

Future Test Year Ended December 31, 2008 (\$000s)  
Classification

Account Description	Account Code	DISTRIBUTION Dollars	Allocator	Demand	DISTRIBUTION Commodity	Customer
<b>I. GAS PLANT IN SERVICE</b>						
<b>1 A. INTANGIBLE PLANT</b>	301	3,644	DISTPT	1783	54,9	
2 Subtotal- INTANGIBLE PLANT	301-303	3,644		1,783	548	1,313
<b>B. PRODUCTION PLANT</b>						
3 Boiler Equipment	306		None			0
4 L.P.G. Equipment	311		None			0
5 SNG Plant	320		None			
6 Subtotal - PRODUCTION PLANT	304-338					
<b>C. STORAGE PLANT</b>						
7 Structures and Improvements	361		None			
8 Gas Holders	362		None			
9 Purification Equipment	363		None			
10 Liquification Equipment	364		None			
11 Other Equipment	368		None			
12 Subtotal - STORAGE PLANT	360-368					
<b>13 D. TRANSMISSION PLANT</b>	370-373		None			
<b>E. DISTRIBUTION PLANT</b>						
14 Land and Land Rights	374	2,949	DEMAND	2,949	0	0
15 Structures and Improvements	375	14,491	DEMAND	14,491	0	0
16 Mains	376	805,771	MAINS-LF	597,259	208,512	0
17 Mains- Direct Assignment	376Direct	6,013	DEMAND	6,013	0	0
18 Mains- Joint	376Joint	3,277	DEMAND	3,277	0	0
19 Compressor Station Equipment	377	0	DEMAND	0	0	0
20 Meas. & Reg. Stat. Equip. - General	378	12,670	DEMAND	12,670	0	0
21 Meas. & Reg. Stat. Equip. - City Gate	379	31,940	DEMAND	31,940	0	0
22 Meas. & Reg. Stat. Equip. - Direct	379Dir	5,355	DEMAND	5,355	0	0
23 Services	380	499,886	CUST	0	0	499,886
24 Meters	381	0	None	0	0	0
25 Meters Install.	382	0	None	0	0	0
26 Indust. Meas. & Reg. Station Equipment	385	3,500	DEMAND	3,500	0	0
27 Other Equipment	387		DEMAND	1,319	0	0
28 Subtotal- DISTRIBUTION PLANT	374-387	1,387,170		678,772	208,512	499,886

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		Dollars	Allocator	Demand	Commodity		
<b>F. GENERAL PLANT</b>							
29 Land and Land Rights	389	0	DISTLABOR	0	0	0	
30 Structures and Improvements	390	3,330	DISTLABOR	1,920	818	592	
31 Office Furniture and Equipment	391	17	DISTLABOR	10	4	3	
32 Tools, Shop and Garage Equipment	394	1,979	DISTLABOR	1,141	486	352	
33 Power Operated Equipment	396	1,085	DISTLABOR	626	266	193	
34 Communication Equipment	397	96	DISTLABOR	56	24	17	
35 Miscellaneous Equipment	398	3-4	DISTLABOR	20	8	6	
36 Subtotal - GENERAL PLANT	389-399	6,541		3,771	1,606	1,164	
<b>37 TOTAL UTILITY PLANT</b>		1,397,354		684,326	210,665	502,363	
<b>II. DEPRECIATION RESERVE</b>							
38 Intangible Plant	108	3,467	DISTPT	1,696	521	1,249	
39 Production Plant	108	0	None	0	0	0	
40 Local Storage Plant	108	0	None	0	0	0	
41 Transmission Plant	108	0	None	0	0	0	
42 Mains	108	230,071	MAINS-LF	170,535	59,536	0	
43 Mains- Direct Assignment	108	1,339	DEMAND	1,339	0	0	
44 Mains- Joint	108	791	DEMAND	791	0	0	
45 Services	108	166,862	CUST	0	0	166,862	
46 Meters	108	0	None	0	0	0	
47 Distr Other	108	24,923	DEMAND	24,923	0	0	
48 Distr Other- Direct	108	1,726	DEMAND	1,726	0	0	
49 General Plant	108	1,874	DISTLABOR	1,081	460	33-3	
50 TOTAL - DEPRECIATION RESERVE	108	431,053		202,091	60,517	168,445	
<b>III. OTHER RATE BASE ITEMS</b>							
51 Gas Storage Inventory		0	None	0	0	0	
52 Materials & Supplies		130	DISTPT	64	20	47	
53 Accum Deferred Income Taxes		(160,589)	DISTPT	(78,580)	(24,139)	(57,871)	
54 Customer Deposits		(11,256)	CUST	0	0	(11,256)	
55 Common Plant		34,577	DISTLABOR	19,936	8,489	6,152	
56 Customer Advances for Construction		~	CUST	0	0	~	
57 Total - OTHER RATE BASE ITEMS		(139,035)		(58,580)	(15,630)	(64,825)	
<b>58 IV. TOTAL RATE BASE Excl. Working Cap.</b>		827,266		423,655	134,518	269,093	
59 Working Capital	131	10,981	DISTPT	5,373	1,651	3,957	
<b>60 V. TOTAL RATE BASE</b>		838,248		429,029	136,169	273,051	

