

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)
)
Petition Pursuant to Rider VBA)
of Schedule of Rates for Gas)
Service to Initiate a Proceeding to)
Determine the Accuracy of the)
Rider VBA Reconciliation Statement)

Docket No. 14-0220

ATTACHMENT A

Direct Testimony and Exhibit of Karen A. Tiedmann

OFFICIAL FILE

I.C.C. DOCKET NO. 14-0220

North Shore Exhibit No. 10 w/ Attach

Witness Tiedmann

Date 9/30 Reporter

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)
)
Petition Pursuant to Rider VBA) Docket No. 14-
of Schedule of Rates for Gas)
Service to Initiate a Proceeding to)
Determine the Accuracy of the)
Rider VBA Reconciliation Statement)

DIRECT TESTIMONY
OF
KAREN A. TIEDMANN

- 1 Q. Please state your name and business address.
- 2 A. Karen A. Tiedmann, 130 East Randolph Street, Chicago, Illinois 60601.
- 3 Q. By whom are you employed?
- 4 A. Integrys Business Support, LLC ("IBS").
- 5 Q. What position do you hold with IBS?
- 6 A. I am a Rate Case Consultant in Regulatory Affairs.
- 7 Q. What are your responsibilities in that position?
- 8 A. My responsibilities include managing and coordinating the preparation,
- 9 administration, and analysis of rate case filings for North Shore Gas Company
- 10 ("North Shore" or the "Company") and its sister utility The Peoples Gas Light and
- 11 Coke Company ("Peoples Gas"). In addition, I am responsible for the
- 12 preparation and coordination of the Rider VBA filings for both Peoples Gas and
- 13 North Shore.
- 14 Q. Please summarize your educational background and experience.

15 A. In 1985, I graduated from Northern Illinois University with a Bachelor of
16 Science Degree in Computer Science and a minor in Business. In 1991, I
17 received a Master of Business Administration Degree from DePaul University
18 with a Finance Emphasis. I have been employed by IBS since July 2011 where I
19 was a Senior Rate Planner/Analyst in Regulatory Affairs prior to being promoted
20 to my current position as a Rate Case Consultant in November of 2013. Prior to
21 July 2011, I was employed by Peoples Gas from 1985 through 1998 in various
22 positions and levels of responsibility in the Information Technology Services
23 Department, Financial Reporting Department, and the Rates Department. In
24 addition, from August 2006 through June 2011, I was employed by Stafflogix
25 Corporation as a contractor and provided service to IBS' Gas Regulatory
26 Services Department assisting in rate case proceedings.

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

28 A. I am advised by counsel that North Shore is a corporation organized and
29 existing under the laws of the State of Illinois, having its principal office at 130
30 East Randolph Street, Chicago, Illinois 60601. It is engaged in the business of
31 purchasing natural gas for and distributing and selling natural gas to
32 approximately 160,000 customers in the Cook and Lake Counties, Illinois. I am
33 advised by counsel that North Shore is a public utility within the meaning of the
34 Public Utilities Act.

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

36 A. North Shore's Schedule of Rates for Gas Service includes Rider VBA,
37 Volume Balancing Adjustment. Rider VBA is applicable to Service Classification

38 ("S.C.") Nos. 1 and 2. The Illinois Commerce Commission ("Commission")
39 approved Rider VBA as a permanent decoupling mechanism in Docket Nos. 11-
40 0280/11-0281 (cons.) (the "2011 Rate Order"). Under Section B of Rider VBA,
41 per therm adjustments are determined annually for the Fiscal Year that ended as
42 of the most recent December 31 ("Fiscal Year") for each service classification
43 that is to be billed under the rider for the upcoming April through December
44 Effective Period.

45 Q. Please describe the provisions of Rider VBA relevant to this filing.

46 A. There are two separate components that are determined for each service
47 classification as follows:

48 (1) The first component is the annual adjustment determined pursuant to
49 the rider to stabilize the distribution revenue requirement approved by the
50 Commission in the Company's most recent rate proceeding, *i.e.*, Rate Case
51 Revenue ("RCR") for the Fiscal Year is compared to Actual Revenue ("AR") for
52 the Fiscal Year. The Percentage of Fixed Costs ("PFC"), which the Commission
53 authorized in the Company's most recent rate proceeding, is then applied to this
54 difference. The resulting amount is then divided by the forecasted Therms
55 ("Factor T") for the Effective Period to determine the per therm adjustment
56 related to the annual adjustment for the Fiscal Year.

