									
Line No.	Name of Carrier [A]	Type of Policy [B]	Amount of Coverage [C]	Policy Coverage Period [D]	Annual Premium [E]	Premium Expense [F]	Deductible [G]	Claims (2) [H]	
<b><u>Insurance on Operations</u></b>									
1	AEGIS,EIM, Lloyd's of London, National Union	Property Insurance							
2	AEGIS, Liberty Mutual	Excess Workers' Compensation							
3	ACE, AEGIS, Axis, ARGO, Chubb, EIM, Liberty Mutual, Lexington, OIL Casualty, TORUS, XL Insurance	Excess Public Liability							
4	AEGIS, EIM, U.S. Specialty	Fiduciary Liability Insurance							
5	AEGIS, Chubb, EIM, U.S. Specialty	Directors & Officers Liability							
6	AEGIS	Professional Liability							
7	Great American Insurance Co.	Commercial Crime Coverage							
8	Lloyd's of London	Cyber Risk Insurance							
9	U.S. Aircraft Insurance Group	Other (4)							
10									



**Self-Insurance:** North Shore Gas Company is a qualified self-insurer for up to \$500,000 per occurrence for workers compensation in the State of Illinois. When this limit is exceeded, the AEGIS excess workers compensation policy is utilized. The company has a \$2,000,000 per occurrence self-insured retention for primary casualty. When this limit is exceeded, the excess liability policies indicated above are utilized. All of the other deductibles shown above are also self-insured by the company.

- Notes:
- (1) Includes six months of actual data and six months of forecasted data.
  - (2) Reflects amounts paid by insurer for insured losses that exceed the deductible.
  - (3) The property deductible is \$500,000 for real and personal property and \$1,000,000 for recoverable gas in storage.
  - (4) Other includes Non-Owned Aircraft Insurance
  - (5) Fiduciary and Director and Officer Liability policy periods change from February in 2012 to April in 2013. The annual premium amounts reflect additional premium paid in 2013 to cover the periods between the end of the 2012 policy and the beginning of the 2013 policy.

North Shore Gas Company

Insurance Expense

Line No.	Name of Carrier [A]	Type of Policy [B]	Forecasted Year Ending December 31, 2013 (1)				
			Amount of Coverage [C]	Policy Coverage Period [D]	Annual Premium (2) [E]	Deductible (3) [F]	Claims [G]
<b>Group Insurance</b>							
1	BlueCross/BlueShield, United Healthcare, Delta Dental, EyeMed, Express Scripts, Health Alliance, Aetna, Employee Resource Center, and Active Health Management	Active Healthcare					
2	BlueCross/BlueShield, Delta Dental, EyeMed, Express Scripts, Health Alliance, Aetna, Employee Resource Center, and Active Health Management	Retiree Medical					
3	Reliance Standard	Active Life					
4	Reliance Standard	Retiree Life					
5	Reliance Standard	Long-Term Disability					
6							

**Self-Insurance:** North Shore Gas Company provides Medical, Dental and Medicare Supplement coverage through a self insured arrangement under provisions of the Internal Revenue Code Section 501(c)(9). Administrative services are provided by BlueCross/BlueShield, Aetna, United Health Care, Delta Dental, and Express Scripts. Trustee services are provided by Northern Trust and US Bank.

Notes: (1) Includes six months of actual data and six months of forecasted data.

(2) Includes only employer money.

(3) Deductibles are not included since they are established at the individual level.

(4) Actual claims incurred, less any provider discount, reduced by applicable employee contributions. Forecast amounts are based on our actuary's estimate of expense less the estimated employee contribution amount multiplied by enrollments at the various levels to estimate a cost pool. That cost pool was then divided by the number of full-time equivalents (FTE) counts to arrive at a per person rate. The per person rate was then trended forward at rates supplied by the company's actuary. The per person rate was then multiplied by the expected FTE counts to arrive at estimated annual premiums. The cost pool also includes any HMO products and employer contributions to health savings accounts.

(5) Forecast amounts use ASC 715-60 expense rather than annual premiums or claims. Retiree contributions, if any, are used to offset claims.

(6) Includes Medicare Part D Subsidy.

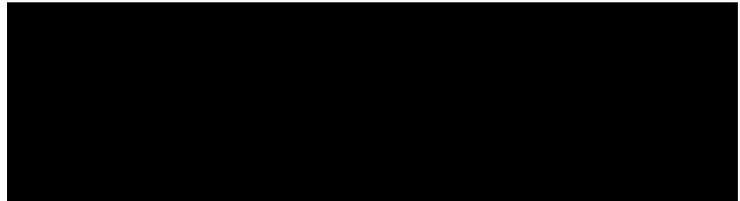
(7) Active Life includes basic life and AD&D coverage, plus supplemental and optional coverage for dependents. Supplemental insurance and optional coverage for dependents is paid 100% by employees. The expense listed above in Column [E] is for the employer paid portion of basic life and AD&D coverage for our employees.

