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HAND DELIVERED

April 27, 2006

James J. McNulty, Esquire
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, Pennsylvania 17120

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P.U.C.
SECRETARY'S BUREAU

**Re: PPL Gas Utilities Corporation
Supplement No. 11 to
Tariff-Gas Pa. P.U.C. No. 3
Docket No. R-00061398**

Dear Mr. McNulty:

Enclosed for filing on behalf of PPL Gas Utilities Corporation ("PPL Gas" or the "Company") are an original and eight (8) copies of Supplement No. 11 to the Company's Tariff-Gas Pa. P.U.C. No. 3 (Supplement No. 11). Also enclosed for filing are an original and eight (8) copies of supporting information required by the Commission's regulations and procedures for natural gas base rate filings.

Supplement No. 11 is designed to produce approximately \$12.8 million in additional revenues, an increase of approximately 6.2% on a system-average basis. The Company is requesting that Supplement No. 11 become effective on 60 days' notice, i.e., July 1, 2006.

The Company has served copies of the enclosed filing and supporting data upon the Commission's Office of Trial Staff, the Office of Consumer Advocate and the Office of Small Business Advocate. Because the Company's most recent base rate proceeding was settled, the Company has not served copies of the filing on any other persons, but will make copies available upon request.

Finally, the Company has elected to use the alternative method of customer modification pursuant to the Commission's regulations at 52 Pa. Code § 53.45(b)(4).

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This book contains responses to each of the pertinent items contained in § 53.52 (Information in Response to the Commission's Regulations), § 53.53, Section I (Valuation), § 53.53, Section II (Rate of Return), § 53.53, Section III (Balance Sheet and Operating Statement), and § 53.53, Section IV (Rate Structure) of the Commission's Regulations.

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PPL GAS UTILITIES CORPORATION

TARIFF – Gas Pa. P.U.C. NO. 4
SUPPLEMENTAL INFORMATION REQUIRED BY 52 Pa. CODE 53.52(a) (b) (c)

PPL Gas Utilities, Inc. (the "Company") hereby submits the following information in support of Tariff – Gas Pa. P.U.C. No. 4. In response to each of the applicable subsections of 52 Pa. Code 53.52(a), (b), (c), and (d), the Company states the following:

52 Pa. Code 53.52(a)(1)

- Q. The specific reasons for each change.
- A. See Section 53.52 (b)(1) for the reasons for the proposed rate revisions.

52 Pa. Code 53.52(a)(2)

- Q. The total number of customers served by the utility.
- A. As of December 31, 2005, the Company served the following number of customers.

Residential	66,033
Commercial	9,553
Industrial	214
Resale	7
Transportation	363
Total	<hr/> 76,170

PPL GAS UTILITIES CORPORATION

52 Pa. Code 53.52(a)(3)

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be affected by the change.

A.

Residential	Rate Schedule R	64,142
	Rate Schedule CAP1	1,805
	Rate Schedule CAP2	695
Commercial	Rate Schedule G	9,608
	Rate Schedule O	21
Industrial	Rate Schedule G	214
Resale	Rate Schedule RS	7
Transportation	Rate Schedule L	92
	Rate Schedule GD	204
	Rate Schedule GMD	104

52 Pa. Code 53.52(a)(4)

Q. The effect of the change on the utility's customers.

A. See Exhibit CPW-5.

52 Pa. Code 53.52(a)(5)

Q. The direct or indirect effect of the proposed change on the utility's revenue and expenses.

A. See Exhibit Future 1, Schedule D-1.

52 Pa. Code 53.52(a)(6)

Q. The effect of the change on the service rendered by the utility.

A. None.

PPL GAS UTILITIES CORPORATION

52 Pa. Code 53.52(b)(6)

- Q. A calculation of the total decreases, in dollars, by tariff subdivision, projected to an annual basis.
- A. None.

52 Pa. Code 53.52(c)(1)

- Q. A statement showing the utility's calculation of the rate of return or operating ratio (if the utility qualifies to use an operating ratio under § 53.54 (relating to small water and wastewater utilities)) earned in the 12-month period referred to in subsection (b)(2), and the anticipated rate of return or operating ratio to be earned when the tariff, revision or supplement becomes effective. The rate base used in this calculation shall be supported by summaries of original cost for the rate of return calculation. When an operating ratio is used in this calculation, it shall be supported by studies of margin above operation and maintenance expense plus depreciation as referred to in § 53.54(b)(2)(B).
- A. See Exhibit Future 1, Schedule C-1.

52 Pa. Code 53.52(c)(2)

- Q. A detailed balance sheet of the utility as of the close of the period referred to in subsection (b)(2).
- A. See the response to Filing Requirement III-A-1.

52 Pa. Code 53.52(c)(3)

- Q. A summary, by detailed plant accounts, of the book value of the property of the utility at the date of the balance sheet required by paragraph (2).
- A. See Exhibits JJS-1 and JJS-2.

PPL GAS UTILITIES CORPORATION

52 Pa. Code 53.52(c)(4)

- Q. A statement showing the amount of the depreciation reserve, at the date of the balance sheet required by paragraph (2), applicable to the property, summarized as required by paragraph (3).
- A. See Exhibits JJS-1 and JJS-2.

52 Pa. Code 53.52(c)(5)

- Q. A statement of operating income, setting forth the operating revenues and expenses by detailed accounts for the 12-month period ending on the date of the balance sheet required by paragraph (2).
- A. See Exhibit Future 1, Schedules B-2 and B-3.

52 Pa. Code 53.52(c)(6)

- Q. A brief description of a major change in the operating or financial condition of the utility occurring between the date of the balance sheet required by paragraph (2) and the date of transmittal of the tariff, revision or supplement. As used in this paragraph, a major change is one which materially alters the operating or financial condition of the utility from that reflected in paragraphs (1)—(5).
- A. There have been no major changes in the operating or financial condition of the Company occurring between the date of the balance sheet and the date of transmittal of the tariffs.

52 Pa. Code 53.52(d)

- Q. If a utility renders more than one type of public service, such as electric and gas, information required by §§ 53.51—53.53 (relating to information furnished with the filing of rate changes), except subsection (c)(2), relates solely to the kind of service to which the tariff or tariff supplement is applicable. In subsection (c)(2), the book value of property used in furnishing each type of public service, as well as the depreciation reserve applicable to the property, shall be shown separately.
- A. Not applicable. The Company only renders gas distribution and sales service.

Section I
Valuation

Q. I-A-1. Provide a corporate history (include the dates of original incorporation, subsequent mergers and/or acquisitions). Indicate all counties and cities and other governmental subdivisions to which service is provided (including service areas outside the state) and the total population in the area served.

A. I-A-1. See Attachment I-A-1.

CORPORATE HISTORIES

PPL Gas Utilities Corporation hereby submits the following corporate histories as required by 52 Pa. Code § 53.53(a)(1).

A. PPL GAS UTILITIES CORPORATION

In February, 2000, Penn Fuel Gas, Inc. was renamed PPL Gas Utilities Corporation ("PPL Gas") and appropriate filings were made with the Corporation Bureau of the Pennsylvania Department of State for PFG Gas, Inc. ("PFG") and North Penn Gas Company ("North Penn") to begin doing business under the name PPL Utilities.

Effective December 31, 2004 PFG and North Penn were merged into PPL Gas Utilities Corporation, and all business since that date is being conducted as PPL Gas Utilities Corporation. The mergers of PFG Gas, Inc. and North Penn Gas Company into PPL Gas Utilities Corporation were completed in Docket Nos. A-125127, A-122050.F2000, A-120650.F2000, G-00041047, and G-00041048.

Since the 2004 merger, PPL Gas has obtained from the Commission a certificate of public convenience authorizing it to provide service in additional municipalities. With the approval of Docket No. R-00050412, effective May 20, 2005, the Commission authorized PPL Gas to provide service in St. Clair and Schuylkill Haven Boroughs in Schuylkill County, and in the Borough of West Pittston in Luzerne County.

B. PFG GAS, INC.

PFG was created by a merger of seven predecessor public utility corporations. In the merger, Allied Gas Company, Counties Gas Company, Interboro Gas Company, Lewistown Gas Company, South Penn Gas Company and Union Gas Company were merged with and into Central Penn Gas Company, the surviving corporation, the name of which was simultaneously changed to "PFG Gas, Inc." (the "1994 merger"). The 1994 merger was effective on December 31, 1994, and was approved by the Pennsylvania Public Utility Commission ("Commission") in an Order entered on December 15, 1994, at Docket No. A-120003.

Because the corporate predecessors of PFG were regulated utility corporations for many years, their corporate histories may be of interest to the Commission and are provided next. The corporate history of North Penn is provided after the corporate histories of PFG's predecessors.

Prior to the 1994 merger, Allied Gas Company, Central Penn Gas Company, Counties Gas Company, Interboro Gas Company, Lewistown Gas Company, South Penn Gas Company and Union Gas Company were each Pennsylvania corporations and wholly-owned subsidiaries of Penn Fuel. In addition to the corporate histories, all counties and governmental subdivisions which PFG or North Penn serve

(including service areas outside Pennsylvania) and the populations of the areas served are provided.

Since the 1994 merger, PFG has obtained from the Commission two certificates of public convenience authorizing it to provide service in additional territories. With an Order entered on December 6, 1996, at Docket No. A-120650,F0003, the Commission authorized PFG to provide service in Upper Mahantango and Hubley townships, Schuylkill County. With an Order entered on March 17, 1997, at Docket No. A-120650F.4, the Commission issued a certificate of public convenience authorizing PFG to provide service to the public in Walker Township, Huntingdon County.

1. ALLIED GAS COMPANY

Allied Gas Company ("Allied") was a public utility corporation organized under the Pennsylvania Business Corporation Law of 1933, 15 P.S. §§1001 et seq. (repealed) ("1933 Business Corporation Law"). As constituted prior to the 1994 merger, Allied had been the result of two mergers that were approved by the Commission.

In 1975, Allied was formed as a result of the first of the two mergers, when Ashland Gas Company and Shamokin Gas Company merged with and into Mount Carmel Gas Company, the name of which was changed simultaneously to "Allied Gas Company." The Commission issued an order and a certificate of public convenience approving the merger on February 28, 1975, at Docket No. A-98966.

Ashland Gas Company ("Ashland"), known prior to February 13, 1961 as Ashland Gas Light Company, was incorporated under the Pennsylvania Corporation Act of 1874, Act of April 29, 1874, P.L. 73 ("1874 Corporation Act"), pursuant to Letters Patent granted by the Governor on August 11, 1874, for the purpose of manufacturing gas heat and light from coal or other material for Ashland Borough, Schuylkill County, and contiguous villages. On April 17, 1967, the Commission, at Docket No. A-93006, issued a certificate of public convenience authorizing Ashland to supply gas service to the public in the boroughs of Girardville, Gordon, New Philadelphia, Middleport, Frackville, Gilberton and Ringtown and the townships of Butler, New Castle, Blythe, Ryan and Union, in Schuylkill County, and in the boroughs of Ashland and Centralia and Conyngham Township, in Columbia County.

On January 18, 1971, the Commission, at Docket No. A-93514, issued a certificate of public convenience authorizing Ashland to supply gas service to the public in a portion of West Mahanoy Township, Schuylkill County.

Shamokin Gas Company ("Shamokin") was formed on June 15, 1966 by the merger of Shamokin Gas Company ("Old Shamokin"), which was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on November 15, 1951, with and into Kulpmont Gas Company ("Kulpmont"), which was incorporated on April 29, 1965 under the 1933 Business Corporation Law. Upon merger of Old Shamokin with and into Kulpmont, Kulpmont's name was changed to "Shamokin Gas Company."

On May 23, 1966, the Commission, at Docket No. A-93007, issued a certificate of public convenience approving the merger. Following the merger, Shamokin was authorized to supply gas to the public in the City of Shamokin, the boroughs of Kulpmont and Marion Heights and the townships of Coal, East Cameron, West Cameron and Zerbe, Northumberland County.