57 (2) A Reconciliation Adjustment ("RA") component is determined to
58 reconcile adjustments under the rider that were under-billed or over-billed to each
59 Service Classification in the Fiscal Year. Any Commission Ordered adjustment
60 from the prior reconciliation ("Factor O") is also added to this amount. Interest,

61 as calculated by the interest rate established by the Commission under 83 Ill.
62 Adm. Code Sec. 280.70(e)(1) and in effect when the adjustment under this
63 section is calculated, is also applied to the RA and Factor O total. The resulting
64 amount is then divided by Factor T for the Effective Period to determine the per
65 therm adjustment for the RA and Factor O component. The adjustment
66 components are summed together for billing purposes.

67 Section C of Rider VBA requires North Shore to file no later than March 20
68 of each year, an information sheet that specifies the annual adjustments to be
69 effective under the rider, a report that shows the determination of the RA to be
70 applicable for the Upcoming Amortization Period, and a report that provides the
71 Company's rate of return with and without the effect of Rider VBA. Section C of
72 Rider VBA also requires that North Shore, at the time it files the required
73 information noted above, file a petition with the Commission seeking initiation of
74 an annual reconciliation to determine the accuracy of the statement.

75 Q. Please describe the annual period that is the subject of this filing.

76 A. The Fiscal Year for which adjustments are being determined, which is the
77 subject of my testimony, is the period January 1, 2013, through December 31,
78 2013.

79 Q. Were there any changes to Rider VBA or North Shore's Schedule of Rates
80 that affect the adjustment and reconciliation period?

81 A. Yes. In June 2013, the Commission issued a final order in Docket Nos.
82 12-0511/12-0512 (cons.) (the "2012 Rate Order"). In compliance with the order,
83 S.C. No. 1 was bifurcated into separate rates for Heating and Non-Heating

84 customers. Along with this change and also pursuant to Section F of Rider VBA,
85 North Shore filed a Rider VBA Compliance Report with the new baselines for
86 each Service Classification (and for S.C. No. 1 Heating and Non-Heating
87 separately) for RCR and PFC on the Commission's e-Docket system on June 21,
88 2013. The first baseline shown in this report, which is applicable to this Rider
89 VBA filing only, includes a proration of RCR and PFC based on the following:
90 rates filed pursuant to the 2011 Rate Order in effect January 1, 2013 through
91 June 26, 2013; a proration of RCR and PFC for June 2013 since the rates from
92 the 2012 Rate Order became effective on June 27, 2013; and RCR and PFC
93 based on rates filed pursuant to the 2012 Rate Order in effect June 27, 2013
94 through December 31, 2013. The second baseline shown in the report reflects
95 an entire year at the rates approved in the 2012 Rate Order.¹

96 Q. Please describe NSG Ex. 1.1.

97 A. NSG Ex. 1.1 is a statement of the March 2014 Rider VBA filing and the
98 adjustments that will apply for each month of the nine-month Upcoming
99 Amortization Period beginning April 1, 2014 and ending December 31, 2014
100 ("Statement").

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

102 A. Yes, it was.

103 Q. What is the purpose of the Statement?

104 A. The Statement shows the Information Sheet and adjustments for the 2013
105 Fiscal Year component and the RA component for customers served under North

¹ Refer to NSG Ex. 1.1, page 3 for the Compliance Report.

106 Shore's S.C. Nos. 1 Heating and Non-Heating, and 2. It also shows the
107 derivation of the adjustments for each component and provides supporting data.

108 Q. Please describe the elements of the Statement.

109 A. The Statement includes the following information:

- 110 • Page 1 shows the Information Sheet that specifies the adjustments to be
111 effective April 1 through December 31, 2014 under the rider.
- 112 • Page 2 shows the determination of the adjustments as defined in Section
113 B of Rider VBA to be applicable for the upcoming nine-month amortization
114 period beginning April 1, 2014.
- 115 • Page 3 shows the Rider VBA Compliance Report, which shows the RCR
116 and PFC for the Fiscal Year. This data is used on page 2 in the
117 determination of the 2013 adjustment.
- 118 • Page 4 shows the AR for the Fiscal Year. This data is used on page 2 in
119 the determination of the 2013 adjustment.