North Shore Gas Company

Insurance Expense

Forecasted Year Ending December 31, 2014 (1)

Line No.	Name of Carrier [A]	Type of Policy [B]	Amount of Coverage [C]	Policy Coverage Period [D]	Annual Premium [E]	Premium Expense [F]	Deductible [G]	Claims (2) [H]
<b><u>Insurance on Operations</u></b>								
1	AEGIS, EIM, Lloyd's of London, National Union	Property Insurance						
2	AEGIS, Liberty Mutual	Excess Workers' Compensation						
3	ACE, AEGIS, Axis, ARGO, Chubb, EIM, Liberty Mutual, Lexington, OIL Casualty, TORUS, XL Insurance	Excess Public Liability						
4	AEGIS, EIM, U.S. Specialty	Fiduciary Liability Insurance						
5	AEGIS, EIM, RLI, U.S. Specialty	Directors & Officers Liability						
6	AEGIS	Professional Liability						
7	Great American Insurance Co.	Commercial Crime Coverage						
8	Lloyd's of London	Cyber Risk Insurance						
9	U.S. Aircraft Insurance Group	Other (4)						
10								



**Self-Insurance:** North Shore Gas Company is a qualified self-insurer for up to \$500,000 per occurrence for workers compensation in the State of Illinois. When this limit is exceeded, the AEGIS excess workers compensation policy is utilized. The company has a \$2,000,000 per occurrence self-insured retention for primary casualty. When this limit is exceeded, the excess liability policies indicated above are utilized. All of the other deductibles shown above are also self-insured by the company.

- Notes: (1) Includes zero months of actual data and twelve months of forecasted data.
- Notes: (2) Reflects amounts paid by insurer for insured losses that exceed the deductible.
- (3) The property deductible is \$500,000 for real and personal property and \$1,000,000 for recoverable gas in storage.
- (4) Other includes Non-Owned Aircraft Insurance.

North Shore Gas Company

Insurance Expense

Line No.	Name of Carrier [A]	Type of Policy [B]	Forecasted Year Ending December 31, 2014 (1)				
			Amount of Coverage [C]	Policy Coverage Period [D]	Annual Premium (2) [E]	Deductible (3) [F]	Claims [G]
<b>Group Insurance</b>							
1	United Health Care, Delta Dental, EyeMed, Express Scripts, Health Alliance, Aetna, and Employee Resource Center	Active Healthcare					
2	BlueCross/BlueShield, Delta Dental, EyeMed, Express Scripts, Health Alliance, Aetna, Employee Resource Center, and Active Health Management	Retiree Medical					
3	Prudential	Active Life					
4	Prudential	Retiree Life					
5	Prudential	Long-Term Disability					
6							

**Self-Insurance:** North Shore Gas Company provides Medical, Dental and Medicare Supplement coverage through a self insured arrangement under provisions of the Internal Revenue Code Section 501(c)(9). Administrative services are provided by BlueCross/BlueShield, Aetna, United Health Care, Delta Dental, and Express Scripts. Trustee services are provided by BNY Mellon and US Bank.

Notes: (1) Includes zero months of actual data and twelve months of forecasted data.

(2) Includes only employer money.

(3) Deductibles are not included since they are established at the individual level.

(4) Actual claims incurred, less any provider discount, reduced by applicable employee contributions. Forecast amounts are based on our actuary's estimate of expense less the estimated employee contribution amount multiplied by enrollments at the various levels to estimate a cost pool. That cost pool was then divided by the number of full-time equivalents (FTE) counts to arrive at a per person rate. The per person rate was then trended forward at rates supplied by the company's actuary. The per person rate was then multiplied by the expected FTE counts to arrive at estimated annual premiums. The cost pool includes any HMO products and employer contributions to health savings accounts. In addition, the 2014 forecast includes fees implemented under the Patient Protection and Affordable Care Act which will be in effect for 2014.

(5) Forecast amounts use ASC 715-60 expense rather than annual premiums or claims. Retiree contributions, if any, are used to offset claims.

(6) Includes Medicare Part D Subsidy.

(7) Active Life includes basic life and AD&D coverage, plus supplemental and optional coverage for dependents. Supplemental insurance and optional coverage for dependents is paid 100% by employees. The expense listed above in Column [E] is for the employer paid portion of basic life and AD&D coverage for our employees.