On June 24, 1968, the Commission, at Docket No. A-94509, issued a certificate authorizing Shamokin to supply gas service in the townships of Shamokin and Ralpho, Northumberland County.

Mount Carmel Gas Company ("Mount Carmel"), known prior to December 5, 1962 as Mount Carmel Citizens' Gas Company, was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on August 23, 1922, for the purpose of manufacturing and supplying gas for light, heat and power in the Borough of Mount Carmel and Township of Mount Carmel, Northumberland County.

In 1976, following the 1975 merger of Ashland and Shamokin with and into Mount Carmel (creating Allied), the second merger, which formed Allied as it is presently constituted, occurred. Pottsville Gas Company, Hamburg Gas Company and Allied filed an application at Docket No. A-99810, by which the three companies sought approval of the transfer of all the property and rights of Pottsville Gas Company and Hamburg Gas Company to Allied. By Order entered August 23, 1976, the Commission issued a certificate of public convenience approving the transfer.

Pottsville Gas Company ("Pottsville"), known prior to October 15, 1945 as Pottsville Gas & Heating Company, was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on November 20, 1944, for the purpose of manufacturing gas and supplying light, heat and power by means of gas to the public in the City of Pottsville and boroughs of Mechanicsville, Port Carbon and Mount Carbon, Schuylkill County.

On January 2, 1962, the Commission, at Docket No. A-88442, issued a certificate extending the territory in which Pottsville was permitted to supply gas service to the public to the boroughs of Auburn, Cressona, Deer Lake, Landingville, Minersville, Orwigsburg, Palo Alto and Port Clinton and the townships of Norwegian, East Norwegian, Branch, West Brunswick, North Manheim and South Manheim, Schuylkill County.

Hamburg Gas Company ("Hamburg"), known prior to October 15, 1945 as Hamburg Gas & Heating Company, was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on June 28, 1945, for the purpose of supplying gas for light, heat and fuel to the public in the Borough of Hamburg, Berks County.

Following the 1976 merger of Pottsville, Hamburg and Allied, Allied filed an application at Docket No. A-120350 for authority to serve the Borough of Snyderstown, Northumberland County. The Application was approved by Order entered August 6, 1992.

2. CENTRAL PENN GAS COMPANY

Central Penn Gas Company ("Central Penn") was a public utility corporation organized under the 1933 Business Corporation Law. As constituted prior to the 1994 merger, Central Penn was the result of a merger that was approved by the Commission in 1978.

By application at Docket No. A-100077, Jersey Shore Gas Company, Lewisburg Gas Company, Renovo Gas Company and Lock Haven Gas Company sought approval of the transfer by merger of all the property and rights of Jersey Shore, Lewisburg, Renovo and Dauphin Gas Companies to Lock Haven Gas Company, the name of which would be changed concurrently to "Central Penn Gas Company." The Commission entered an Order approving the Application on March 13, 1978.

Jersey Shore Gas Company ("Jersey Shore"), as it was constituted at the time of the 1978 merger, was itself the result of a 1962 merger of Jersey Shore Gas Company ("Old Jersey Shore"), which was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on December 29, 1943, and Avis Gas Company ("Avis"), which was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted on November 2, 1960. As a result of the merger of Old Jersey Shore and Avis, Jersey Shore was authorized to provide service to the public in the boroughs of Jersey Shore, Hughesville and Picture Rocks, the townships of Porter, Nippenose and Piatt and certain portions of the townships of Wolf, Penn and Shrewsbury, Lycoming County; and the Borough of Avis and the Township of Pine Creek, Clinton County.

Lewisburg Gas Company ("Lewisburg"), as it was constituted at the time of the 1978 merger which formed Central Penn, was incorporated under the Act of January 31, 1856, P.L. [1857] 746, for the purpose of supplying the Borough of Lewisburg, Union County, and immediate vicinity with gas light. The Commission, pursuant to a certificate of public convenience dated August 7, 1967, approved the right of Lewisburg to begin to offer, render, furnish or supply gas service to the public in portions of the townships of Kelly, Buffalo, East Buffalo and Union, Union County.

Renovo Gas Company ("Renovo"), as it was constituted at the time of the 1978 merger which formed Central Penn, was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on July 15, 1946, for the purpose of furnishing gas to the public in the boroughs of Renovo and South Renovo, Clinton County. Pursuant to a certificate of public convenience dated December 12, 1966, the Commission authorized Renovo to provide gas service also to the public in the townships of Chapman and Noyes, Clinton County.

Lock Haven Gas Company ("Lock Haven"), as it was constituted at the time of 1978 merger, was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on July 15, 1946, for the purpose of furnishing gas to the public in the City of Lock Haven and the boroughs of Flemington and Mill Hall, Clinton County. The Commission, pursuant to a certificate of public convenience dated September 30, 1968, authorized Lock Haven to begin to offer, render, furnish or

supply gas service also to the public in the townships of Allison, Castanea, Bald Eagle and Dunnstable, Clinton County.

After the 1978 merger of Jersey Shore, Lewisburg, Renovo and Lock Haven (and the formation of Central Penn), the Commission authorized Central Penn, by order entered November 19, 1985, at Docket No. A-106456, to provide gas service to the public in the Borough of Beech Creek and a portion of the Township of Beech Creek, Clinton County. By an Order entered January 30, 1986, at Docket No. A-106503, the Commission authorized Central Penn to provide gas service to the public in the Borough of Salladasburg and a portion of the Township of Mifflin, Lycoming County. By an Order entered August 10, 1992, at Docket No. A-120670, Central Penn was authorized to provide gas service to the public in the townships of

3. COUNTIES GAS COMPANY

Counties Gas Company ("Counties") was a public utility corporation organized under the 1933 Business Corporation Law. As constituted prior to the 1994 merger, Counties is the result of a series of mergers that were approved by the Commission.

By order entered February 27, 1975, at Docket No. A-98967, the Commission approved the merger of Counties Gas Company ("Old Counties") and Curwensville Gas Company with and into Clearfield Gas Company, the name of which would changed in conjunction with the merger to "Counties Gas Company."

Old Counties, as it was constituted at the time of the 1975 merger, was incorporated under the Act of May 29, 1885, P.L. 29, pursuant to Letters Patent granted by the Governor on August 28, 1957. Old Counties was formed for the purpose of supplying natural gas to the public in the boroughs of Philipsburg and South Philipsburg and Township of Rush, Centre County; and the boroughs of Wallaceeton and Chester Hill, and townships of Bradford, Boggs, Morris and Decatur, Clearfield County.

On August 27, 1962, at Docket No. A-89249, the Commission issued Old Counties a certificate of public convenience authorizing Old Counties to provide gas service also to the public in the Borough of McVeytown and Oliver and Bratton Townships, Mifflin County. By order dated November 6, 1963, Old Counties' rights to provide service to the public in the Borough of McVeytown and townships of Oliver and Bratton, Mifflin County, were transferred to Interboro Gas Company.

Curwensville Gas Company ("Curwensville"), which was merged with Old Counties and Clearfield Gas Company in 1975 to form Counties Gas Company, was incorporated under the Act of May 29, 1885, P.L. 29, pursuant to Letters Patent granted by the Governor on August 8, 1957. The corporation was formed for the purpose of producing, dealing in, transporting, storing and supplying natural gas to the public in the Borough of Curwensville and the townships of Knox and Pike, all in Clearfield County.

Clearfield Gas Company ("Clearfield") was incorporated as Clearfield Gas and Fuel Company under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on July 15, 1946, for the purpose of manufacturing gas and supplying

light, heat and fuel by means of gas in the Borough of Clearfield and adjacent territory, Clearfield County. Clearfield Gas and Fuel Company changed its corporate name to "Clearfield Gas Company" on July 13, 1967. On July 24, 1967, the Commission issued Clearfield a certificate of public convenience, at Docket No. A-9375, authorizing Clearfield to supply gas service also in the townships of Lawrence, Bradford and Boggs, Clearfield County.

4. INTERBORO GAS COMPANY

Interboro Gas Company ("Interboro") is a public utility corporation organized under the 1933 Business Corporation Law. The organization of Interboro, which was originally called Belleville Gas Company, and initiation of service were approved by the Commission at Docket No. A-89399. Interboro was authorized pursuant to the Commission's order and certificate of public convenience to serve Menno and Union townships, Mifflin County. On February 26, 1963, the name of Belleville Gas Company was changed to Interboro.

On November 6, 1963, the Commission issued an Order and certificate of public convenience, at Docket No. A-90054, authorizing Interboro to provide gas service also to the public in McVeytown Borough and in Oliver and Bratton townships, Mifflin County.

5. LEWISTOWN GAS COMPANY

Lewistown Gas Company ("Lewistown") was a public utility corporation organized under the 1933 Business Corporation Law. By order dated December 15, 1947, at Docket No. A-71057, the Commission issued Lewistown a certificate of public convenience, authorizing Lewistown to provide gas service to the public in the boroughs of Lewistown and Burnham and in the townships of Derry and Granville, Mifflin County.

On December 5, 1966, the Commission issued a certificate of public convenience, at Docket No. A-92655, authorizing Lewistown to provide gas service also to the public in townships of Tuscarora and Lack, Juniata County. On August 26, 1968, the Commission issued a certificate of public convenience, at Docket No. A-94657, authorizing Lewistown to provide gas service also to the public in the townships of Armagh and Brown and in a portion of the Township of Union, Mifflin County. In 1967, the Borough of Juniata Terrace was organized from a portion of Granville Township, Mifflin County. Because Lewistown obtained the authority to provide gas service throughout Granville Township in conjunction with its original incorporation, it continued to have authority to provide gas service to the portion thereof now incorporated into the Borough of Juniata Terrace.

6. SOUTH PENN GAS COMPANY

South Penn Gas Company was a public utility corporation organized under the 1933 Business Corporation Law. As constituted prior to the 1994 merger, South Penn resulted from a merger which was approved by the Commission on January 9, 1979, at Docket No. A-00101211, by which Emmitsburg Gas Company, Huntingdon Gas Company, Shippensburg Gas Company, Twin Gas Company, Valley Gas Company and Waynesboro Gas Company merged with and into Oxford Gas Company, the name of which changed in conjunction with the merger to "South Penn Gas Company."

Emmitsburg Gas Company ("Emmitsburg") was incorporated on July 8, 1963 under the laws of the State of Maryland for the purpose of, inter alia, transporting and supplying natural gas and manufactured fuel gas for public consumption. On January 13, 1964, Emmitsburg received a certificate of authority under Article X of the 1933 Business Corporation Law from the Pennsylvania Department of State.

On December 21, 1964, the Commission issued Emmitsburg a certificate of public convenience, at Docket No. A-91549, authorizing Emmitsburg to provide service to the public in portions of the townships of Freedom and Cumberland, Adams County. In Maryland, Emmitsburg provides service to the public in Emmitsburg and adjacent portions of Frederick County.

Huntingdon Gas Company ("Huntingdon") was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on December 18, 1947, for the purpose of manufacturing gas and supplying light, heat and fuel by means of gas to the public in the Borough of Huntingdon and the townships of Oneida and Smithfield, Huntingdon County. On October 3, 1955, the Commission, at Docket No. A-81621, issued a certificate of public convenience approving the merger of Mount Union Gas Company into Huntingdon. As a result of the merger, Huntingdon was authorized to provide service also to the public in the boroughs of Mount Union, Mapleton and Mill Creek, and the townships of Henderson, Union, Brady, Shirley and Juniata, Huntingdon County.