120 Q. Please describe the data on page 2 which are used to derive the
121 adjustments for each service classification.

122 A. Page 2, columns A, B, and C, provides data applicable to S.C. Nos. 1
123 (Heating and Non-Heating) and 2, respectively. Column D provides totals for
124 information purposes. The data found in each line are as follows:

- 125 • Line 1 shows the annual RCR, which the Commission approved in the
126 2011 Rate Order, in effect from January 1 through June 26, 2013, and
127 from the 2012 Rate Order, in effect from June 27 through December 31,
128 2013. This is the RCR for 2013 as shown on NSG Ex. 1.1, page 3.

- 129 • Line 2 shows the annual AR which was recorded for Fiscal Year 2013.
- 130 • Line 3 shows the PFC approved in the 2012 Rate Order.
- 131 • Line 4 shows the adjustment amounts to be recovered from or refunded to
- 132 customers for Fiscal Year 2013 as provided for in Rider VBA which is the
- 133 difference between the RCR and the AR, adjusted by the PFC.
- 134 • Line 5 shows Factor T, the estimated number of therms of gas to be
- 135 delivered to customers by North Shore for the period April 1 through
- 136 December 31, 2014.
- 137 • Line 6 shows the per therm adjustments to be recovered from or refunded
- 138 to customers for the 2013 adjustment amounts.
- 139 • Line 7 shows the amounts due North Shore or customers for the Previous
- 140 Reconciliation Period.
- 141 • Line 8 shows the sum of actual revenues arising from the application of
- 142 the Rider VBA adjustments from March 2013 through February 2014.
- 143 January and February of 2013 were included in last year's reconciliation.
- 144 January and February of 2014 are included in this year's reconciliation
- 145 because of timing issues that arise due to the nature of cycle billing and
- 146 bi-monthly billing. Please note that S.C. No. 1 is reconciled together as
- 147 the adjustment amounts were calculated based on a combined S.C. No. 1
- 148 for the previous reconciliation period.
- 149 • Line 9 shows RA, the amounts due North Shore or customers arising from
- 150 a reconciliation of the amounts to be recovered from or refunded to
- 151 customers for the 2012 adjustments.

- 152 • Line 10 shows no amounts for Factor O, as the Commission did not order
153 North Shore to include any adjustment amounts per its Order in Docket
154 Nos. 13-0220/13-0221 (cons.).
- 155 • Line 11 shows the sum of the RA and Factor O amounts, before interest,
156 to be effective April 1, 2014.
- 157 • Line 12 shows the interest rate that is applicable to the amounts on Line
158 11.
- 159 • Line 13 shows the interest amount (if applicable) to be recovered from or
160 refunded to customers.
- 161 • Line 14 shows the sum of the RA and Factor O amounts, including
162 interest, to be recovered from or refunded to customers.
- 163 • Line 15 shows Factor T, the estimated number of therms of gas to be
164 delivered to customers by North Shore for the period April 1 through
165 December 31, 2014. These are the same as those shown on line 5
166 except that the estimated therms for Heating and Non-Heating customers
167 are summed together for S.C. No. 1.
- 168 • Line 16 shows the per therm adjustments for the RA and Factor O
169 components to be recovered from or refunded to customers.
- 170 • Line 17 shows the amounts to be recovered or refunded separately from
171 S.C. No. 1 Heating and Non-Heating customers as a result of the
172 application of the adjustment calculated on line 16 (not rounded) applied
173 to the therms shown on line 5, separately for Heating and Non-Heating
174 customers.

- 175 • Line 18 shows the sum of the 2013 adjustment amount and the RA and
176 Factor O adjustments including interest to be refunded to customers.
- 177 • Line 19 shows the total adjustment amounts, in cents per therm, to be
178 refunded to customers.
- 179 Q. How much will be refunded to or recovered from S.C. No. 1 Heating
180 customers over the nine-month period beginning April 1, 2014?
- 181 A. Over the nine-month period beginning April 1, 2014, \$1,560,292.40 will be
182 refunded to S.C. No. 1 Heating customers for the 2013 annual adjustment
183 component and \$159,324.61 will be refunded to S.C. No. 1 Heating customers
184 for the RA and Factor O component resulting in a total refund adjustment amount
185 of \$1,719,617.01 (page 2, lines 4, 17, and 18, column A, respectively).
- 186 Q. What is the total adjustment that will be effective for S.C. No. 1 Heating
187 customers beginning April 1, 2014?
- 188 A. The total adjustment that will be effective for S.C. No. 1 Heating customers
189 is a credit of 1.80 cents per therm (page 2, line 19, column A).
- 190 Q. How much will be refunded to or recovered from S.C. No. 1 Non-Heating
191 customers over the nine-month period beginning April 1, 2014?
- 192 A. Over the nine-month period beginning April 1, 2014, \$2,061.80 will be
193 refunded to S.C. No. 1 Non-Heating customers for the 2013 annual adjustment
194 component and \$271.55 will be refunded to S.C. No. 1 Non-Heating customers
195 for the RA and Factor O component resulting in a total refund adjustment amount
196 of \$2,333.35 (page 2, lines 4, 17, and 18, column B, respectively).