North Shore Gas Company

Insurance Expense

Line No.	Name of Carrier [A]	Type of Policy [B]	Test Year Ending December 31, 2015					
			Amount of Coverage [C]	Policy Coverage Period [D]	Annual Premium [E]	Premium Expense [F]	Deductible [G]	Claims (1) [H]
<b><u>Insurance on Operations</u></b>								
1	AEGIS,EIM, Lloyd's of London, National Union	Property Insurance						
2	AEGIS, Liberty Mutual	Excess Workers' Compensation						
3	ACE, AEGIS, Axis, ARGO, Chubb, EIM, Liberty Mutual, Lexington, OIL Casualty, TORUS, XL Insurance	Excess Public Liability						
4	AEGIS, EIM, U.S. Specialty	Fiduciary Liability Insurance						
5	AEGIS, EIM, RLI, U.S. Specialty	Directors & Officers Liability						
6	AEGIS	Professional Liability						
7	Great American Insurance Co.	Commercial Crime Coverage						
8	Lloyd's of London	Cyber Risk Insurance						
9	U.S. Aircraft Insurance Group	Other (3)						
10								



**Self-Insurance:** North Shore Gas Company is a qualified self-insurer for up to \$500,000 per occurrence for workers compensation in the State of Illinois. When this limit is exceeded, the AEGIS excess workers compensation policy is utilized. The company has a \$2,000,000 per occurrence self-insured retention for primary casualty. When this limit is exceeded, the excess liability policies indicated above are utilized. All of the other deductibles shown above are also self-insured by the company.

- Notes: (1) Reflects amounts paid by insurer for insured losses that exceed the deductible.  
 (2) The property deductible is \$500,000 for real and personal property and \$1,000,000 for recoverable gas in storage.  
 (3) Other includes Non-Owned Aircraft Insurance.

North Shore Gas Company

Insurance Expense

Test Year Ending December 31, 2015							
Line No.	Name of Carrier [A]	Type of Policy [B]	Amount of Coverage [C]	Policy Coverage Period [D]	Annual Premium (1) [E]	Deductible (2) [F]	Claims [G]
<b>Group Insurance</b>							
1	United Health Care, Delta Dental, EyeMed, Express Scripts, and Employee Resource Center	Active Healthcare					
2	BlueCross/BlueShield, Delta Dental, EyeMed, Express Scripts, Health Alliance, Aetna, Employee Resource Center, and Active Health Management	Retiree Medical					
3	Prudential	Active Life					
4	Prudential	Retiree Life					
5	Prudential	Long-Term Disability					
6							

**Self-Insurance:** North Shore Gas Company provides Medical, Dental and Medicare Supplement coverage through a self insured arrangement under provisions of the Internal Revenue Code Section 501(c)(9). Administrative services are provided by BlueCross/BlueShield, Aetna, United Health Care, Delta Dental, and Express Scripts. Trustee services are provided by BNY Mellon and US Bank.

Notes: (1) Includes only employer money.

(2) Deductibles are not included since they are established at the individual level.

(3) Actual claims incurred, less any provider discount, reduced by applicable employee contributions. Forecast amounts are based on our actuary's estimate of expense less the estimated employee contribution amount multiplied by enrollments at the various levels to estimate a cost pool. That cost pool was then divided by the number of full-time equivalents (FTE) counts to arrive at a per person rate. The per person rate was then trended forward at rates supplied by the company's actuary. The per person rate was then multiplied by the expected FTE counts to arrive at estimated annual premiums. The cost pool includes employer contributions to health savings accounts. In addition, the 2015 forecast includes fees implemented under the Patient Protection and Affordable Care Act which will be in effect for 2015.

(4) Actual amounts use ASC 715-60 expense rather than annual premiums or claims. Retiree contributions, if any, are used to offset claims.

(5) Includes Medicare Part D Subsidy.

(6) Active Life includes basic life and AD&D coverage, plus supplemental and optional coverage for dependents. Supplemental insurance and optional coverage for dependents is paid 100% by employees. The expense listed above in Column [E] is for the employer paid portion of basic life and AD&D coverage for our employees.

North Shore Gas CompanyTaxes Other Than Income TaxesTest Year Ending December 31, 2015 (3)

Line No.	Type of Tax (A)	Amount Charged To				Total (F)	Line No.
		Operating Expense (B)	Clearing Accounts (C)	Construction (D)	Other (E)		
1	Federal:						1
2	Federal Insurance Contributions Act (2)	1,423,000		\$218,000		\$1,641,000	2
3	Federal Unemployment Tax	4,000		4,000		8,000	3
4	Federal Excise Tax	3,000				3,000	4
5	Illinois:						5
6	Illinois Public Utility Tax (1)					0	6
7	Annual Gross Revenue Tax (1)					0	7
8	Invested Capital Tax - Replacement Tax	1,434,000				1,434,000	8
9	State Franchise Tax	26,000				26,000	9
10	State Unemployment Tax	19,000		3,000		22,000	10
11	State Use and Sales Tax	53,000				53,000	11
12	Supplemental Low Income Energy Assistance Fund Charge (1)					0	12
13	Renewable Energy Charge (1)					0	13
14	Unauthorized Insurance Tax	21,000				21,000	14
15	Local:						15
16	Municipal Public Utility Tax (1)					0	16
17	Personal Property Tax					0	17
18	Real Estate Tax (4)	272,000			52,000	324,000	18
19	Total	<u>\$3,255,000</u>	<u>\$0</u>	<u>\$225,000</u>	<u>\$52,000</u>	<u>\$3,532,000</u>	19

Note: (1) Add-on taxes are netted with revenues and recorded directly to receivables and liabilities when customers are billed.