Shippensburg Gas Company ("Shippensburg") was incorporated under the Act of May 3, 1909, P.L. 408, pursuant to Letters Patent granted by the Governor on July 12, 1962, upon the consolidation of Shippensburg Gas Company ("Old Shippensburg"), which had been incorporated under the 1874 Corporation Act pursuant to Letters Patent granted December 18, 1947, with Shippensburg-Cumberland Gas Company and Shippensburg-Franklin Gas Company, both of which were incorporated under the 1874 Corporation Act pursuant to Letters Patent granted on November 15, 1951. Shippensburg and its predecessors were formed for the purposes of manufacturing and supplying gas for light, heat and fuel to the public in the Borough of Shippensburg, Cumberland County and the Borough of Shippensburg, Franklin County, and the Township of Shippensburg, Cumberland County, Pennsylvania. On July 24, 1967, the Commission, at Docket No. A-93862, issued Shippensburg a certificate of public convenience authorizing Shippensburg to provide gas service also in the

Township of Southampton, Cumberland County, and the Borough of Orrstown and Township of Southampton, Franklin County.

Twin Gas Company ("Twin"), was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on March 1, 1963, for the purpose of manufacturing gas and supplying light, heat and fuel by means of gas to the public in the boroughs of Bedford and Everett and the townships of Bedford, Snake Spring Valley, Colerain, West Providence and Monroe, Bedford County, and adjacent territory. The Commission, on October 14, 1968, at Docket No. A-94754, issued Twin a certificate of public convenience authorizing it to provide gas service also to Napier Township, Bedford County.

Valley Gas Company ("Valley") was incorporated under the Act of May 29, 1885, P.L. 29, pursuant to Letters Patent granted by the Governor on August 14, 1963, for the purpose of producing, dealing in, transporting, storing and supplying natural gas in the boroughs of Martinsburg and Roaring Spring and the townships of Taylor, North Woodbury and Huston, all in Blair County.

Waynesboro Gas Company ("Waynesboro") was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on January 22, 1913, for the purpose of manufacturing gas for light only to the public in the Borough of Waynesboro and Township of Washington, both in Franklin County.

Oxford Gas Company ("Oxford"), known prior to April 21, 1965 as Citizens Gas and Fuel Company, was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on October 6, 1904, for the purpose of manufacturing and supplying light, heat and fuel to the public in the Borough of Oxford, Chester County, and territory adjacent thereto. On March 11, 1968, the Commission, at Docket No. A-93215, issued a certificate of public convenience extending the territory in which Oxford was permitted to supply gas service for light and heat to the public to the townships of Upper Oxford, Lower Oxford, East Nottingham, West Nottingham and Elk, Chester County, and Colerain and Little Britain, Lancaster County.

Following the 1979 merger of Emmitsburg, Huntingdon, Shippensburg, Twin, Valley, Waynesboro and Oxford (and the formation of South Penn), by Order entered December 5, 1991 at Docket No. A-122870 F.2, the Commission issued South Penn a certificate of public convenience authorizing it to serve a portion of Greene Township, Franklin County. On July 9, 1993, at Docket No. A-122900 F.2, the Commission issued South Penn a certificate of public convenience authorizing it to provide service to an additional portion of Greene Township and a portion of Guilford Township, Franklin County.

7. UNION GAS COMPANY

Union Gas Company ("Union") was a public utility corporation that was organized under the 1933 Business Corporation Law.

Union, as it was presently constituted prior to the 1994 merger, was the result of a merger on January 27, 1978 of Bangor Gas Company, Pittston Gas

Company and Stroudsburg Gas Company with and into Union Gas Company. The Commission issued an order and certificate of public convenience approving the merger on January 19, 1978, at Docket No. A-100622.

Bangor Gas Company ("Bangor") was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on July 3, 1899, for the purpose of manufacturing gas for light only to the public in the boroughs of Bangor, East Bangor and Pen Argyl and Washington Township and a portion of territory lying between the Township and the Borough of Pen Argyl, Northampton County. Bangor subsequently merged with the Bangor Gas Heating Company and Roseto Gas Company, thereby obtaining the right to manufacture and supply gas for light, heat and fuel to the public also in the boroughs of Bangor and Roseto, and Township of Washington, Northampton County.

On January 25, 1954, the Commission, at Docket No. A-80518, issued a certificate of public convenience approving the transfer by merger of all the property, rights, powers, franchises and privileges of Pen Argyl Gas Company ("Pen Argyl") to Bangor. Pursuant to said certificate, the territory in which Bangor was permitted to supply service was extended to include the Borough of Pen Argyl, Northampton County.

On January 25, 1954, the Commission, at Docket No. A-80516, issued a certificate of public convenience approving the acquisition by Bangor of all the property and rights of East Bangor Gas Company. Pursuant to said certificate, the territory in which Bangor was permitted to supply service was extended to include the Borough of East Bangor and Township of Upper Mount Bethel, Northampton County.

On June 5, 1961, the Commission, at Docket No. A-88007, issued a certificate of public convenience approving the acquisition by Bangor of all of the rights, powers and privileges of Wind Gap Gas Company. Pursuant to this certificate, the territory in which Bangor was permitted to supply service was extended to include the Borough of Wind Gap and the townships of Washington and Plainfield, Northampton County.

Pittston Gas Company ("Pittston") was incorporated under the 1874 Corporation Act, pursuant to Letters Patent granted by the Governor on April 29, 1874, for the purpose of manufacturing gas and supplying light, heat and fuel by means of gas to the public in the City of Pittston, boroughs of West Pittston, Exeter, Hughestown, and the townships of Jenkins and Pittston, Luzerne County, and adjacent territory.

Stroudsburg Gas Company ("Stroudsburg"), known prior to April 21, 1965 as Citizens Gas Company ("Citizens"), was incorporated under the Act of May 3, 1909, P.L. 408, pursuant to Letters Patent granted by the Governor on October 5, 1922, for the purpose of manufacturing and supplying light and heat by means of gas to the public in the boroughs of Stroudsburg and East Stroudsburg, Monroe County, and territory adjacent thereto, and for the purpose of manufacturing and supplying gas for light only in the Township of Stroud, Monroe County. On December 19, 1966, the Commission, at Docket No. A-93217, issued a certificate of public convenience extending the territory in which Stroudsburg was permitted to supply gas service for light

and heat to the public to the Borough of Delaware Water Gap and the townships of Stroud and Smithfield, Monroe County.

Union Gas Company ("Old Union"), known prior to January 24, 1969 as Pennsylvania Gas Management Company, was formed as a result of a merger of Old Union with Slatington Gas Corporation, approved by Commission Order, dated April 28, 1969, at Docket No. A-95195. The service area of Old Union included the boroughs of Jim Thorpe, Palmerton, Bowmanstown, Weissport and Lehigh and the townships of Lower Towamesing, Mahoning, Mauch Chunk and East Penn in Carbon County; the Borough of Slatington and the Township of Washington in Lehigh County; and the Borough of Walnutport and the Township of Lehigh in Northampton County. Old Union was also authorized to receive natural gas at a point in Monroe County and to transport such gas through the townships of Ross and Eldred, Monroe County to its service area in Carbon County.

After the 1978 merger of Bangor, Pittston, Stroudsburg and Old Union (forming the present Union), Union was authorized by Commission Order entered May 27, 1992, at Docket No. A-123180, to provide service to a portion of the boroughs of Laflin and Yatesville, Luzerne County. By Commission Order entered August 28, 1992, at Docket No. A-123190, Union was authorized to offer gas service to the public in the Township of Middle Smithfield, Monroe County. By Commission Order entered October 6, 1992, at Docket Nos. A-12360 and A-123170, Union was authorized to provide service in the Township of Bushkill, Northampton County, and the townships of Ross and Eldred, Monroe County.

C. NORTH PENN GAS COMPANY

Prior to February 19, 1953, North Penn Gas Company ("Old North Penn"), which had been incorporated on April 8, 1927, was a subsidiary of Pennsylvania Gas & Electric Corporation ("Penn Corp."). On December 7, 1950, as part of an overall plan of simplification and integration of the Penn Corp. system under the Public Utility Holding Company Act of 1935, Old North Penn and its three wholly-owned gas utility subsidiaries, Allegany Gas Company, which had been incorporated in 1898, Alum Rock Gas Company, which had been incorporated in 1904, and Dempseytown Gas Company, which had been incorporated in 1910, entered into an Agreement of Merger and Consolidation which became effective as of December 31, 1950. Under the terms of the Agreement of Merger and Consolidation, a new corporation, also known as North Penn, was created and it, among other things, acquired all of the property, rights, powers, privileges, franchises and immunities theretofore vested in each of its predecessors.

Pursuant to an amended plan for liquidation and dissolution of Penn Corp. under Section II of the Public Utility holding Company Act of 1935, all of the capital stock of North Penn was distributed to stockholders of Penn Corp. on February 19, 1953.

On May 13, 1977, all of North Penn's outstanding capital stock was acquired by Penn Fuel System, Inc. pursuant to a Plan under Section II(e) of the Public Utility Holding Company Act of 1935. Penn Fuel System, Inc. was a public utility holding company formed to acquire the outstanding stock of North Penn. On December 31, 1988, Penn Fuel System, Inc. merged into Penn Fuel. As a result of this merger, North Penn became a subsidiary of Penn Fuel.

D. PENN FUEL GAS, INC.

In August, 1998, by the issuance of appropriate certificates of public convenience and entry of an Order on July 24, 1998, at Docket Nos. A-120650F.0006 etc., the Commission approved the acquisition by PP&L Resources, Inc., now named PPL Corporation, of all of the issued and outstanding shares of Penn Fuel's stock. As a result of the acquisition, PFG and North Penn are now indirect subsidiaries of PPL Corporation.

In February, 2000, Penn Fuel was renamed PPL Gas Utilities Corporation and appropriate filings were made with the Corporation Bureau of the Pennsylvania Department of State for PFG and North Penn to begin doing business under the name PPL Utilities.

Counties and cities and other governmental subdivisions to which service is provided (Based on Population Data of 2000)

ADAMS COUNTY

Townships:

Cumberland	5,718
Freedom	844

BEDFORD COUNTY

Boroughs:

Bedford	3,141
Everett	1,905

Townships:

Bedford	5,417
Colerain	1,147
Monroe	1,372
Napier	2,145
Snake Spring Valley	1,482
West Providence	3,323

BERKS COUNTY

Boroughs:

Hamburg	4,114
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Shoemakersville	2,124
Townships:	
Centre	3,631
Perry	2,517
Tilden	3,553
Windsor	2,392

BLAIR COUNTY

Boroughs:	
Martinsburg	2,236
Roaring Spring	2,418
Townships:	
Huston	1,262
North Woodbury	2,276
Taylor	2,239
Woodbury	1,637

BRADFORD COUNTY

Boroughs:	
Alba	186
Burlington	182
Canton	1,807
Sylvania	200
Troy	1,508

Townships:

Armenia	166
Burlington	799
Canton	2,084
Columbia	1,162
Granville	873
LeRoy	627
Ridgebury	1,982
Smithfield	1,538
South Creek	1,261
Springfield	1,167
Troy	1,645
Wells	782
West Burlington	

CARBON COUNTY

Boroughs:	
Bowmanstown	895

Jim Thorpe	4,804
Lehighton	5,537
Palmerton	5,248
Weissport	434
Townships:	
East Penn	2,461
Lower Towamensing	3,173
Mahoning	3,978

CENTRE COUNTY

Boroughs:	
Phillipsburg	3,056
South Phillipsburg	438
Townships:	
Rush	3,466

CHESTER COUNTY

Boroughs:	
Oxford	4,315
Townships:	
East Nottingham	5,516
Elk	1,485
Lower Oxford	4,319
Upper Oxford	2,095
West Nottingham	2,634

CLARION COUNTY

Boroughs:	
Callensburg	224
Townships:	
Ashland	1,081
Beaver	1,753
Clarion	3,273
Elk	1,519
Farmington	1,986
Highland	633
Knox	1,045
Licking	479
Limestone	1,773
Millcreek	415
Monroe	1,587
Paint	1,778
Perry	1,064