197 Q. What is the total adjustment that will be effective for S.C. No. 1 Non-
198 Heating customers beginning April 1, 2014?

199 A. The total adjustment that will be effective for S.C. No. 1 Non-Heating
200 customers is a credit of 1.43 cents per therm (page 2, line 19, column B).

201 Q. How much will be refunded to or recovered from S.C. No. 2 customers
202 over the nine-month period beginning April 1, 2014?

203 A. Over the nine-month period beginning April 1, 2014, \$570,315.92 will be
204 refunded to S.C. No. 2 customers for the 2013 annual adjustment component
205 and \$155,875.15 will be refunded to S.C. No. 2 customers for the RA and Factor
206 O component resulting in a total refund adjustment amount of \$726,191.07 (page
207 2, lines 4, 14, and 18, column C, respectively).

208 Q. What is the total adjustment that will be effective for S.C. No. 2 beginning
209 April 1, 2014?

210 A. The total adjustment that will be effective for S.C. No. 2 customers is a
211 credit of 1.52 cents per therm (page 2, line 19, column C).

212 Q. Please describe how the adjustments will be reflected on customers' bills.

213 A. The adjustments were filed with the Commission on Information Sheet No.
214 52 and will be reflected as a single line item adjustment on customers' bills
215 effective from April 1 through December 31, 2014.

216 Q. You stated that Rider VBA requires North Shore to file a petition with the
217 Commission seeking initiation of an annual reconciliation to determine the
218 accuracy of the Statement and a report showing the Company's rate of return
219 with and without the effect of Rider VBA. Is North Shore making these filings?

220 A. Yes. This direct testimony is included as an attachment to the petition and

221 the rate of return report is also included as an attachment to the petition.

222 Q. Does this conclude your direct testimony?

223 A. Yes, it does.

**Rider VBA
Information Sheet No. 52
(Superseding Information Sheet No. 51)**

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

Applicable to Service Classification Nos. 1 and 2

**Effective With Service Rendered
April 1, 2014 through December 31, 2014**

<u>Line No.</u>	<u>Service Classification No.</u>			
	<u>1 Heating</u> [A]	<u>1 Non-Heating</u> [B]	<u>2</u> [C]	
1	Adjustment for Fiscal Year 2013	(1.63) ¢	(1.26) ¢	(1.19) ¢
2	Reconciliation Adjustment	(0.17) ¢	(0.17) ¢	(0.33) ¢
3	Total Adjustment per therm	(1.80) ¢	(1.43) ¢	(1.52) ¢

Submitted By: Thomas G. Aridas
Director

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

Determination of Adjustments to be Effective April 1, 2014 through December 31, 2014