(2) Includes IBS billed - Federal Insurance Contribution Act

(3) Includes zero months of actual data and twelve months of forecasted data.

(4) Includes IBS billed - Real Estate Tax

North Shore Gas CompanyTaxes Other Than Income TaxesForecasted Year Ending December 31, 2014 (3)

Line No.	Type of Tax (A)	Amount Charged To				Total (F)	Line No.
		Operating Expense (B)	Clearing Accounts (C)	Construction (D)	Other (E)		
1	Federal:						1
2	Federal Insurance Contributions Act (2)	1,345,000		\$211,000		\$1,556,000	2
3	Federal Unemployment Tax	4,000		4,000		8,000	3
4	Federal Excise Tax	2,000				2,000	4
5	Illinois:						5
6	Illinois Public Utility Tax (1)					0	6
7	Annual Gross Revenue Tax (1)					0	7
8	Invested Capital Tax - Replacement Tax	1,447,000				1,447,000	8
9	State Franchise Tax	26,000				26,000	9
10	State Unemployment Tax	19,000		3,000		22,000	10
11	State Use and Sales Tax	53,000				53,000	11
12	Supplemental Low Income Energy Assistance Fund Charge (1)					0	12
13	Renewable Energy Charge (1)					0	13
14	Unauthorized Insurance Tax	21,000				21,000	14
15	Local:						15
16	Municipal Public Utility Tax (1)					0	16
17	Personal Property Tax					0	17
18	Real Estate Tax (4)	266,000			51,000	317,000	18
19	Total	<u>\$3,183,000</u>	<u>\$0</u>	<u>\$218,000</u>	<u>\$51,000</u>	<u>\$3,452,000</u>	19

Note: (1) Add-on taxes are netted with revenues and recorded directly to receivables and liabilities when customers are billed.

(2) Includes IBS billed - Federal Insurance Contribution Act

(3) Includes zero months of actual date and twelve months of forecasted data.

(4) Includes IBS billed - Real Estate Tax

North Shore Gas Company

Taxes Other Than Income Taxes

Forecasted Year Ending December 31, 2013 (1)

Line No.	Type of Tax (A)	Amount Charged To				Total (F)	Line No.
		Operating Expense (B)	Clearing Accounts (C)	Construction (D)	Other (E)		
1	Federal:						1
2	Federal Insurance Contributions Act (3)	1,250,000		\$214,000		\$1,464,000	2
3	Federal Unemployment Tax	3,000		3,000		6,000	3
4	Federal Excise Tax	4,000				4,000	4
5	Illinois:						5
6	Illinois Public Utility Tax (2)					0	6
7	Annual Gross Revenue Tax (2)					0	7
8	Invested Capital Tax - Replacement Tax	1,418,000				1,418,000	8
9	State Franchise Tax	26,000				26,000	9
10	State Unemployment Tax	16,000		3,000		19,000	10
11	State Use and Sales Tax	54,000				54,000	11
12	Supplemental Low Income Energy Assistance Fund Charge (2)					0	12
13	Renewable Energy Charge (2)					0	13
14	Unauthorized Insurance Tax	19,000				19,000	14
15	Local:						15
16	Municipal Public Utility Tax (2)					0	16
17	Personal Property Tax					0	17
18	Real Estate Tax (4)	278,000			51,000	329,000	18
19	Total	<u>\$3,068,000</u>	<u>\$0</u>	<u>\$220,000</u>	<u>\$51,000</u>	<u>\$3,339,000</u>	19

Note: (1) Includes six months of actual data and six months of forecasted data.

(2) Add-on taxes are netted with revenues and recorded directly to receivables and liabilities when customers are billed.