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<b>I. OPERATION &amp; MAINTENANCE EXPENSE</b>						
<b>A. PRODUCTION EXPENSES</b>						
1. Manufactured Gas Production						
61 Operations Labor	701	0	None	0	0	0
62 LNG Expense	717	0	None			
63 Subtotal - O&M Accounts 701-716	710-716	0				
64 Maint. of Structure & Improvements	741	0	None			
65 Maint Production Equipment	743	0	None			
66 Subtotal - O&M Accounts 717-742	717-742	0				
67 Subtotal - Manufactured Gas Production	710-742	0				
68 2. Other Gas Supply Expenses						
69 Natural Gas City Gate Purchases	804	0	Gas Repo~	0	0	0
70 Other Natural Gas Purchases	805	0	None	0	0	0
71 Natural Gas Oper Expenses	807	1,831	COMMODITY	0	1,831	0
72 Natural Gas W/D from Storage	808	0	None	0	0	0
73 Gas Used for Other Util Operations	812	0	None	0	0	0
74 LNG Operating Expenses	813		None			
75 Subtotal - PRODUCTION EXPENSES	710-813	1,831		0	1,831	0
<b>B. NATURAL GAS STORAGE EXPENSES</b>						
76 LNG Operating Exp Admin	840	0	None	0	0	0
77 Training	841		None	0		
78 Subtotal - O&M Accounts 840-841	840-841			0		
79 Maintenance Exp- Admin	843		None	0		
80 Operating Exp- Admin	850		None	0		
81 Subtotal - Maint. Accounts 843.1-850	843.1-850			0		
82 Subtotal - NATURAL GAS STORAGE	840-850			0		
<b>83 C. TRANSMISSION EXPENSES</b>						
	<b>856-863</b>	<b>0</b>	<b>None</b>	<b>0</b>	<b>0</b>	<b>0</b>