Piney	516
Richland	533
Salem	852
Toby	1,166
Washington	2,037

CLEARFIELD COUNTY

Boroughs:	
Chester Hill	918
Clearfield	6,631
Curwensville	2,650
Wallacetown	350
Townships:	
Boggs	1,837
Bradford	3,314
Decatur	2,974
Knox	705
Lawrence	7,712
Morris	3,063
Pike	2,309

CLINTON COUNTY

Cities:	
Lock Haven	9,149
Boroughs:	
Avis	1,492
Beech Creek	717
Flemington	1,319
Mill Hall	1,568
Renovo	1,318
South Renovo	557
Townships:	
Allison	198
Bald Eagle	1,898
Beech Creek	1,010
Castanea	1,233
Chapman	993
Dunnstable	945
Noyes	419
Pine Creek	3,184

COLUMBIA COUNTY

Boroughs:

Centralia	21
Townships:	
Conyngham	792

CUMBERLAND
COUNTY

Boroughs:	
Shippensburg	5,586
Townships:	
Shippensburg	4,504
Southampton	4,787

FOREST COUNTY

Boroughs:	
Tionesta	615
Townships:	
Barnett	349
Green	397
Harmony	511
Jenks	1,261
Tionesta	610

FRANKLIN COUNTY

Boroughs:	
Orrstown	231
Shippensburg	5,586
Waynesboro	9,614
Townships:	
Greene	12,284
Guilford	13,100
Southampton	6,138
Washington	11,559

FULTON COUNTY

Boroughs:	
McConnellsburg	1,073
Townships:	
Ayr	1,982
Todd	1,488

HUNTINGDON COUNTY

Boroughs:	
Huntingdon	6,918

Mapleton	473
Mill Creek	351
Mount Union	2,504
Townships:	
Brady	1,035
Juniata	553
Shirley	2,526
Union	1,005
Henderson	972
Oneida	1,129
Smithfield	4,466
Walker	1,747

JEFFERSON COUNTY

Townships:	
Barnett	272

JUNIATA COUNTY

Townships:	
Lack	750
Tuscarora	1,159

LANCASTER COUNTY

Townships:	
Colerain	3,261
Little Britain	3,514

LEHIGH COUNTY

Boroughs:	
Slatington	4,434
Townships:	
Washington	6,588

LUZERNE COUNTY

Cities:	
Pittston	8,104
Boroughs:	
Exeter	5,955
Hughestown	1,541
Lafin	1,502
Yatesville	649
West Pittston	5,072
Townships:	

Jenkins	4,584
Pittston	3,450

LYCOMING COUNTY

Boroughs:	
Hughesville	2,220
Jersey Shore	4,482
Picture Rocks	693
Salladsburg	260
Townships:	
Jackson	414
Mifflin	1,145
McNett	211
Nippenose	729
Penn	900
Piatt	1,259
Porter	1,633
Shrewsbury	433
Wolf	2,707

MCKEAN COUNTY

Boroughs:	
Eldred	858
Port Allegany	2,355
Townships:	
Annin	835
Ceres	1,003
Eldred	1,696
Hamlin	819
Keating	3,087
Liberty	1,726
Norwich	633
Otto	1,736
Sergeant	176

MIFFLIN COUNTY

Boroughs:	
Burnham	2,144
Juniata Terrace	502
Lewistown	8,998
McVeytown	405
Townships:	
Armagh	3,988

Bratton	1,259
Brown	3,852
Derry	7,256
Granville	4,895
Menno	1,763
Union	3,313

MONROE COUNTY

Boroughs:

Delaware Water Gap	744
East Stroudsburg	9,888
Stroudsburg	5,756

Townships:

Eldred	2,665
Middle Smithfield	11,495
Ross	5,435
Smithfield	5,672
Stroud	13,978

MONTOUR COUNTY

Township

Liberty	1,476
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NORTHAMPTON
COUNTY

Boroughs:

Bangor	5,319
East Bangor	979
Pen Argyl	3,615
Roseto	1,653
Walnutport	2,043
Wind Gap	2,812

Townships:

Bushkill	6,982
Plainfield	5,668
Upper Mt. Bethel	6,063
Washington	4,152

NORTHUMBERLAND
COUNTY

Cities:

Shamokin	8,009
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Boroughs:

Kulpmont	2,985
Marion Heights	735
Mount Carmel	6,390
Snydertown	357
Townships:	
Coal	10,628
East Cameron	686
East Chillisquaque	664
Jordan	761
Little Mahanoy	435
Lower Augusta	1,079
Mount Carmel	2,701
Ralpho	3,764
Rockefeller	2,221
Shamokin	2,159
Washington	660
West Cameron	517
Zerbe	2,021

POTTER COUNTY

Boroughs:	
Austin	623
Bingham	687
Coudersport	2,650
Galeton	1,325
Hebron	622
Oswayo	159
Shinglehouse	1,250
Ulysses	684
Townships:	
Abbott	226
Allegany	402
East Fork	14
Eulalia	941
Clara	168
Genesee	789
Harrison	1,093
Hector	453
Homer	390
Keating	307
Oswayo	251
Pike	292
Pleasant Valley	80

Portage	223
Roulette	1,348
Sharon	907
Summit	112
Sweden	775
Sylvania	61
Ulysses	691
West Branch	392
Wharton	91

SCHUYLKILL COUNTY

Cities:

Pottsville 15,549

Boroughs:

Ashland 3,283

Auburn 839

Cressona 1,635

Deer Lake 528

Frackville 4,361

Gilberton 867

Girardville 1,742

Gordon 781

Landingville 175

Mechanicsville 515

Middleport 458

Minersville 4,552

Mount Carbon 87

New Philadelphia 1,149

Orwigsburg 3,106

Palo Alto 1,052

Port Carbon 2,019

Port Clinton 288

Ringtown 826

St. Clair 3,254

Schuylkill Haven 5,548

Townships:

Blythe 905

Branch 1,871

Butler 3,588

East Norwegian 864

Foster 1,124

Hublely 889

Mahanoy 1,112

New Castle	395
North Manheim	3,287
Norweigan	2,172
Ryan	1,451
South Manheim	2,191
Upper Mahantongo	652
Union	1,308
West Brunswick	3,428
West Mahanoy	6,166

TIOGA COUNTY

Boroughs:

Blossburg	1,480
Elkland	1,786
Knoxville	617
Lawrenceville	627
Liberty	230
Mansfield	3,411
Roseville	207
Tioga	622
Westfield	1,190
Wellsboro	3,328

Townships:

Bloss	354
Brookfield	443
Charleston	3,233
Chatham	587
Clymer	597
Covington	1,047
Delmar	2,893
Deerfield	659
Duncan	213
Elkland	607
Farmington	636
Gaines	553
Hamilton	462
Jackson	2,054
Lawrence	1,721
Liberty	868
Middlebury	1,221
Nelson	587
Osceola	700
Putnam	428

Richmond	2,475
Rutland	736
Shippen	472
Sullivan	1,322
Tioga	995
Union	945
Ward	128
Westfield	849

UNION COUNTY

Boroughs:	
Lewisburg	5,620
Townships:	
Buffalo	2,795
East Buffalo	5,730
Kelly	4,502
Union	14,727

VENANGO COUNTY

Cities & Boroughs:	
Oil City	11,504
Rouseville	472
Sugarcreek	5,331
Townships:	
Clinton	758
Cornplanter	2,687
Cranberry	7,014
Pinegrove	1,338
President	543
Richland	744
Rockland	1,346

- Q.I-A-2. Provide a schedule showing the measures of value and the rates of return at the original cost and trended original cost measures of value at the spot, three-year and five-year average price levels. All claims made on this exhibit should be cross-referenced to appropriate exhibits. Provide a schedule similar to the one listed above, reflecting respondent's final claim in its previous rate case.
- A.I-A-2. See the Company's response to Filing Requirement I-A-8. The Company's most recent base rate case resulted in a settlement agreement between all parties. No finalized measure of value was provided therein. See Section C of Exhibit Future 1 for the Company's measures of value claim in this proceeding.

- Q. I-A-3. Provide a description of the depreciation methods utilized in calculating annual depreciation amounts and depreciation reserves, together with a discussion of all factors which were considered in arriving at estimates of service life and dispersion by account. Supply a comprehensive statement of any changes made in method of depreciation. Provide dates of all field inspections and facilities visited.
- A. I-A-3. The depreciation methods used in calculating annual and accrued depreciation and the factors considered in service life estimation are discussed in Exhibit JJS-2 in "Part II. Methods Used in the Determination of Annual and Accrued Depreciation." There have been no changes in the method of depreciation; however, past methods were applied to two predecessor companies.

The dates of field inspections and facilities visited follow:

April 22, 1993

Alba Measuring and Regulating Station
Troy District Office
Mansfield District Office
Wellsboro Service Center
Wellsboro District Office
Wellsboro Measuring and Regulating Station
Palmer Station
Academy Corners Measuring and Regulating Station
Westfield District Office
West Bingham Measuring and Regulating Station

April 23, 1993

Port Allegany General Office
Port Allegany Operations Center
Roulette Shop and Garage
McDowell Measuring and Regulating Station
Ball-In Con Measuring and Regulating Station
Pearl Street Records Storage Building
Port Allegany – Pearl Street Storage Building
Hazlehurst Measuring and Regulating Station
Marienville Measuring and Regulating Station
Fryburg Service Center
Southern District Office
Coal Hill Measuring and Regulating Station

April 11, 1988

Westfield District Office
Academy Corners Measuring and Regulating Station
Palmer Storage Station
Lawrenceville Measuring and Regulating Station
Mansfield District Office
Wellsboro Service Center
Wellsboro District Office

April 12, 1988

Port Allegany General Office
Roulette Service Center
West Bingham Measuring and Regulating Station
Pearl Street Storage Building
Pearl Street Meter Repair Shop and Storage Building
Fryburg Service Center
Southern District Office

September 29, 1982

Measuring and Regulating Station at Penelec
Canoe Camp Measuring and Regulating Station
Mansfield District Office
Wellsboro Service Center
Measuring and Regulating Station at GTE Sylvania
Wellsboro District Office
Middlebury Center Purchase Point
Palmer Storage Station
Westfield District Office
Roulette Service Center
Boyers Measuring and Regulating Station
Pearl Street Storage Building
Pearl Street Meter Repair Shop and Storage Building
Measuring and Regulating Station at Pierce Glass

September 30, 1982

Port Allegany General Office
Port Allegany Radio Building and Tower
Crosby Service Center
Marienville Measuring and Regulating Station
Fryburg Service Center
Southern District Office

- Q. I-A-4. Set forth, in exhibit form, charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis is utilized.
- a. If any utility plant was excluded from the measures of value because it was deemed not to be "used and useful" in the public service, supply a detailed description of each item of property.
 - b. Provide the surviving original cost at test year end by vintage by account and include applicable depreciation reserves and annuities.
 - (i) These calculations should be provided for plant in service as well as other categories of plant, including, but not limited, to contributions in aid of construction, customers' advances for construction, and anticipated retirements associated with any construction work in progress claims (if applicable).

A. I-A-4. Charts depicting the original and estimated survivor curves and a tabular presentation of the original life table plotted on the chart for each account where the retirement rate method of analysis was utilized are presented in Exhibit JJS-2 in "Part III. Results of Study," in the section titled "Service Life Statistics."

- 4a. No utility plant recorded in Account 101, Gas Plant in Service, was excluded from the measures of value because it was no longer used and useful.
- 4b. The surviving original cost at the end of the historical year December 31, 2005, by vintage by account and the applicable depreciation reserve for gas plant are presented in Exhibit JJS-1 in "Part II. Results of Study," in the section titled "Depreciation Calculations."

The surviving original cost at the end of the future test year December 31, 2006, by vintage by account and the applicable depreciation reserve for gas plant are presented in Exhibit JJS-2 in "Part III. Results of Study," in the section titled "Depreciation Calculations."

- Q. I-A-5. Provide a comparison of respondent's calculated depreciation reserve v. book reserve by account at the end of the test year.
- A. I-A-5. Comparisons of the calculated accrued depreciation and the ratemaking book depreciation reserve are set forth in Attachment I-A-5.