(3) Includes IBS billed - Federal Insurance Contribution Act

(4) Includes IBS billed - Real Estate Tax

North Shore Gas Company

Taxes Other Than Income Taxes

Historical Year Ended December 31, 2012

Line No.	Type of Tax (A)	Amount Charged To				Total (F)	Line No.
		Operating Expense (B)	Clearing Accounts (C)	Construction (D)	Other (E)		
1	Federal:						1
2	Federal Insurance Contributions Act (2)	\$1,355,000		\$197,000		\$1,552,000	2
3	Federal Unemployment Tax	4,000		3,000		7,000	3
4	Federal Excise Tax	2,000				2,000	4
5	Illinois:						5
6	Illinois Public Utility Tax (1)					0	6
7	Annual Gross Revenue Tax (1)					0	7
8	Invested Capital Tax - Replacement Tax	1,343,000				1,343,000	8
9	State Franchise Tax	25,000				25,000	9
10	State Unemployment Tax	14,000		4,000		18,000	10
11	State Use and Sales Tax	37,000				37,000	11
12	Supplemental Low Income Energy Assistance Fund Charge (1)					0	12
13	Renewable Energy Charge (1)					0	13
14	Unauthorized Insurance Tax	16,000				16,000	14
15	Local:						15
16	Municipal Public Utility Tax (1)					0	16
17	Personal Property Tax					0	17
18	Real Estate Tax (3)	220,000		0	51,000	271,000	18
19	Total	<u>\$3,016,000</u>	<u>\$0</u>	<u>\$204,000</u>	<u>\$51,000</u>	<u>\$3,271,000</u>	19

Note: (1) Add-on taxes are netted with revenues and recorded directly to receivables and liabilities when customers are billed.  
(2) Includes IBS billed - Federal Insurance Contribution Act  
(3) Includes IBS billed - Real Estate Tax

North Shore Gas Company

Property Taxes

Line No.	Description of Expenses [A]	Test Year Ending December 31, 2015 (1)(2) [B]	Forecasted Year Ending December 31, 2014 (1)(2) [C]	Forecasted Year Ending December 31, 2013 (5) [D]	Historical Year Ended December 31, 2012 [E]	Line No.
1	Personal Property Tax	\$0	\$0	\$0	\$0	1
2	Real Estate Tax (3)	272,000	266,000	278,000	220,000	2
3	Total Property Taxes (4)	<u>\$272,000</u>	<u>\$266,000</u>	<u>\$278,000</u>	<u>\$220,000</u>	3

- Note: (1) Does not include reduction for expense capitalized to fixed assets.  
 (2) Includes zero months of actual data and twelve months of forecasted data.  
 (3) Includes IBS billed – Real Estate Tax  
 (4) All amounts shown are charged to Account 408.1 (Taxes Other Than Income Taxes, Utility Operating Income).  
 (5) Includes six months of actual data and six months of forecasted data

North Shore Gas Company

Local Taxes, Municipal Taxes, and Franchise Taxes

Test Year Ending December 31, 2015

1 Schedule of all local taxes, municipal taxes and franchise taxes embedded in tariff rates.  
2 There are no such taxes.

3 Reconciliation of taxes other than income at present rates between C-1 and schedules C-19, C-25 and C-20:

		Taxes Other Than Income Included In:			
		C-1	C-19	C-20	C-25
		[A]	[B]	[C]	[D]
7	Federal Insurance Contributions Act (2)	\$ 1,423,000		\$	\$
8	Federal Unemployment Tax	4,000			
9	Federal Excise Tax	3,000			
10	Illinois Public Utility Tax				(1)
11	Annual Gross Revenue Tax				(1)
12	Invested Capital Tax - Replacement Tax	1,434,000			
13	State Franchise Tax	26,000			
14	State Unemployment Tax	19,000			
15	State Use and Sales Tax	53,000			
16	Supplemental Low Income Energy Assistance Fund Charge				(1)
17	Renewable Energy Charge				(1)
18	Unauthorized Insurance Tax	21,000			
19	Municipal Public Utility Tax				(1)
20	Personal Property Tax				
21	Real Estate Tax (3)	272,000	272,000		
22	Total for Test Year Ending December 31, 2015	\$ <u>3,255,000</u>	\$ <u>272,000</u>	\$ <u>0</u>	\$ <u>0</u>

Note: (1) Add-on taxes are netted with revenues and recorded directly to receivables and liabilities when customers are billed.  
See schedule C-25 for details.  
(2) Includes IBS billed - Federal Insurance Contribution Act  
(3) Includes IBS billed - Real Estate Tax