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Account Description	Account Code	Classification			DISTRIBUTION		Customer
		DOLLARS	Allocator	Demand	Commodity		
<b>D. DISTRIBUTION EXPENSES</b>							
84 Operation Supv & Engineering	870	68	DISTPT	33	10		24
85 Mains and Services Expenses	874	7,816	MAIN&SERVICE	3,605	1,239		2,971
86 Natural Gas Oper Exp	875	1,062	COMMODITY	0	1,062		0
87 Meas & Reg Exp- City Gate Stations	877	3	DEMAND	3	0		0
88 Meter & House Regulator Expenses	878	0	None	0	0		0
89 Customer Install- Gas Business Costs	879	0	None	0	0		0
90 Other expenses	880	3,660	DISTPT	1,791	550		1,319
91 Maint. Supervision & Engineering	885	11	DISTPT	5	2		4
92 Maint, of Mains	887	12,462	MAINS-Dist	9,261	3,201		0
93 Maint. of Meas. & Reg. Station Exp,-Gen.	889	724	DEMAND	724	0		0
94 Maint, of Services	892	1,741	CUST	0	0		1,741
95 Maint, of Meters & House Regulators	893	0	None	0	0		0
96 Maintenance of Other Equipment	894	954	DISTPT	467	143		344
97 Subtotal- DISTRIBUTION EXPENSES	<b>870-893</b>	28,500		15,889	6,208		6,403
98 Total - OPERATION & MAINTENANCE EXP,		30,331		15,889	8,039		6,403
<b>II. CUSTOMER ACCOUNTS EXPENSES</b>							
99 Customer Service- Administrative	901	0	None	0	0		0
100 Meter Reading Expenses	902	0	None	0	0		0
101 Customer Records & Collection Expense	903	0	None	0	0		0
102 Uncollectible Accounts	904	8,729	CUST	0	0		8,729
103 Uncollectible Accounts- PPA	904PPA	2,234	CUST	0	0		2,234
104 Miscellaneous Customer Accounts Exp.	905	0	CUST	0	0		0
105 Discounts/Adjustments		0	CUST	0	0		0
106 Total - CUSTOMER ACCOUNTS EXPENSES		10,963		0	0		10,963
<b>III. CUSTOMER SERVICE &amp; INFORM. EXP.</b>							
107 Customer Assistance Expenses	908	1,618	CUST	0	0		1,618
108 Inform. & Instructional Advertising Exp.	909	363	CUST	0	0		363
109 Misc. Customer Service & Inform. Exp.	910	39	CUST	0	0		39
110 Demonstrating and Selling Expenses	912	838	CUST	0	0		838
111 Miscellaneous Sales Expenses	916	19,654	CUST	0	0		19,654
112 Total- CUSTOMER SERV. & INFORM. EXP.		3,054		0	0		3,054
113 Total CUST. ACCT., SERV. & SALES EXP.		14,017		0	0		14,017

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Account Description	Account Code	DISTRIBUTION Dollars	Classifier	Demand	DISTRIBUTION Commodity	Customer
<b>IV. ADMINISTRATIVE &amp; GENERAL EXP.</b>						
A. Labor-Related:						
114 Administrative & General Salaries	920	5,151	DISTLABOR	2,970	1,265	916
115 Office Supplies & Expenses	921	241	DISTLABOR	139	59	43
116 Administrative Expenses Transferred	922	(894)	DISTLABOR	(515)	(219)	(159)
117 Outside Services Employed	923	7,182	DISTLABOR	4,141	1,763	1,278
118 Injuries & Damages	925	844	DISTLABOR	487	207	150
119 Employee Pensions and Benefits	926	6,612	DISTLABOR	3,812	1,623	
120 Subtotal - O&M Accounts 920-923, 926		19,136		11,033	4,698	3,405
B. Other-Related:						
121 Property Insurance	924	77	DISTPT	38	12	28
122 Regulatory Commission Expenses	928	3,251	CUST	0	0	3,251
123 Duplicate Charges- Gas Used by Utility	929	(638)	CUST	0	0	(638)
124 General Advertising Expenses	930	295	CUST	0	0	295
125 Misc. Gen'l Expenses	930	993	CUST	0	0	993
126 Rents	931	942	CUST	0	0	942
127 Subtotal - O&M Accounts 928-931		4,921		38	12	4,872
128 Total - ADMINISTRATIVE & GENERAL EXP.		24,057		11,071	4,710	8,276
<b>129 TOTAL OPER EXP Excl Depr, Tax, Gas Supply</b>		66,573		26,960	10,918	28,696
<b>VI. DEPRECIATION EXPENSE</b>						
130 Intangible Plant		229	DISTPT	112	34	83
131 Production Plant		0	None	0	0	0
132 Local Storage Plant		0	None	0	0	0
133 Transmission Plant		0	None	0	0	0
134 Mains		11,662	MAINS-LF	8,644	3,018	0
135 Mains- Direct		83	DEMAND	83	0	0
136 Mains- Joint		41	DEMAND	41	0	0
137 Services		9,784	CUST	0	0	9,784
138 Meters		0	None	0	0	0
139 Distr Other		1,342	DEMAND	1,342	0	0
140 Distr Other- Direct		119	DEMAND	119	0	0
141 General Plant		226	DISTLABOR	130	55	40
142 Common Plant Depreciation		3,380	DISTLABOR	1,949	830	601
143 Normalized MGP Expenditures		5,551	DEMAND	5,551	0	
144 Total- DEPRECIATION EXPENSE	403	32,417		17,971	3,937	10,508