Line No.		Service Classification No.			
		1 Heating [A]	1 Non-Heating [B]	2 [C]	Total [D] [A] + [B] + [C]
Fiscal Year 2013 component					
1	Rate Case Revenue (RCR) ⁽¹⁾	\$ 17,364,886.98	\$ 52,818.97	\$ 5,894,953.32	\$ 23,332,661.27
2	Actual Revenue (AR) ⁽²⁾	\$ 18,945,181.38	\$ 54,880.77	\$ 6,465,269.24	\$ 25,465,331.39
3	Percentage of Fixed Costs (PFC) ⁽¹⁾	100%	100%	100%	
4	2013 Adjustment Amount (RCR - AR) x PFC (line 1 - line 2) x line 3	\$ (1,560,292.40)	\$ (2,061.80)	\$ (570,315.92)	\$ (2,132,670.12)
5	Factor T - estimated terms April through December 2014	95,693,710	163,100	47,844,614	
6	2013 Adjustment per therm to be effective April 1 - December 31, 2014 (line 4 / line 5)	\$ (0.0163)	\$ (0.0126)	\$ (0.0119)	
RA and Factor O component					
		SC No. 1 Heating and Non-Heating		SC No. 2	Total
7	Rider VBA Revenues to be billed from prior year filing ⁽³⁾	\$ 958,662.61		\$ 724,598.38	\$ 1,683,260.99
8	Actual Rider VBA Revenues billed in the Fiscal Year ⁽⁴⁾	\$ 1,118,258.77		\$ 880,473.53	\$ 1,998,732.30
9	Amount to be Recovered (Refunded) through RA (line 7 - line 8)	\$ (159,596.16)		\$ (155,875.15)	\$ (315,471.31)
10	Factor O ⁽⁵⁾	\$ -		\$ -	\$ -
11	Total RA + Factor O to be recovered (line 9 + line 10)	\$ (159,596.16)		\$ (155,875.15)	\$ (315,471.31)
12	Interest Rate ⁽⁶⁾	0.00%		0.00%	
13	Interest Amount (line 11 x line 12)	\$ -		\$ -	\$ -
14	Total RA and O to be recovered including Interest (line 11 + line 13)	\$ (159,596.16)		\$ (155,875.15)	\$ (315,471.31)
15	Factor T - estimated terms April through December 2014	95,858,810		47,844,614	
16	RA and Factor O Adjustment per therm (Line 14/Line 15)	\$ (0.0017)		\$ (0.0033)	
17	For SC No. 1 only - RA and Factor O amount to be recovered allocated between Heating and Non-Heating customers (line 5 x (line 14 / line 15))	\$ (159,324.61)	\$ (271.55)	n/a	\$ (159,596.16)
Total					
18	Total Adjustment amount (line 4 + line 17 for SC No. 1 Heating and Non-Heating and line 4 + line 14 for SC No. 2)	\$ (1,719,617.01)	\$ (2,333.35)	\$ (726,191.07)	\$ (2,448,141.43)
19	Total Adjustment per Therm (line 6 + line 16) x 100 ⁽⁷⁾	(1.80) ¢	(1.43) ¢	(1.52) ¢	

(1) See Page 2, Rider VBA Compliance Report, Determination of Rate Case Revenue and Percentage of Fixed Costs.
(2) See Page 3, Determination of Actual Revenue (AR).
(3) Per 2012 Rider VBA Reconciliation Statement, NSG Ex. 1.1, page 2, line 17, filed March 19, 2013 in Docket Nos. 13-0220/13-0221 (cons.).
(4) Rider VBA revenues billed March 2013 through February 2014.
(5) No Factor O adjustment was issued per the Order in Docket Nos. 13-0220/13-0221 (cons.).
(6) Interest Rate established pursuant to order 13-0695 of the Illinois Commerce Commission entered December 18, 2013.
(7) SC No. 1 RA per therm from line 16, column A included in both SC No. 1 Heating and Non-heating total adjustment per therm.

**Rider VBA Compliance Report filed with the Illinois Commerce Commission
on June 21, 2013 in Docket Nos. 12-0511/12-0512 (cons.)**

North Shore Gas Company

**Volume Balancing Adjustment
Under Rider VBA
Schedule of Rates, ILL C.C. No. 17**

**Docket No. 12-0511
Determination of Rate Case Revenue (RCR) and Percentage of Fixed Cost (PFC)
Pursuant to Section G of Rider VBA**

	<u>Service Classification No. 1H</u>	<u>Service Classification No. 1N</u>	<u>Service Classification No. 2</u>
Rate Case Revenue (RCR) for 2013 ⁽¹⁾	\$ 17,384,888.98	\$ 52,818.97	\$ 5,894,953.32
Rate Case Revenue (RCR) for 2014 and after ⁽²⁾	\$ 19,398,899.99	\$ 73,230.96	\$ 5,386,571.47
Percentage of Fixed Cost (PFC) ⁽³⁾	100%	100%	100%

(1) Reflects rates filed pursuant to the Illinois Commerce Commission's Order in Docket Nos. 11-0280/11-0281 (cons.) in effect January 1, 2013 through June 26, 2013, and rates filed pursuant to the Illinois Commerce Commission's Order in Docket Nos. 12-0511/12-0512 (cons.) in effect June 27, 2013 through December 31, 2013.

(2) Reflects rates filed pursuant to the Illinois Commerce Commission's Order in Docket Nos. 12-0511/12-0512 (cons.) in effect for an entire calendar year.