PPL GAS UTILITIES CORPORATION

Comparison of Calculated Accrued Depreciation and
Book Reserve as of December 31, 2005

Depreciable Group (1)	Calculated Accrued Depreciation (2)	Book Reserve (3)
DEPRECIABLE PLANT		
Production Plant		
325.2 Producing Leaseholds	144,473	158,568
325.4 Rights-of-Way	29,414	29,386
328 Field Measuring and Regulating Station Structures	1,264	1,264
329 Other Structures	44,784	44,783
330 Producing Gas Wells - Well Construction	47,475	(467,846)
331 Producing Gas Wells - Well Equipment	42,533	49,889
332 Field Lines	713,150	702,659
334 Field Measuring and Regulating Station Equipment	19,498	46,625
335 Drilling and Cleaning Equipment	42,209	48,942
337 Other Equipment	11,062	11,062
Total Production Plant	1,095,862	625,332
Storage Plant		
350.2 Rights-of-Way	1,108	1,432
351.2 Compressor Station Structures	17,789	27,900
351.3 Measuring & Regulating Station Structures	9,028	10,918
351.4 Other Structures	42,857	56,348
352.01 Well Construction	553,715	833,101
352.02 Well Equipment	408,743	545,169
352.11 Storage Leaseholds	26,664	30,858
352.12 Storage Rights	143,327	147,096
353 Lines	390,705	566,221
354 Compressor Station Equipment	6,222	5,870
355 Measuring and Regulating Station Equipment	377,401	434,051
356 Purification Equipment	93,033	111,230
357 Other Equipment	62,079	64,382
Total Storage Plant	2,132,671	2,834,576
Transmission Plant		
365.2 Rights-of-Way	242,512	304,079
366 Measuring & Regulating Station Structures	97,058	132,107
367 Mains	12,243,282	14,569,230
369 Measuring and Regulating Station Equipment	1,716,241	2,127,754
370 Communication Equipment	215,727	241,337
371.0 Other Equipment	80,861	97,596
371.1 Testing Equipment	72,792	86,892
Total Transmission Plant	14,668,473	17,558,995
Distribution Plant		
374.2 Right-of-Way	490,579	555,390
375.1 Structures and Improvements - Large Structures	233,507	220,507
375.2 Structures and Improvements - Small Structures	108,428	149,244
376 Mains	26,900,019	27,659,235
378 Measuring and Regulating Station Equipment	1,314,700	1,424,555
379 Measuring and Regulating Station Eq. - City Gate	29,398	32,496
380 Services	15,441,143	19,042,556
381 Meters	1,958,273	1,783,608

PPL GAS UTILITIES CORPORATION

**Comparison of Calculated Accrued Depreciation and
Book Reserve as of December 31, 2005**

Depreciable Group		Calculated Accrued Depreciation	Book Reserve
(1)		(2)	(3)
382	Meter Installations	1,118,555	1,117,242
383	House Regulators	442,099	442,509
384	House Regulator Installations	287,553	297,819
385	Industrial Measuring and Regulating Equipment	2,293,580	1,918,692
387	Other Equipment	583,888	812,134
Total Distribution Plant		51,201,722	55,455,987
General Plant			
	Structures and Improvements		
390.00	Major	1,282,648	1,311,604
390.99	Other	323,821	216,543
	Total Account 390	1,606,469	1,528,147
391.1	Office Furniture and Equipment - Furniture	30,151	53,904
391.2	Office Furniture and Equipment - Equipment	227,372	207,275
391.3	Office Furniture and Equipment - Computers	452	490
392	Transportation Equipment	60,488	59,021
393	Stores Equipment	589	240
394	Tools, Shop and Garage Equipment	654,391	447,048
395	Laboratory Equipment	71,431	71,781
396	Power Operated Equipment	284,142	354,574
397	Communication Equipment	118,223	109,474
398	Miscellaneous Equipment	21,742	6,392
Total General Plant		3,075,450	2,838,346
TOTAL DEPRECIABLE PLANT		72,174,178	79,313,236
COMMON PLANT			
391	Office Furniture and Equipment	99,595	209,509
391.1	Office Furniture and Equipment - Personal Computers	18,127	23,273
Total Common Plant		117,722	232,782
NONDEPRECIABLE PLANT			
301	Organization		
302	Franchises and Consents		
303	Miscellaneous Intangible Plant		
325.1	Producing Lands		
325.5	Other Land		
350.1	Land		
365.1	Land		
374.1	Land		(11,552)
389.1	Land Rights		
Total Nondepreciable Plant		0	(11,552)
AMORTIZATION OF NEGATIVE NET SALVAGE			
TOTAL GAS PLANT		72,291,900	79,534,466

PPL GAS UTILITIES CORPORATION

**Comparison of Calculated Accrued Depreciation and
Book Reserve as of December 31, 2006**

<u>Depreciable Group</u>		<u>Calculated Accrued Depreciation</u>	<u>Book Reserve</u>
(1)		(2)	(3)
DEPRECIABLE PLANT			
Production Plant			
325.2	Producing Leaseholds	145,368	158,731
325.4	Rights-of-Way	29,428	29,407
328	Field Measuring and Regulating Station Structures	1,264	1,264
329	Other Structures	44,784	44,783
330	Producing Gas Wells - Well Construction	47,475	(620,455)
331	Producing Gas Wells - Well Equipment	38,336	(268,003)
332	Field Lines	714,289	704,107
334	Field Measuring and Regulating Station Equipment	20,189	45,033
335	Drilling and Cleaning Equipment	42,723	48,992
337	Other Equipment	11,062	11,062
Total Production Plant		1,094,918	154,921
Storage Plant			
350.2	Rights-of-Way	1,125	1,436
351.2	Compressor Station Structures	18,334	27,984
351.3	Measuring & Regulating Station Structures	9,218	11,099
351.4	Other Structures	44,164	57,126
352.01	Well Construction	580,405	851,850
352.02	Well Equipment	421,824	554,339
352.11	Storage Leaseholds	27,749	31,832
352.12	Storage Rights	150,156	154,527
353	Lines	415,432	570,950
354	Compressor Station Equipment	6,222	5,870
355	Measuring and Regulating Station Equipment	391,774	448,693
356	Purification Equipment	95,794	113,575
357	Other Equipment	68,519	72,126
Total Storage Plant		2,230,716	2,901,407
Transmission Plant			
365.2	Rights-of-Way	250,807	310,780
366	Measuring & Regulating Station Structures	100,083	133,639
367	Mains	12,773,915	15,079,000
369	Measuring and Regulating Station Equipment	1,836,130	2,252,757
370	Communication Equipment	230,164	261,394
371.0	Other Equipment	83,919	100,409
371.1	Testing Equipment	74,788	90,225
Total Transmission Plant		15,349,806	18,228,204
Distribution Plant			
374.2	Right-of-Way	530,256	595,727
375.1	Structures and Improvements - Large Structures	242,351	231,580
375.2	Structures and Improvements - Small Structures	110,670	150,299
376	Mains	28,976,060	29,754,638
378	Measuring and Regulating Station Equipment	1,424,609	1,516,970
379	Measuring and Regulating Station Eq. - City Gate	30,072	33,240
380	Services	16,631,400	19,877,772
381	Meters	2,030,294	1,876,183

PPL GAS UTILITIES CORPORATION

Comparison of Calculated Accrued Depreciation and
Book Reserve as of December 31, 2006

Depreciable Group (1)		Calculated Accrued Depreciation (2)	Book Reserve (3)
382	Meter Installations	1,202,663	1,184,364
383	House Regulators	466,419	466,562
384	House Regulator Installations	308,895	317,787
385	Industrial Measuring and Regulating Equipment	2,521,333	2,207,730
387	Other Equipment	618,857	848,763
Total Distribution Plant		55,093,879	59,061,615
General Plant			
	Structures and Improvements		
390.00	Major	1,418,294	1,532,261
390.99	Other	396,519	322,212
	<i>Total Account 390</i>	1,814,813	1,854,473
391.1	Office Furniture and Equipment - Furniture	31,976	56,607
391.2	Office Furniture and Equipment - Equipment	239,935	219,291
391.3	Office Furniture and Equipment - Computers	1,356	1,394
392	Transportation Equipment	64,515	63,916
393	Stores Equipment	659	310
394	Tools, Shop and Garage Equipment	734,925	524,018
395	Laboratory Equipment	76,946	77,297
396	Power Operated Equipment	303,164	372,883
397	Communication Equipment	128,636	123,033
398	Miscellaneous Equipment	22,886	7,887
Total General Plant		3,419,811	3,301,109
TOTAL DEPRECIABLE PLANT		77,189,130	83,647,256
COMMON PLANT			
391	Office Furniture and Equipment	111,794	212,217
391.1	Office Furniture and Equipment - Personal Computers	21,357	23,517
Total Common Plant		133,151	235,734
NONDEPRECIABLE PLANT			
301	Organization		
302	Franchises and Consents		
303	Miscellaneous Intangible Plant		
325.1	Producing Lands		
325.5	Other Land		
350.1	Land		
365.1	Land		
374.1	Land		(11,552)
389	Land Rights		
Total Nondepreciable Plant		0	(11,552)
AMORTIZATION OF NEGATIVE NET SALVAGE			
TOTAL GAS PLANT		77,322,281	83,871,438

- Q. I-A-6. Supply a schedule by account and depreciable group showing the survivor curve and annual accrual rate estimated to be appropriate:
- a. For the purposes of this filing.
 - b. For the purposes of the most recent rate increase filing prior to the current proceedings.
 - (i) Supply a comprehensive statement of any changes made in method of depreciation and in the selection of average service lives and dispersion.

- A. I-A-6.
- a. See Table 1 in Exhibits JJS-1 and JJS-2.
 - b. See Attachment I-A-6 for the survivor curves and annual accrual rates estimated to be appropriate in the Company's most recent rate filing.
 - (i) The depreciation methods and procedures used in this filing are the same as those used in the previous filing.

The survivor curve estimates are based on a service life study conducted subsequent to the most recent rate filing and submitted with the Company's 2004 Annual Depreciation Report pursuant to 52 Pa. Code Section 73.6. The service life study is described and the results are presented in Exhibit JJS-2.

PFG GAS, INC.

TABLE 1A. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT DECEMBER 31, 2000

Depreciable Group (1)		Survivor Curve (2)	Original Cost at December 31, 2000 (3)	Book Reserve (4)	Future Book Accruals (5)	Calculated Annual Accrual		Composite Remaining Life (8)=(5)/(6)
						Amount (6)	Rate (7)=(6)/(3)	
Depreciable Plant								
Production Plant								
305	Structures and Improvements	Square 40-R3	40,977.06	40,977	0		0.00	
305.99	Large		7,873.57	8,121	(248)			
	Small							
	<i>Total Account 305</i>		48,850.63	49,098	(248)	0		
306	Boiler Plant Equipment	Fully Accrued	62.19	62	0	0		
	<i>Total Production Plant</i>		48,912.82	49,160	(248)	0	0.00	
Other Storage Plant								
361	Structures and Improvements	Square	3,393.40	1,338	2,055	195	5.75	10.5
	<i>Total Other Storage Plant</i>		3,393.40	1,338	2,055	195	5.75	
Transmission Plant								
365.2	Rights of Way	60-R3	52,494.73	7,705	44,789	916	1.74	48.9
366	Measuring and Regulating Station Structures	30-R1.5	11,306.62	8,650	2,658	343	3.03	7.7
367	Mains	57-R2.5	13,227,331.64	4,469,824	8,757,507	239,572	1.81	36.6
369	Measuring & Regulating Station Equipment	38-R1	2,615,224.98	460,832	2,154,393	92,313	3.53	23.3
	<i>Total Transmission Plant</i>		15,906,357.97	4,947,011	10,959,347	333,144	2.09	
Distribution Plant								
374.2	Rights of Way	70-R4	134,327.07	30,111	104,217	1,716	1.28	60.7
375	Structures and Improvements - Small	33-R1	88,181.98	68,741	19,440	875	0.99	22.2
376	Mains	52-L2	56,542,180.49	9,849,897	46,692,285	1,297,147	2.29	36.0
378	Measuring and Regulating Station Equipment - General	34-R1.5	2,162,586.94	415,827	1,746,760	85,050	3.93	20.5
379	Measuring and Regulating Station Equipment - City Gate	34-R1.5	46,875.15	27,565	19,312	1,303	2.78	14.8
380	Services	33-R1.5	29,902,799.81	7,861,046	22,041,757	1,069,893	3.58	20.6
381	Meters	41-L3	4,009,703.96	962,385	3,047,313	114,971	2.87	26.5
382	Meter Installations	55-R2	2,383,595.19	403,139	1,980,458	52,273	2.19	37.9
383	House Regulators	37-S2	616,061.63	170,076	445,987	18,248	2.96	24.4
384	House Regulator Installations	43-R1.5	243,775.85	44,669	199,105	7,104	2.91	28.0
385	Industrial Measuring and Regulating Equipment	37-R1	3,925,353.38	313,240	3,612,113	164,285	4.19	22.0
386	Other Property On Customer Premises	15-SQ	171.75	18	154	17	9.90	9.1
387	Other Equipment	28-L1	253,957.44	26,823	227,135	13,638	5.37	16.7
	<i>Total Distribution Plant</i>		100,309,570.64	20,173,537	80,136,036	2,826,520	2.82	

PFG GAS, INC.

