**North Shore Gas Company**
**Rider VBA Reconciliation Statement - S.C. No. 1 Heating**
**For the Fiscal Year Period January 1 through December 31, 2014**

| Line No. | Description (A) | | Per Order (B) | Source (C) |
|---|---|---|---|---|
| 1 | **Carry Over - Prior Year** | | | |
| 2 | Rider VBA adjustment to be billed-Prior Year filing | $ | (1,719,617.01) | (1) |
| 3 | Rider VBA adjustment -actual billings in the Fiscal Year | $ | (1,962,832.73) | (2) |
| 4 | Amount to be Recovered (Refunded) through RA | $ | 243,215.72 | line 2 - line 3 |
| 5 | Factor O - Prior Reconciliation | $ | - | (3) |
| 6 | Interest Rate (i) (0 %) | | 0% | (4) |
| 7 | Interest Amount | $ | - | (line 4+line 5) x line 6 |
| 8 | Under / (Over) from prior years | $ | 243,215.72 | line 4 + line 5 + line 7 |
| 9 | **Current Year (Fiscal Year)** | | | |
| 10 | Rate Case Revenues (RCR) | $ | 19,421,341.57 | (5) |
| 11 | Actual Revenues (Distribution Revenues) (AR) | $ | 22,827,134.64 | (6) |
| 12 | Amount to be Recovered (Refunded) | $ | (3,405,793.07) | line 10 - line 11 |
| 13 | Percentage of Fixed Costs (PFC) | | 100% | (5) |
| 14 | Annual Adjustment Under / (Over) Current Year | $ | (3,405,793.07) | line 12 x line 13 |
| 15 | Cumulative (Refundable)/Recoverable Incl. Interest | $ | (3,162,577.35) | line 8 + line 14 |
| 16 | **Disposition of Cumulative (Over)/Under Recovery** | | | |
| 17 | Annual Adjustment | $ | (3,405,793.07) | line 14 |
| 18 | RA and Factor O - prior reconciliation | $ | 243,215.72 | line 8 |
| 19 | Factor O - Current Reconciliation | $ | - | n/a |
| 20 | Cumulative (Refundable)/Recoverable Incl. Interest | $ | (3,162,577.35) | line 17 + line 18 + line 19 |
| 21 | **Determination of Adjustment per Therm** | | | |
| 22 | Factor T - Estimated Therms April through December 2015 | | 98,772,521 | (7) |
| 23 | RA and Factor O Adjustment per therm | $ | 0.0025 | line 8 / line 22 |
| 24 | 2014 Adjustment per therm | $ | (0.0345) | line 14 / line 22 |
| 25 | Total Adjustment per Therm effective April 1 through December 31, 2015 | $ | (0.0320) | line 23 + line 24 |
| 26 | Total Adjustment per Therm | | (3.20) | ¢ line 25 x 100 |

Sources:
(1) Per 2013 Rider VBA Reconciliation Statement, NSG Ex. 1.1, page 2, line 18, filed March 19, 2014 in Docket No. 14-0220.
(2) Rider VBA revenues recorded March 2014 through February 2015.
(3) The Commission did not order a Factor O in Docket No. 14-0220.
(4) Interest Rate established pursuant to Order in Docket No. 14-0742 of the Illinois Commerce Commission entered December 17, 2014.
(5) See Rider VBA Filing page 4, Rider VBA Compliance Report.
(6) See Rider VBA Filing page 5, Determination of Actual Revenue (AR).
(7) Estimated therms to be delivered April 1 through December 31, 2015

There may be differences due to rounding

**North Shore Gas Company**
**Rider VBA Reconciliation Statement - S.C. No. 1 Non-Heating**
**For the Fiscal Year Period January 1 through December 31, 2014**

| Line No. | Description (A) | | Per Order (B) | Source (C) |
|---|---|---|---|---|
| 1 | **Carry Over - Prior Year** | | | |
| 2 | Rider VBA adjustment to be billed-Prior Year filing | $ | (2,333.35) | (1) |
| 3 | Rider VBA adjustment -actual billings in the Fiscal Year | $ | (2,663.93) | (2) |
| 4 | Amount to be Recovered (Refunded) through RA | $ | 330.58 | line 2 - line 3 |
| 5 | Factor O - Prior Reconciliation | $ | - | (3) |
| 6 | Interest Rate (i) (0 %) | | 0% | (4) |
| 7 | Interest Amount | $ | - | (line 4+line 5) x line 6 |
| 8 | Under / (Over) from prior years | $ | 330.58 | line 4 + line 5 + line 7 |
| 9 | **Current Year (Fiscal Year)** | | | |
| 10 | Rate Case Revenues (RCR) | $ | 73,461.18 | (5) |
| 11 | Actual Revenues (Distribution Revenues) (AR) | $ | 75,309.62 | (6) |
| 12 | Amount to be Recovered (Refunded) | $ | (1,848.44) | line 10 - line 11 |
| 13 | Percentage of Fixed Costs (PFC) | | 100% | (5) |
| 14 | Annual Adjustment Under / (Over) Current Year | $ | (1,848.44) | line 12 x line 13 |
| 15 | Cumulative (Refundable)/Recoverable Incl. Interest | $ | (1,517.86) | line 8 + line 14 |
| 16 | **Disposition of Cumulative (Over)/Under Recovery** | | | |
| 17 | Annual Adjustment | $ | (1,848.44) | line 14 |
| 18 | RA and Factor O - prior reconciliation | $ | 330.58 | line 8 |
| 19 | Factor O - Current Reconciliation | $ | - | n/a |
| 20 | Cumulative (Refundable)/Recoverable Incl. Interest | $ | (1,517.86) | line 17 + line 18 + line 19 |
| 21 | **Determination of Adjustment per Therm** | | | |
| 22 | Factor T - Estimated Therms April through December 2015 | | 153,601 | (7) |
| 23 | RA and Factor O Adjustment per therm | $ | 0.0022 | line 8 / line 22 |
| 24 | 2014 Adjustment per therm | $ | (0.0120) | line 14 / line 22 |
| 25 | Total Adjustment per Therm effective April 1 through December 31, 2015 | $ | (0.0098) | line 23 + line 24 |
| 26 | Total Adjustment per Therm | | (0.98) ¢ | line 25 x 100 |