North Shore Gas Company

Miscellaneous General Expenses  
Account 930.2

Line No.	Description [A]	Test Year Ending December 31, 2015 Under Proposed Rates (1) [B]	Test Year Ending December 31, 2015 [C]	Forecasted Year Ending December 31, 2014 (2) [D]	Forecasted Year Ending December 31, 2013 (3) [E]	Historical Year Ended December 31, 2012 [F]	Line No.
1	Industry Association, Social and Service Club Dues	\$ 71,000	\$ 71,000	\$ 71,000	\$ 65,000	\$ 66,000	1
2	Bank, Bond, and Fiscal Agent Fees	226,000	226,000	223,000	158,000	445,000	2
3	IBS Billings G&A Cross Charges and Depreciation	3,403,000	3,403,000	4,274,000	3,843,000	3,185,000	3
4	Intercompany System Usage	208,000	208,000	167,000	141,000	144,000	4
5	Telecommunication Costs	210,000	210,000	210,000	169,000	194,000	5
6	Other	32,000	32,000	33,000	46,000	9,000	6
7	Subtotal	<u>4,150,000</u>	<u>4,150,000</u>	<u>4,978,000</u>	<u>4,422,000</u>	<u>4,043,000</u>	7
8	Amortization of Environmental Costs	-	11,082,000	11,649,000	3,195,000	(470,000)	8
9	Allocated Merger Costs	-	-	6,000	116,000	123,000	9
10	Rider EEP Expense	-	-	-	-	(406,000)	10
11	Rider EOA Expense	-	4,273,000	5,196,000	6,511,000	2,867,000	11
12	Research and Development	140,000	140,000	140,000	175,000	35,000	12
13	Other	-	-	-	(46,000)	-	13
14	Subtotal	<u>140,000</u>	<u>15,495,000</u>	<u>16,991,000</u>	<u>9,951,000</u>	<u>2,149,000</u>	14
15	TOTAL	<u>\$ 4,290,000</u>	<u>\$ 19,645,000</u> (4)	<u>\$ 21,969,000</u> (4)	<u>\$ 14,373,000</u> (4)	<u>\$ 6,192,000</u> (4)	15

- Notes: (1) Amounts for the test year jurisdictional pro forma at proposed rates on Schedule C-1 adjusted by Schedule C-2 ratemaking Adjustments No. 1 and 2 equal to the Test Year amounts reflected in Column B.  
(2) Includes zero months of actual data and twelve months of forecasted data.  
(3) Includes six months of actual data and six months of forecasted data.  
(4) Ties to Schedule C-4, Account No. 930.2

North Shore Gas Company

Miscellaneous Operating Revenues

Line No.	Account Number	Description	Test Year Ending December 31, 2015	Forecasted Year Ending December 31, 2014 (1)	Forecasted Year Ending December 31, 2013 (2)	Historical Year Ended December 31, 2012	Line No.
	[A]	[B]	[C]	[D]	[E]	[F]	
1	487	Forfeited Discounts	\$ 619,000	\$ 619,000	\$ 648,000	\$ 570,000	1
2	488	Miscellaneous Services Revenues	604,000	604,000	663,000	610,000	2
3	489.3	Rev from Transp of Gas of Others Through Distribution Facilities	24,029,000	24,579,000	21,491,000	17,401,000	3
4	495	Other Gas Revenues	217,000	1,540,000	(2,429,000)	1,031,000	4
5	496	Provision for Rate Refunds	-	-	1,658,000	(1,658,000)	5
6		Total Miscellaneous Operating Revenues	<u>\$ 25,469,000</u>	<u>\$ 27,342,000</u>	<u>\$ 22,031,000</u>	<u>\$ 17,954,000</u>	6

Note: (1) Includes zero months of actual data and twelve months of forecasted data.

(2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Add-On Taxes

Test Year Ending December 31, 2015

Line No.	Taxing Authorities	<u>Unadjusted Test Year at Present Rates</u>		<u>Proforma Test Year at Proposed Rates</u>	
		Additional Charges for Taxes and Customer Charge Adjustments (1)	Accounting Fees Collected	Additional Charges for Taxes and Customer Charge Adjustments (1)	Accounting Fees Collected
	[A]	[B]	[C]	[D]	[E]
1	<u>Municipalities</u>				
2	Municipal Utility Tax	\$ 5,960,000	\$ 177,000	\$ 6,094,000	\$ 183,000
3	Municipal Gas Use Tax	494,000	15,000	494,000	15,000
4	Total	<u>\$ 6,454,000</u>	<u>\$ 192,000</u>	<u>\$ 6,588,000</u>	<u>\$ 198,000</u>
5	<u>State</u>				
6	Illinois Gross Revenue Tax	\$ 206,000	\$ -	\$ 211,000	\$ -
7	Illinois Gas Use Tax	2,160,000	38,000	2,160,000	38,000
8	Illinois Public Utility Tax	5,759,000	-	5,883,000	-
9	<u>Other</u>				
10	Energy Assistance Charge for the Supplemental Low-Income Energy Assistance Fund Charge	1,623,000	-	1,623,000	-
11	Renewable Energy Resources and Coal Technology Development Assistance Charge	169,000	-	169,000	-
12	Total	<u>\$ 16,371,000</u>	<u>\$ 230,000</u>	<u>\$ 16,634,000</u>	<u>\$ 236,000</u>

Notes: (1) Additional Charges for taxes and Customer Charge Adjustments ("Add-on taxes") are not recovered in tariff rates. Rather, these Add-on taxes are collected under the provisions of Rider 1. Accordingly, the add-on taxes are not included in unadjusted test year revenues at present rates and in proforma Test Year at proposed rates as reflected on Schedule C-1. Transactions for these add-on taxes are recorded directly to receivables and liabilities when customers are billed.