TABLE 1A. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT DECEMBER 31, 2000

Depreciable Group (1)		Survivor Curve (2)	Original Cost at December 31, 2000 (3)	Book Reserve (4)	Future Book Accruals (5)	Calculated Annual Accrual Amount Rate (6) (7)=(6)/(3)		Composite Remaining Life (8)=(5)/(6)
General Plant								
Structures and Improvements								
390	Major	80-R1	1,477,567.32	443,633	1,033,935	61,028	4.13	16.9
390.99	Other	33-R1	566,005.86	199,758	366,247	19,201	3.39	19.1
<i>Total Account 390</i>			2,043,573.18	643,391	1,400,182	80,229	3.93	
391	Office Furniture and Equipment	20-SQ	290,239.91	50,756	239,485	18,977	**	12.6
391.3	Office Furniture and Equipment - Mainframe	5-SQ	54,745.76	54,746	0	0	**	-
391.4	Office Furniture and Equipment - Personal Computers	5-SQ	145,881.62	61,189	84,692	31,157	**	2.7
392	Transportation Equipment	15-SQ	23,198.61	15,075	8,124	1,311	**	6.2
394	Tools, Shop and Garage Equipment	25-SQ	876,343.86	117,837	758,507	45,791	**	16.6
395	Laboratory Equipment	20-SQ	110,548.15	44,192	66,355	5,495	**	12.1
396	Power Operated Equipment	25-R2	299,769.98	101,800	197,973	13,250	4.42	14.9
397	Communication Equipment	10-SQ	305,670.67	90,549	215,121	32,815	**	6.6
398	Miscellaneous Equipment	15-SQ	31,232.87	4,505	26,728	4,169	**	6.4
<i>Total General Plant</i>			4,181,204.61	1,184,040	2,997,167	233,194	5.58	
TOTAL DEPRECIABLE PLANT			120,449,439.44	26,355,086	94,094,357	3,393,053	2.82	
COMMON PLANT								
301	Organization		1,448.78					
390	Structures and Improvements	Square	306,121.96	201,231	104,891	4,379	1.43	24.0
391	Office Furniture and Equipment	20-SQ	870,136.03	429,196	440,937	24,658	**	17.9
391.1	Office Furniture and Equipment - Personal Computers	5-SQ	2,700,863.16	1,871,671	829,191	334,559	**	2.5
394	Tools, Shop and Garage Equipment	25-SQ	9,786.49	7,607	2,179	118	**	18.5
397	Communication Equipment	10-SQ	259,071.66	197,515	61,557	10,627	**	5.8
<i>Total Common Plant</i>			4,147,428.08	2,707,220	1,438,755	374,341	9.03	

PFG GAS, INC.

TABLE 1A. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT DECEMBER 31, 2000

Depreciable Group (1)		Survivor Curve (2)	Original Cost at December 31, 2000 (3)	Book Reserve (4)	Future Book Accruals (5)	Calculated Annual Accrual Amount (6)	Rate (7)=(6)/(3)	Composite Remaining Life (8)=(5)/(6)
POST FUTURE TEST YEAR ADDITIONS								
376	Mains	52-L2	848,245.00		848,245	20,867	2.46	40.7
378	Measuring and Regulating Station Equipment - General	34-R1.5	15,000.00		15,000	774	5.16	19.4
380	Services	33-R1.5	210,000.00		210,000	11,146	5.31	18.8
382	Meter Installations	55-R2	60,000.00		60,000	1,673	2.79	35.9
390.99	Structures and Improvements - Other	33-R1	100,000.00		100,000	6,079	6.08	16.5
394	Tools, Shop and Garage Equipment	25-SQ	90,000.00		90,000	3,673	**	24.5
Total Post Future Test Year Additions			1,323,245.00	0	1,323,245	44,212		
NONDEPRECIABLE PLANT								
301	Organization		73,222.09					
302	Franchises and Consents		144,873.86					
303	Miscellaneous Intangible Plant		56,398.99					
304	Land and Land Rights		9,111.75					
365.1	Land and Land Rights		385,085.66					
374	Land and Land Rights		229,733.86	(11,552)				
389.1	Land and Land Rights		119,775.14					
Total Nondepreciable Plant			1,018,201.35	(11,552)				
AMORTIZATION OF NEGATIVE NET SALVAGE						158,277		
TOTAL GAS PLANT			<u>126,938,313.87</u>	<u>29,050,754</u>	<u>96,856,357</u>	<u>3,969,883</u>		

* Life Span Procedure was used.

** Accruals calculated for each vintage based on the amortization period set forth in Column 2.

NORTH PENN. GAS COMPANY

TABLE 1B. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT DECEMBER 31, 2000

Depreciable Group (1)		Survivor Curve (2)	Original Cost at December 31, 2000 (3)	Rate-making Book Reserve (4)	Future Accruals (5)	Calculated Annual Accrual Amount (6)	Rate (7)=(6)/(3)	Composite Remaining Life (8)=(5)/(6)
DEPRECIABLE PLANT								
Production Plant								
325.2	Producing Leaseholds	50-L2	158,727.96	158,364	365	17	0.01	21.5
325.3	Gas Rights	Fully Accrued	913,667.29	913,811	(143)			
325.4	Rights-of-Way	60-R1	29,546.04	29,293	255	7	0.02	36.4
328	Field Measuring and Regulating Station Structures	Fully Accrued	1,263.20	1,350	(86)			
329	Other Structures	Fully Accrued	44,784.66	44,814	(31)			
330	Producing Gas Wells - Well Construction	Fully Accrued	50,088.21	(162,565)	212,650			
331	Producing Gas Wells - Well Equipment	Fully Accrued	45,377.56	113,602	(68,228)			
332	Field Lines	53-L1	702,386.28	706,327	(3,942)			
334	Field Measuring and Regulating Station Equipment	21-O3	68,073.21	42,558	25,516	1,818	2.67	14.0
335	Drilling and Cleaning Equipment	27-R2	49,603.72	48,497	1,108	80	0.16	13.9
337	Other Equipment	Fully Accrued	11,062.15	11,063	(1)			
Total Production Plant			2,074,580.28	1,907,114	167,463	1,922	0.09	
Storage Plant								
350.2	Rights-of-Way	55-R4	1,565.89	1,418	148	5	0.32	29.6
351.2	Compressor Station Structures	29-R2.5	29,024.95	24,248	4,777	399	1.37	12.0
351.3	Measuring & Regulating Station Structures	29-R2.5	12,595.33	9,112	3,485	397	3.15	8.8
351.4	Other Structures	29-R2.5	82,341.86	46,579	35,762	2,776	3.37	12.9
352.01	Well Construction	55-R4	1,694,425.26	534,707	1,159,719	29,553	1.74	39.2
352.02	Well Equipment	55-R4	891,357.96	442,712	448,647	13,235	1.48	33.9
352.11	Storage Leaseholds	55-R4	73,195.73	24,842	48,355	1,260	1.72	38.4
352.12	Storage Rights	55-R4	176,810.47	125,186	51,624	1,665	0.94	31.0
353	Lines	34-R1	955,037.75	450,454	504,584	25,905	2.71	19.5
354	Compressor Station Equipment	Fully Accrued	6,221.90	221,140	(214,918)			
355	Measuring and Regulating Station Equipment	40-R2	829,446.39	386,295	443,150	19,073	2.30	23.2
356	Purification Equipment	40-R2	144,513.92	101,188	43,326	2,201	1.52	19.7
357	Other Equipment	27-R1.5	89,951.69	38,107	51,843	3,327	3.70	15.6
Total Storage Plant			4,986,489.12	2,405,988	2,580,502	99,796	2.00	
Transmission Plant								
365.2	Rights-of-Way	60-R3	523,227.99	217,694	305,533	8,428	1.61	36.3
366.2	Measuring & Regulating Station Structures	30-R1.5	117,722.78	71,197	46,526	2,880	2.45	16.2
366.3	Other Structures	30-R1.5	20,867.02	51,410	(30,543)			
367	Mains	57-R2.5	22,054,288.01	7,200,443	14,853,847	402,003	1.82	37.0
369	Measuring and Regulating Station Equipment	38-R1	1,897,512.78	897,518	999,997	45,785	2.41	21.8
370	Communication Equipment	16-O1	322,049.74	126,046	196,004	22,556	7.00	8.7
371.0	Other Equipment	30-R2	165,606.97	73,632	91,973	5,768	3.48	16.0
371.1	Testing Equipment	15-L2	84,652.50	75,148	9,505	1,836	2.17	5.2
Total Transmission Plant			25,185,927.79	8,713,088	16,472,842	489,256	1.94	

NORTH PENN GAS COMPANY

TABLE 1B. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT DECEMBER 31, 2000

Depreciable Group		Survivor Curve	Original Cost at December 31, 2000	Rate-making Book Reserve	Future Accruals	Calculated Annual Accrual		Composite Remaining Life
(1)		(2)	(3)	(4)	(5)	Amount	Rate (7)=(6)/(3)	(8)=(5)/(6)
Distribution Plant								
374.2	Right-of-Way	70-R4	1,656,019.03	342,895	1,313,124	24,795	1.50	53.0
375.1	Structures and Improvements - Large Structures	80-R1	421,150.39	206,189	214,963	10,143	2.41	21.2
375.2	Structures and Improvements - Small Structures	33-R1	25,759.75	22,698	3,059	159	0.62	19.2
376	Mains	52-L2	29,133,537.21	8,936,430	20,197,107	610,951	2.10	33.1
378	Measuring and Regulating Station Equipment	34-R1.5	1,116,767.35	526,958	589,813	30,131	2.70	19.6
380	Services	33-R1.5	13,516,937.68	4,684,665	8,832,279	459,742	3.40	19.2
381	Meters	41-L3	2,766,527.37	880,498	1,886,030	67,577	2.44	27.9
382	Meter Installations	55-R2	827,248.74	384,685	442,564	12,324	1.49	35.9
383	House Regulators	37-S2	376,577.45	176,647	199,927	9,325	2.48	21.4
384	House Regulator Installations	43-R1.5	378,516.27	163,754	214,763	8,346	2.20	25.7
385	Industrial Measuring and Regulating Equipment	37-R1	810,555.50	186,424	624,132	29,106	3.59	21.4
387	Other Equipment	28-L1	1,234,162.62	489,205	744,952	49,188	3.99	15.1
Total Distribution Plant			52,263,759.36	17,001,048	35,262,713	1,311,787	2.51	
General Plant								
390	Structures and Improvements	80-R1	2,255,497.82	725,772	1,529,726	55,513	2.46	27.6
391.1	Office Furniture and Equipment - Furniture	20-SQ	51,111.66	(13,811)	64,922	12,332	***	5.3
391.2	Office Furniture and Equipment - Equipment	20-SQ	143,457.53	57,902	85,558	6,326	***	13.5
391.3	Office Furniture and Equipment - Mainframe	5-SQ	2,745.50	28,134	(25,389)		***	
391.4	Office Furniture and Equipment - Personal Computers	5-SQ	200,084.69	218,122	(18,037)		***	
392.3	Transportation Equipment - Trailers and Other	15-SQ	98,014.54	21,114	76,901	7,310	***	10.5
393	Stores Equipment	20-SQ	1,402.66	(90)	1,493	90	***	16.6
394	Tools, Shop and Garage Equipment	25-SQ	237,245.90	(18,592)	255,838	11,083	***	23.1
396	Power Operated Equipment	25-R2	338,786.85	146,429	192,359	12,619	3.72	15.2
397	Communication Equipment	10-SQ	105,950.45	84,464	21,487	2,945	***	7.3
Total General Plant			3,434,297.60	1,249,444	2,184,858	108,218	3.15	
TOTAL DEPRECIABLE PLANT			87,945,054.15	31,276,682	56,668,378	2,010,979	2.29	