Sources:
(1) Per 2013 Rider VBA Reconciliation Statement, NSG Ex. 1.1, page 2, line 18, filed March 19, 2014 in Docket No. 14-0220.
(2) Rider VBA revenues recorded March 2014 through February 2015.
(3) The Commission did not order a Factor O in Docket No. 14-0220.
(4) Interest Rate established pursuant to Order in Docket No. 14-0742 of the Illinois Commerce Commission entered December 17, 2014.
(5) See Rider VBA Filing page 4, Rider VBA Compliance Report.
(6) See Rider VBA Filing page 5, Determination of Actual Revenue (AR).
(7) Estimated therms to be delivered April 1 through December 31, 2015

There may be differences due to rounding

**North Shore Gas Company**
**Rider VBA Reconciliation Statement - S.C. No. 2**
**For the Fiscal Year Period January 1 through December 31, 2014**

| Line No. | Description (A) | | Per Order (B) | Source (C) |
|---|---|---|---|---|
| 1 | **Carry Over - Prior Year** | | | |
| 2 | Rider VBA adjustment to be billed-Prior Year filing | $ | (726,191.07) | (1) |
| 3 | Rider VBA adjustment -actual billings in the Fiscal Year | $ | (893,118.75) | (2) |
| 4 | Amount to be Recovered (Refunded) through RA | $ | 166,927.68 | line 2 - line 3 |
| 5 | Factor O - Prior Reconciliation | $ | - | (3) |
| 6 | Interest Rate (i) (0 %) | | 0% | (4) |
| 7 | Interest Amount | $ | - | (line 4+line 5) x line 6 |
| 8 | Under / (Over) from prior years | $ | 166,927.68 | line 4 + line 5 + line 7 |
| 9 | **Current Year (Fiscal Year)** | | | |
| 10 | Rate Case Revenues (RCR) | $ | 5,396,465.01 | (5) |
| 11 | Actual Revenues (Distribution Revenues) (AR) | $ | 6,536,410.23 | (6) |
| 12 | Amount to be Recovered (Refunded) | $ | (1,139,945.22) | line 10 - line 11 |
| 13 | Percentage of Fixed Costs (PFC) | | 100% | (5) |
| 14 | Annual Adjustment Under / (Over) Current Year | $ | (1,139,945.22) | line 12 x line 13 |
| 15 | Cumulative (Refundable)/Recoverable Incl. Interest | $ | (973,017.54) | line 8 + line 14 |
| 16 | **Disposition of Cumulative (Over)/Under Recovery** | | | |
| 17 | Annual Adjustment | $ | (1,139,945.22) | line 14 |
| 18 | RA and Factor O - prior reconciliation | $ | 166,927.68 | line 8 |
| 19 | Factor O - Current Reconciliation | $ | - | n/a |
| 20 | Cumulative (Refundable)/Recoverable Incl. Interest | $ | (973,017.54) | line 17 + line 18 + line 19 |
| 21 | **Determination of Adjustment per Therm** | | | |
| 22 | Factor T - Estimated Therms April through December 2015 | | 52,355,349 | (7) |
| 23 | RA and Factor O Adjustment per therm | $ | 0.0032 | line 8 / line 22 |
| 24 | 2014 Adjustment per therm | $ | (0.0218) | line 14 / line 22 |
| 25 | Total Adjustment per Therm effective April 1 through December 31, 2015 | $ | (0.0186) | line 23 + line 24 |
| 26 | Total Adjustment per Therm | | (1.86) ¢ | line 25 x 100 |

Sources:
(1) Per 2013 Rider VBA Reconciliation Statement, NSG Ex. 1.1, page 2, line 18, filed March 19, 2014 in Docket No. 14-0220.
(2) Rider VBA revenues recorded March 2014 through February 2015.
(3) The Commission did not order a Factor O in Docket No. 14-0220.
(4) Interest Rate established pursuant to Order in Docket No. 14-0742 of the Illinois Commerce Commission entered December 17, 2014.
(5) See Rider VBA Filing page 4, Rider VBA Compliance Report.
(6) See Rider VBA Filing page 5, Determination of Actual Revenue (AR).
(7) Estimated therms to be delivered April 1 through December 31, 2015

There may be differences due to rounding