North Shore Gas Company

Amortization of Deferred Charges

Line No.	Description	Balance at Beginning of Year	Balance at End of Year	Amortization Expense	Line No.
	[A]	[B]	[C]	[D]	
1	<u>Investigation and Removal of Manufactured Gas Residues</u>				1
2	Test Year Ending December 31, 2015	\$ 11,548,000	\$ 1,498,000	\$ 11,082,000	2
3	Forecasted Year Ending December 31, 2014 (1)	7,911,000	11,548,000	11,649,000	3
4	Forecasted Year Ending December 31, 2013 (2)	(1,027,000)	7,911,000	3,195,000	4
5	Historical Year Ended December 31, 2012	(2,297,000)	(1,027,000)	(470,000)	5
6	Time period charges were recorded: 2011-2015 (3)				6
7	Amortization period: 13 Months (3)				7
8	ICC Docket No.: 91-0010				8

Note: (1) Includes zero months of actual data and twelve months of forecasted data.

(2) Includes six months of actual data and six months of forecasted data.

(3) Costs incurred are recovered over thirteen months. However, under(over) collections are added(subtracted) to(from) the following years incurred costs for purposes of calculating a new amortization.

North Shore Gas Company

Amortization of Deferred Charges

Line No.	Description [A]	Balance at Beginning of Year [B]	Balance at End of Year [C]	Amortization Expense [D]	Line No.
1	<u>Deferred Rate Case Charges</u>				1
2	Test Year Ending December 31, 2015	\$ 625,000	\$ -	\$ 625,000	2
3	Forecasted Year Ending December 31, 2014 (1)	2,009,000	625,000	1,385,000	3
4	Forecasted Year Ending December 31, 2013 (2)	2,756,000	2,009,000	2,009,000	4
5	Historical Year Ended December 31, 2012	3,196,000	2,756,000	1,718,000	5
6	Time period charges were recorded: 2009 Filing - 2008 - 2010				6
7	2011 Filing - 2010 - 2012				7
8	2012 Filing - 2011 - 2013				8
9	Amortization period: 2009 Filing 48 Months				9
10	2011 Filing 24 Months				10
11	2012 Filing 24 Months				11
12	ICC Docket No.: 2009 Filing 09-0166/09-167 (cons.)				12
13	2011 Filing 11-0280/11-0281 (cons.)				13
14	2012 Filing 12-0511/12-0512 (cons.)				14

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
 (2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company  
Amortization of Deferred Charges

Line No.	Description [A]	Balance at Beginning of Year [B]	Balance at End of Year [C]	Amortization Expense [D]	Line No.
1	<u>Merger Related Costs</u>				1
2	Test Year Ending December 31, 2015	\$ -	\$ -	\$ -	2
3	Forecasted Year Ending December 31, 2014 (1)	6,000	-	6,000	3
4	Forecasted Year Ending December 31, 2013 (2)	122,000	6,000	116,000	4
5	Historical Year Ended December 31, 2012	245,000	122,000	123,000	5
6	Time period charges were recorded: 2007- 2009				6
7	Amortization period: 24 months (3)				7
8	ICC Docket No.: 06-0540				8

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
 (2) Includes six months of actual data and six months of forecasted data.  
 (3) ICC Docket No. 09-0166/09-0167 (cons.) changed the amortization period for the remaining unamortized expenses from 60 months to 36 months effective January 28, 2010. ICC Docket No. 11-0280/11-0281 (cons.) allows for unamortized costs to be amortized over a two year period effective January 21, 2012.

North Shore Gas Company  
Amortization of Deferred Charges

Line No.	Description [A]	Balance at Beginning of Year [B]	Balance at End of Year [C]	Amortization Expense [D]	Line No.
1	<u>Welfare and Pension Costs</u>				1
2	Test Year Ending December 31, 2015	\$ 8,128,000	\$ 6,900,000	\$ 1,228,000	2
3	Forecasted Year Ending December 31, 2014 (1)	9,356,000	8,128,000	1,228,000	3
4	Forecasted Year Ending December 31, 2013 (2)	10,584,000	9,356,000	1,228,000	4
5	Historical Year Ended December 31, 2012	11,812,000	10,584,000	1,228,000	5
6	Time period charges were recorded: February 2007 (3)				6
7	Amortization period: Pension Costs - 158 months				7
8	Welfare Costs - 112 months				8
9	ICC Docket No.: 09-0166/09-0167(cons.)				9

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
(2) Includes six months of actual data and six months of forecasted data.  
(3) Prior to 2006 pension and welfare gains and losses were not recorded as regulatory assets. With the adoption of FAS 158 these costs were considered to be regulatory assets. All FAS 158 costs that were recorded pre-merger are amortized according to ICC Docket No. 09-0166/09-0167(cons.)