NORTH PENN GAS COMPANY

TABLE 1B. ESTIMATED SURVIVOR CURVES, ORIGINAL COST, BOOK RESERVE AND CALCULATED ANNUAL DEPRECIATION ACCRUALS RELATED TO GAS PLANT AT DECEMBER 31, 2000

Depreciable Group (1)		Survivor Curve (2)	Original Cost at December 31, 2000 (3)	Ratemaking Book Reserve (4)	Future Accruals (5)	Calculated Annual Accrual Amount (6)	Rate (7)=(6)/(3)	Composite Remaining Life (8)=(5)/(6)
Post Future Test Year Additions								
352.01	Well Construction	55-R4	400,000.00		400,000	7,835	1.96	51.1
353	Lines	34-R1	8,581.00		8,581	508	5.92	16.9
356	Purification Equipment	40-R2	100,000.00		100,000	3,781	3.78	26.5
376	Mains	52-L2	856,540.00		856,540	21,071	2.46	40.7
380	Services	33-R1.5	140,000.00		140,000	7,431	5.31	18.8
382	Meter Installations	55-R2	40,000.00		40,000	1,115	2.79	35.9
394	Tools, Shop and Garage Equipment	25-SQ	60,000.00		60,000	2,449	***	24.5
Total Post Future Test Year Additions			1,605,121.00	0	1,605,121	44,190		
NONDEPRECIABLE PLANT								
301	Organization		7,017.14					
302	Franchises and Consents		10,179.11					
325.1	Producing Lands		13,029.33					
325.5	Other Land		1,134.42					
350.1	Land		26,686.74					
365.1	Land		27,411.05					
374.1	Land		37,259.16					
389.1	Land Rights		123,576.46					
Total Nondepreciable Plant			246,293.42					
AMORTIZATION OF NEGATIVE NET SALVAGE						175,266		
TOTAL GAS PLANT			<u>89,796,468.57</u>	<u>31,276,682</u>	<u>58,273,499</u>	<u>2,230,435</u>		

* The Equal Life Group Procedure was used for all vintages.

** Life Span Procedure was used. Curve shown is interim survivor curve.

*** Accruals calculated for each vintage based on the amortization period set forth in Column 2.

- Q. I-A.7. Provide a table, showing the cumulative depreciated original cost by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:
- a. Year installed.
 - b. Original cost--the total surviving cost associated with each installation year from all plant accounts.
 - c. Calculated depreciation reserve--the calculated depreciation reserve associated with each installation year from all plant accounts.
 - d. Depreciated original cost--(Column B minus Column C).
 - e. Total-cumulation year by year of the figures from Column D.
 - f. Column E divided by the total of the figure in Column D.
- A. I-A-7. See Exhibits JJS-1 and JJS-2 in Results of Study, in the section titled "Depreciation Calculations."

- Q. I-A-8. Provide a description of the trending methodology which was utilized. Identify all indexes which were used (include all backup workpapers) and the reasons particular indexes were chosen. If indexes were spliced, indicate which years were utilized in any splices. If indexes were composited, show all supporting calculations. Include any analysis made to "test" the applicability of any indexes.
- a. Supply a comprehensive statement of any changes made in the selection of trend factors or in the methodology used in the current rate filing compared to the most recent previous rate filing.
- A. I-A-8. Trended original cost data are omitted in accordance with 52 Pa. Code Section 53.51(c).

- Q. I-A-9. Provide an exhibit indicating the spot trended original cost at test year end by vintage by account and include applicable depreciation reserves. Include totals by account for all other trended measures of value.
- A. I-A-9. Trended original cost data are omitted in accordance with 52 Pa. Code Section 53.51(c).

- Q. I-A-10. Supply an exhibit indicating the percentages of undepreciated original cost which were trended with the following indexes:
- a. Boeckh
 - b. Handy-Whitman
 - c. Indexes developed from suppliers' prices.
 - d. Indexes developed from company records and company price histories.
 - e. Construction equipment.
 - f. Government statistical releases.
- A. I-A-10. Trended original cost data for are omitted in accordance with 52 Pa. Code Section 53.51(c).

- Q. I-A-11. Provide a table, showing the cumulative *trended depreciated original cost* (at the spot price level) by year of installation for utility plant in service at the end of the test year (depreciable plant only) as claimed in the measures of value, in the following form:
- a. Year installed
 - b. Trended original cost (at the spot price level)--the total surviving cost associated with each installation year from all plant accounts.
 - c. Trended calculated depreciation reserve--the calculated depreciation
 - d. reserve associated with each installation year from all plant accounts.
 - e. Depreciated trended original cost--(Column B minus Column C).
 - f. Total-cumulation year by year of the figures from Column D.
 - g. Column E divided by the total of the figures in Column D.
- A. I-A-11. Trended original cost data for are omitted in accordance with 52 Pa. Code Section 53.51(c).

Q.I-A-12. If a claim is made for construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

[These exhibits should be updated at the conclusion of these proceedings.]

A.I-A-12. The Company is including in rate base, pursuant to 52 Pa. Code § 69.371, certain construction projects that will be in service prior to June 30, 2007, which is approximately three months after rates established in this proceeding are proposed to become effective.

Attachment I-A-12(a) provides capital work started before 2006, which will be completed by December 31, 2006. Attachment I-A-12(b) summarizes projects budgeted in the future test year, which will be completed by June 30, 2007.

None of the projects included in rate base are "expense reducing" as that term is used in the regulation. It should be noted that these projects will not produce reductions in overall operation and maintenance expenses for the Company because there is an ongoing maintenance requirement, and the replacements made by the Company each year do not reverse the effect of the aging of the entire system. Although the Company replaces a certain amount of older pipe each year, the system as a whole continues to deteriorate as a result of the normal forces of the elements on the plant in service.

None of the projects included in rate base include reimbursements or insurance recoveries. Moreover, replacements of pipelines generally involve retirements of the pipelines being replaced, which result in no material effect on the Company's depreciation accrual or the Company's net plant in service or rate base. Therefore, no adjustment for retirements is required for ratemaking purposes.

Attachment (a) Construction Work in Progress as of 12/31/05

<u>District</u>	<u>WO #</u>	<u>Description</u>	<u>Spending as of 12/31/05</u>	<u>Expected In Service date</u>
STO	0300835	MISC OPERATIONS MONROE STROUDSBURG MONROE CO HOUSING NORMAL	\$6,682	12/31/2006
STO	0300878	MISC OPERATIONS MONROE STROUDSBURG MONROE CO HOUSING GARDEN	\$675	12/31/2006
STO	0300879	MISC OPERATIONS MONROE STROUDSBURG MONROE CO HOUSING HAWTHOR	\$6,896	12/31/2006
WAO	0400016	DISTRIBUTION REPLACEMENT FRANKLIN WAYNESBORO GAY ST	\$14,371	2/28/2006
OXO	0400394	DISTRIBUTION EXTENSION CHESTER LOWER OXFORD STREET ROAD	\$4,854	12/31/2006
OXO	0400485	MAIN EXTENSION PLUS SERVICE CHESTER REDNERS MARKET	\$75,306	1/31/2006
SHO	0400584	DISTRIBUTION EXTENSION SCHUYLKILL ASHLAND GORDON MCKNIGHT	\$27,151	12/31/2006
OXO	0400642	DISTRIBUTION EXTENSION CHESTER UP/LOW OXFORD BALTIMORE PIKE	\$992	12/31/2006
POO	0400676	SERVICE INSTALLATION SCHUYLKILL POTTSVILLE S CENTRE ST, 700	\$8,799	8/30/2006
WAO	0400957	DISTRIBUTION EXTENSION FRANKLIN WAYNESBORO ORCHARD ESTATES	\$292,737	1/31/2006
WBO	0401276	MP CLOSE WELLHEAD REPLACEMENT	\$107,243	12/31/2006
POO	0402109	MISC METER MOVE OUT SCHUYLKILL PORT CARBON JACKSON ST, 115	\$1,146	2/28/2006
POO	0500003	DISTRIBUTION REPLACEMENT SCHUYLKILL POTTSVILLE W NORWEGIAN	\$75,369	1/31/2006
POO	0500006	DISTRIBUTION REPLACEMENT SCHUYLKILL POTTSVILLE HOWARD & OAK	\$72,432	1/31/2006
POO	0500014	DISTRIBUTION REPLACEMENT SCHUYLKILL POTTSVILLE E RACE ST	\$58,156	1/31/2006
POO	0500016	DISTRIBUTION REPLACEMENT SCHUYLKILL POTTSVILLE E NORWEGIAN	\$108,328	1/31/2006
POO	0500018	DISTRIBUTION REPLACEMENT SCHUYLKILL POTTSVILLE PROSPECT	\$170,881	5/31/2006
WAO	0500022	DISTRIBUTION REPLACEMENT FRANKLIN WAYNESBORO W SECOND ST	\$93,341	2/28/2006
WAO	0500048	DISTRIBUTION REPLACEMENT CUMBERLAND SHIPPENSBURG S PENN ST	\$7,162	5/31/2006
STO	0500059	DISTRIBUTION EXTENSION MONROE STROUDSBURG CLEARVIEW AVE	\$512,561	2/28/2006
PIO	0500132	DISTRIBUTIN REPLACEMENT LUZERNE PITSTON TOMPKINS ST	\$129,984	1/31/2006
WAO	0500196	DISTRIBUTION REPLACEMENT FRANKLIN GREENE TWP HPDL	\$3,724,750	3/31/2006
STO	0500213	DISTRIBUTION EXTENSION NORTHAMPTON MT BETHAL PORTLAND IND	\$733	12/31/2006
STO	0500218	DISTRIBUTION REPLACEMENT MONROE STROUDSBURG SCHUBERT	\$76,714	2/28/2006
WAO	0500236	METER SET INSTALLATION FRANKLIN GREENE LETTERKENNY BLDG 33	\$1,521	6/30/2006
POO	0500288	BULK MATERIAL PFG UNBUDGETED	\$53,356	2/28/2006
PAO	0500289	BULK MATERIAL NPG UNBUDGETED	\$22,287	2/28/2006
SHO	0500294	DISTRIBUTION EXTENSION NORTHUMBERLAND COAL ACADEMY RD	\$22,430	12/31/2006
POO	0500299	CLASS A METERS PFG R&B	\$80,980	2/28/2006
PAO	0500301	CLASS A METERS NPG R&B	\$2,206	2/28/2006
POO	0500304	ROTARY METERS PFG R&B	\$43,516	2/28/2006
POO	0500306	TURBINE METERS PFG R&B	\$17,346	2/28/2006
POO	0500308	ELECTRONIC INSTRUMENTS PFG R&B	\$31,578	2/28/2006
PAO	0500309	ELECTRONIC INSTRUMENTS NPG R&B	\$16,135	2/28/2006
PAO	0500310	TELEMETER INSTALLATION NPG	\$632	2/28/2006
POO	0500311	TELEMETER INSTALLATION PFG	\$296	2/28/2006
WAO	0500404	DISTRIBUTION EXTENSION FRANKLIN GREENE CONSTELLATION DR	\$7,707	12/31/2006
LHO	0500412	DISTRIBUTION EXTENSION CLINTON PINE CREEK	\$3,782	12/31/2006
WAO	0500470	SERVICE REPLACEMENT FRANKLIN WAYNESBORO 126 SNIDER AVE	\$59	7/31/2006
WFO	0500509	BUILDING IMPROVEMENT TIOGA SR 0349 WESTFIELD OPS CENTER	\$12,725	3/31/2006
SBO	0500520	DISTRIBUTION EXTENSION FRANKLIN GREENE WHITE CHURCH MEADOWS	\$38,791	1/31/2006
CTO	0500561	TRANSMISSION REPLACEMENT POTTER ROULETTE RIVER STREET	\$122,498	2/28/2006
WAO	0500616	DISTRIBUTION EXTENSION FRANKLIN WASHINGTON WOODCREST	\$51,056	1/31/2006
SHO	0500638	DISTRIBUTION EXTENSION NORTHUMBERLAND COAL TOWNSHIP	\$27,107	12/31/2006
STO	0500641	SERVICE INSTALLATION North Hampton East Bangor 163 Bunny Tr	\$23	8/30/2006