(3) Percentage of Fixed Cost established per the Order of the Illinois Commerce Commission entered June 18, 2013 in Docket Nos. 12-0511/12-0512 (cons.).

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

Determination of Actual Revenue (AR) for Fiscal Year 2013 ⁽¹⁾

	<u>SC No. 1 Heating</u>	<u>SC No. 1 Non-Heating</u>	<u>SC No. 2</u>
January 2013	\$ 2,495,117.24	\$ 4,566.57	\$ 1,168,048.98
February	2,346,706.69	3,942.13	920,697.83
March	2,285,007.83	4,678.58	914,066.18
April	1,627,408.31	3,649.31	568,544.10
May	896,354.46	2,448.45	291,291.17
June	763,645.21	2,232.04	200,702.59
July	565,231.89	4,456.15	155,333.73
August	452,377.11	4,096.91	146,088.34
September	471,526.36	3,793.79	153,505.33
October	1,099,670.74	5,197.78	327,915.16
November	2,249,602.39	7,391.55	619,889.58
December	<u>3,692,533.15</u>	<u>8,427.51</u>	<u>999,186.25</u>
Total 2013	\$ 18,945,181.38	\$ 54,880.77	\$ 6,465,269.24

(1) Actual distribution revenues booked for the month.

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)	
)	
Petition Pursuant to Rider VBA)	Docket No. 14-
of Schedule of Rates for Gas)	
Service to Initiate a Proceeding to)	
Determine the Accuracy of the)	
Rider VBA Reconciliation Statement)	

ATTACHMENT B

Report of Rates of Return

North Shore Gas Company
Fiscal 2013 Report on the Company's Rate of Return with and without the Effect of Rider VBA
Pursuant to Section C of Rider VBA

2013 RATE OF RETURN WITH RIDER VBA

	Amount (millions)	% of total	% cost	Weighted Average
Equity	\$ 99.9	53.3% (1)	12.41%	6.61%
Long Term Debt	\$ 80.0	42.6% (1)	4.50%	1.92%
Short Term Debt	\$ 7.7	4.1% (1)	1.80%	0.07%
	<u>\$ 187.6</u>	<u>100.0%</u>		<u>8.60% Rate of Return</u>

2013 RATE OF RETURN WITHOUT RIDER VBA

	Amount (millions)	% of total	% cost	Weighted Average
Equity	\$ 101.9	53.7% (1)	13.35%	7.17%
Long Term Debt	\$ 80.0	42.2% (1)	4.50%	1.90%
Short Term Debt	\$ 7.7	4.1% (1)	1.80%	0.07%
	<u>\$ 189.6</u>	<u>100.0%</u>		<u>9.14% Rate of Return</u>

(1) Based on 13 month average ending balances

North Shore Gas Company

<i>(millions)</i>	WITH RIDER VBA	<u>WITHOUT RIDER VBA</u>
Total 13-month Average Utility Equity	\$ 99.9	\$ 101.9
<u>Average Adjustments to Utility Equity:</u>		
Goodwill		
Investment in Subsidiaries	-	-
Net Average Adjustments	<u>-</u>	<u>-</u>
Adjusted Average Utility Equity	<u>\$ 99.9</u>	<u>\$ 101.9</u>
Utility Net Income	\$ 12.4	\$ 13.6
2013 Utility ROE	12.41%	13.35%
Net Income		12.4
Rider VBA in Revenues, 480,481 and 489 accounts		2.0
Rider VBA in 495 accounts		<u>(4.1)</u>
Pre-tax Total		(2.1)
After Tax Total		(1.2)
Revised Net Income		13.6

STATE OF ILLINOIS

ILLINOIS COMMERCE COMMISSION

North Shore Gas Company)	
)	
Petition Pursuant to Rider VBA)	Docket No. 14-
of Schedule of Rates for Gas)	
Service to Initiate a Proceeding to)	
Determine the Accuracy of the)	
Rider VBA Reconciliation Statement)	

ATTACHMENT C

Municipalities Served by North Shore Gas Company

ILL. C. C. NO. 17
First Revised Sheet No. 5

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

Page 1 of 1

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

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

Date Issued: FEBRUARY 8, 2008

Date Effective: FEBRUARY 14, 2008

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

Filed Pursuant to Order of Illinois Commerce Commission
Entered February 5, 2008 in Docket No. 07-0241