North Shore Gas Company

Amortization of Deferred Charges

Line No.	Description [A]	Balance at Beginning of Year [B]	Balance at End of Year [C]	Amortization Expense [D]	Line No.
1	<u>Rider UEA</u>				1
2	Test Year Ending December 31, 2015	\$ (242,000)	\$ (211,000)	\$ (277,000)	2
3	Forecasted Year Ending December 31, 2014 (1)	-	(242,000)	(15,000)	3
4	Forecasted Year Ending December 31, 2013 (2)	(488,000)	-	(256,000)	4
5	Historical Year Ended December 31, 2012	(704,000)	(488,000)	(461,000)	5
6	Time period charges were recorded: 2012 - 2015				6
7	Amortization period: 12 months				7
8	ICC Docket No.: 09-0420				8

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
 (2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Amortization of Deferred Charges

Line No.	Description [A]	Balance at Beginning of Year [B]	Balance at End of Year [C]	Amortization Expense [D]	Line No.
1	<u>Rider EEP</u>				1
2	Test Year Ending December 31, 2015	\$ -	\$ -	\$ -	2
3	Forecasted Year Ending December 31, 2014 (1)	-	-	-	3
4	Forecasted Year Ending December 31, 2013 (2)	2,000	-	-	4
5	Historical Year Ended December 31, 2012	(403,000)	2,000	-	5
6	Time period charges were recorded: 2010 - 2012				6
7	Amortization period: 9 months				7
8	ICC Docket No.: 07-0241/07-0242 (cons.)				8

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
 (2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Amortization of Deferred Charges

Line No.	Description [A]	Balance at Beginning of Year [B]	Balance at End of Year [C]	Amortization Expense [D]	Line No.
1	<u>Rider VBA</u>				1
2	Test Year Ending December 31, 2015	\$ 590,000	\$ 847,000	\$ 591,000	2
3	Forecasted Year Ending December 31, 2014 (1)	(777,000)	590,000	(776,000)	3
4	Forecasted Year Ending December 31, 2013 (2)	25,000	(777,000)	1,783,000	4
5	Historical Year Ended December 31, 2012	351,000	25,000	418,000	5
6	Time period charges were recorded: 2011 - 2015				6
7	Amortization period: 9 months				7
8	ICC Docket No.: 07-0241/07-0242 (cons.) and 11-0280/11-0281 (cons.)				8

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
 (2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Amortization of Deferred Charges

Line No.	Description [A]	Balance at Beginning of Year [B]	Balance at End of Year [C]	Amortization Expense [D]	Line No.
1	<u>Rider SSC</u>				1
2	Test Year Ending December 31, 2015	\$ -	\$ -	\$ -	2
3	Forecasted Year Ending December 31, 2014 (1)	64,000	-	64,000	3
4	Forecasted Year Ending December 31, 2013 (2)	157,000	64,000	40,000	4
5	Historical Year Ended December 31, 2012	-	157,000	-	5
6	Time period charges were recorded: 2012 - 2015				6
7	Amortization period: 10 months				7
8	ICC Docket No.: 11-0280/11-0281 (cons.)				8

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
 (2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Amortization of Deferred Charges

Line No.	Description [A]	Balance at Beginning of Year [B]	Balance at End of Year [C]	Amortization Expense [D]	Line No.
1	<u>Rider EOA</u>				1
2	Test Year Ending December 31, 2015	\$ (1,856,000)	\$ (1,795,000)	\$ -	2
3	Forecasted Year Ending December 31, 2014 (1)	(2,124,000)	(1,856,000)	-	3
4	Forecasted Year Ending December 31, 2013 (2)	(1,010,000)	(2,124,000)	-	4
5	Historical Year Ended December 31, 2012	(125,000)	(1,010,000)	97,000	5
6	Time period charges were recorded: 2012 - 2015				6
7	Amortization period: 9 months				7
8	ICC Docket No.: 10-0090 and 10-0564				8

Note: (1) Includes zero months of actual data and twelve months of forecasted data.  
 (2) Includes six months of actual data and six months of forecasted data.

North Shore Gas Company

Purchased Gas Adjustment Clause  
Revenues and Expenses - Gas Utilities

Test Year Ending December 31, 2015

<u>Line No.</u>	<u>PGA Revenues</u> [A]	<u>PGA Recoverable Expenses</u> [B]	<u>Number of Units Sold (therms)</u> [C]
1	\$ 104,928,000	\$ 104,928,000	205,853,000

Note: Demand charges associated with storage gas are recorded in I.C.C. account number 804 under general ledger account 804614.

North Shore Gas Company

Non - Utility Operations

<u>Line No.</u>	<u>Description of Non-Utility Operations</u> [A]	<u>Date Utility Began Engaging In Operations</u> [B]
1	None	