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<b>VII. TAXES OTHER THAN INCOME TAXES</b>						
<b>A. General Taxes</b>						
145	PURTA	1,180	DISTPT	577	177	425
146	Capital stock	561	DISTPT	274	84	202
147	Payroll related	1,693	DISTLABOR	976	416	301
148	Real estate	795	DISTPT	389	120	287
149	Miscellaneous	28	~2 DISTPT	13-8	4	~2
150	Subtotal- Taxes Other Than Income Taxes	4,511		2,355	839	1,317
<b>B. Franchise and Revenue Taxes</b>						
151	Gross Receipts Tax	0	None	0	0	0
152	Subtotal- Franchise and Gross Receipts Tax	0		0	0	0
<b>C. Income Tax Expense</b>						
153	State Income Tax expense	(1,262)	PreTax-DIST	(662)	(185)	(414)
154	Federal Income Tax expense	4,173	PreTax-DIST	2,190	613	1,370
155	Subtotal- Income tax expense	2,911		1,528	428	956
156	Total- TAX EXPENSE	7,422		3,882	1,267	2,272
157	TOTALEXPENSES	108,243		48,814	17,953	41,476
<b>V. REVENUES at Present Rates</b>						
158	Distribution Revenue	480-483	144,587 RevReq_PF-Dist	69,099	23,633	51,854
159	PGC Revenue	480-483PGC	0 None	0	0	0
160	Company Portion- Off System Margin	480-4831nt	0 None	0	0	0
161	Finance Chges- Unpaid Gas Accts	487	2,817 CUST	0	0	2,817
162	Misc Service Discounts	488	0 None	0	0	0
163	Transport Gas for Others	489	0 None	0	0	0
164	Revenue Adjustments	495	(504) CUST	0	_0	
165	Subtotal Gas Revenues, net	146,899		69,099	23,633	54,167
166	Total Revenue	146,899		69,099	23,633	54,167
167	Total Expenses	108,243		48,814	17,953	41,476
168	NET INCOME at Present Rates	38.656		20.285	5.680	12.690

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SUMMARY	Account Description	Account Code	DISTRIBUTION		DISTRIBUTION		
			Dollars	Allocator	Demand	Commodity	Customer
<b>169 Gas revenues</b>			146,899		69,099	23,633	54,167
170 Operating expenses			68,405		26,960	12,749	28,696
171 Depreciation Expense			32,417		17,971	3,937	10,508
172 Taxes other than Income, GRT			4,511		2,355	839	1,317
173 Total Other Expenses			<u>105,332</u>		<u>47,286</u>	<u>17,525</u>	<u>40,521</u>
174 Income tax expense			2,911		1,528	428	956
175 Gross receipts tax expense							
176 Total expenses			108,243		48,814	17,953	41,476
177 NET INCOME at Present Rates			<u>38,656</u>		<u>20,285</u>	<u>5,680</u>	<u>12,690</u>
<b>178 Total Rate Base</b>			<b><u>838,248</u></b>		<b><u>429,029</u></b>	<b><u>136,169</u></b>	<b><u>273,051</u></b>
179 Return at Present Rates			4.6%		4.7%	4.2%	4.6%
<b>REVENUE REQUIREMENTS</b>							
180 Target ROR Using Target for System			<b>8.9%</b>		<b>8.9%</b>	<b>8.9%</b>	<b>8.9%</b>
181 Rate Base			838,248		429,029	136,169	273,051
182 Operating expenses			68,405		26,960	12,749	28,696
183 Depreciation expense			32,417		17,971	3,937	10,508
184 Additional Bad Debt expense			1,026	CUST	0	0	1,026
185 Additional LIURP expense			197	CUST	0	0	197
186 Taxes other than Income, GRT			4,511		2,355	839	1,317
187 Operating expenses to recover			<u>106,555</u>		<u>47,286</u>	<u>17,525</u>	<u>41,743</u>
188 Target Return on Rate Base- After taxes			74,353		38,055	12,078	24,220
189 Income taxes to recover			32,919	44.3%	16,849	5,348	10,723
190 Subtotal- Rev Req before GRT			213,827		102,190	34,951	76,686
191 GRT needed			0		0	0	0
<b>192 TOTAL REVENUE REQUIREMENT</b>			<b>213,827</b>		<b><u>102,190</u></b>	<b><u>34,951</u></b>	<b><u>76,686</u></b>