<u>District</u>	<u>WO #</u>	<u>Description</u>	<u>Spending as of 12/31/05</u>	<u>8/30/2006 Expected In Service date</u>
STO	0500652	SERVICE INSTALLATION North Hampton Washington 23 Christine L	\$161	8/30/2006
LEO	0500668	SERVICE REPLACEMENT CARBON PALMERTON FIRELINE ROAD	\$4,909	5/31/2006
WAO	0500682	DISTRIBUTION EXTENSION FRANKLIN SHIPPENSBURG	\$1,672	12/31/2006
CLO	0500698	METER SET INSTALLATION CLEARFIELD LAWRENCE TOWNSHIP	\$19,248	1/31/2006
OXF	0500745	BUILDING IMPROVEMENT LANCASTER LANCASTER SERVICE CENTER ENG	\$96,722	1/31/2006
OXF	0500746	BUILDING IMPROVEMENT LANCASTER QUARRYVILLE SERVICE CENTER GC	\$4,192	1/31/2006
WFO	0500748	MISCELLANEOUS OPERATIONS POTTER GALETON MILL STREET	\$3,044	2/28/2006
PAO	0500773	MISC OPERATIONS MCKEAN PORT ALLEGANY PLANT PRELIMINAY WORK	\$2,729	9/30/2006
WAO	0500833	SERVICE REPLACEMENT FRANKLIN WASHINGTON TWSP 13028 WELTY RD	\$51	5/31/2006
POO	0500841	DISTRIBUTION EXTENSION SCHUYLKILL POTTSVILLE 16TH STREET	\$22,841	12/31/2006
LTO	0500853	ACCOUNTING WORK ORDER 2005 OFFICE EQUIPMENT	\$272	3/31/2006
WBO	0500862	MISCELLANEOUS OPERATIONS TIOGA FARMINGTON EW CLOSE WELL	\$1,024	8/30/2006
WAO	0500917	DISTRIBUTION EXTENSION FRANKLIN WAYNESBORO ROUZERVILLE COMM.	\$84,261	1/31/2006
LEO	0500920	DISTRIBUTION EXTENSION CARBON LOWER TOWMENSING	\$47,041	12/31/2006
CTO	0500925	SERVICE INSTALLATION Potter Genesee Twp. Hickox Rd	\$3,087	1/31/2006
STO	0500971	SERVICE INSTALLATION monroe stroudsburg 334 Lackawanna Ave	\$52	8/30/2006
WAO	0500976	DISTRIBUTION EXTENSION FRANKLIN GREENE	\$25,742	12/31/2006
FRO	0500994	DISTRIBUTION EXT-UNBUDG CLARION-ASHLAND VALLEY ROAD, KNOX.	\$7,739	12/31/2006
STO	0501066	DISTRIBUTION EXTENSION NORTHAMPTON UPPER MT BETHAL	(\$3,467)	12/31/2006
POO	0501074	METER SET REPLACEMENT SCHUYLKILL SCHUYLKILL HAVEN SR 61	\$18,283	2/28/2006
WBO	0501124	SERVICE INSTALLATION Tioga Farmington Bottom Hill Rd RR 2	\$4,378	1/31/2006
WAO	0501138	SERVICE INSTALLATION FRANKLIN GREENE	\$3,404	8/30/2006
SBO	0501151	SERVICE INSTALLATION Cumberland Shippensburg 71 S Conestoga	\$9,929	8/30/2006
WAO	0501161	SERVICE INSTALLATION FRANKLIN WAYNESBORO 343 W SECOND	\$674	1/31/2006
SBO	0501186	SERVICE INSTALLATION FRANKLIN SHIPPENSBURG 700 ORRSTOWN RD	\$6,979	1/31/2006
STO	0501241	SERVICE INSTALLATION Monroe Stroud 1729 Douglas Ave	\$11	8/30/2006
SBO	0501258	DISTRIBUTION EXTENSION BUDGETED FRANKLIN GREENE TWP EASTVIEW	\$9,728	1/31/2006
WAO	0501266	SERVICE INSTALLATION Franklin Waynesboro 230 W Second St	\$1,081	8/30/2006
POO	0501268	METER SET REPL - MAIN RELOCATE-ERNST CABINET WORKS-HAMBURG	\$11,337	6/30/2006
STO	0501269	DISTRIBUTION EXTENSION NORTHAMPTON WIND GAP JACOBSON RD	(\$84,871)	12/31/2006
WAO	0501271	METER SET REPLACEMENT FRANKLIN WAYNESBORO BORO 227 W MAIN ST	\$807	2/28/2006
FRO	0501306	MISC OPERATIONS CLARION PAINT TWP MAP# 53C67	(\$807)	2/28/2006
STO	0501384	SERVICE INSTALLATION Northampton Bangor 119 Peter Jacob Dr L	\$499	8/30/2006
SBO	0501395	SERVICE REPLACEMENT FRANKLIN SHIP BORO 457 ROXBURY RD	\$42	7/31/2006
STO	0501397	SERVICE INSTALLATION Monroe 288 N Courtland	\$157	8/30/2006
WBO	0501407	MISCELLANEOUS OPERATIONS TIOGA FARMINGTON WELL TW-209	\$2,161	5/30/2006
CLO	0501412	DISTRIBUTION EXTENSION CENTRE RUSH TWP WINDY HILL VILLAGE	\$9,680	1/31/2006
MAO	0501416	SERVICE INSTALLATION Tioga Lawrence RR 2 Box 409	\$2,588	1/31/2006
WAO	0501429	DISTRIBUTION REPLACEMENT FRANKLIN WAYNESBORO BOROUGH S CHURC	\$19,099	2/28/2006
STO	0501438	SERVICE REPLACEMENT NORTHAMPTON BANGOR 29 BLUE VALLEY DRIVE	\$118	7/31/2006
CTO	0501443	DISTRIBUTION EXTENSION POTTER TENNESSEE ROAD	\$5,372	12/31/2006
WAO	0501454	SERVICE INSTALLATION Franklin Washinton Twp 8473 Harper Dr L	\$2,607	8/30/2006
STO	0501458	SERVICE INSTALLATION Northampton Windgap	\$1,806	8/30/2006
WBO	0501480	SERVICE INSTALLATION Tioga Delmar 1215 Rt 600	\$5,002	1/31/2006
LEO	0501511	SERVICE INSTALLATION Carbon Jim Thorpe Packer Hill	\$2,721	1/31/2006
STO	0501543	DISTRIBUTION EXTENSION MONROE STROUDSBURG GRACE PARK	\$24,045	1/31/2006
WAO	0501564	DISTRIBUTION EXTENSION FRANKLIN BORO HOOVER HOUSE MAIN EXTEN	\$5,946	1/31/2006

District	WO #	Description	Spending as of 12/31/05	Expected In Service date
LEO	0501567	SI LE- SERVICE INSTALLATION 402&404 SOUTH ST JIM THORPE	\$3,435	1/31/2006
PAO	0501590	SERVICE INSTALLATION McKean Ceres 952 Bells Run Rd	\$825	2/28/2006
WAO	0501610	SERVICE INSTALLATION FRANKLIN WASHINGTON 8428 HARPER DR	\$1,404	1/31/2006
LEO	0501613	SERVICE INSTALLATION Carbon Boro of Jim Thorpe 45 W Sixth St	\$1,313	1/31/2006
WAO	0501619	SERVICE INSTALLATION Franklin Washington 11321 Weatherstone	\$846	1/31/2006
SBO	0501625	SERVICE INSTALLATION FRANKLIN SHIPPENSBURG W KING ST 825 1/A	\$1,224	1/31/2006
POO	0501635	SERVICE REPLACEMENT BERKS HAMBURG S THIRD ST, 331	\$14,821	2/28/2006
POO	0501637	SERVICE REPLACEMENT BERKS HAMBURG S THIRD ST, 302	\$8,005	2/28/2006
POO	0501642	SERVICE INSTALLATION HAMBURG S FOURTH ST, 52	\$3,579	1/31/2006
POO	0501649	DISTRIBUTION EXTENSION BERKS HAMBURG OFF 4TH ST	\$6,223	12/31/2006
POO	0501685	SERVICE INSTALLATION Schuylkill Pottsville 613 W Norwegian S	\$2,649	1/31/2006
WAO	0501699	SERVICE INSTALLATION Franklin Waynesboro 410 E Main St	\$915	8/30/2006
SBO	0501704	METER SET INSTALLATION FRANKLIN GREENE BUILDING 34 LETTERKEN	\$5,945	1/31/2006
TRO	0501707	SERVICE INSTALLATION Bradford Canton Center St	\$1,705	8/30/2006
TRO	0501708	SERVICE INSTALLATION Bradford Canton Center St	\$1,862	8/30/2006
FRO	0501713	MISCELLANEOUS OPERATIONS CLARION WASHINGTON	(\$1,324)	2/28/2006
POO	0501714	SERVICE INSTALLATION Schuylkill N Manheim Township 8 Queen A	\$3,328	1/31/2006
STO	0501717	SERVICE INSTALLATION East Hampton Roseto Boro 717 Garibaldi	\$3,510	1/31/2006
SBO	0501722	CUMBERLAND SOUTHAMPTON LARCH DRIVE LOT 13-14	\$2,527	2/28/2006
LHO	0501732	DISTRIBUTION EXTENSION CLINTON WAYNE TWP LOCK HAVEN	\$11,740	12/31/2006
LEO	0501734	SERVICE INSTALLATION Carbon Lehighton Boro 424 Mahoning Alle	\$1,219	1/31/2006
STO	0501762	SERVICE INSTALLATION north hampton washington 84 Peter Jacob	\$570	1/31/2006
LEO	0501767	SERVICE INSTALLATION Carbon Mohoning Twtnshp 124 Center St	\$1,543	1/31/2006
WAO	0501777	SERVICE INSTALLATION Franklin Waynesboro 603 W Main St	\$597	8/30/2006
MAO	0501785	SERVICE INSTALLATION Putman 2 Cross Lane	\$2,206	1/31/2006
FRO	0501794	MISC OPERATIONS CLARION BEAVER AND ELK TWP FRYBURG	\$103	2/28/2006
STO	0501795	SERVICE REPLACEMENT NORTHAMPTON COUNTY, BANGOR 332 BROADWAY	\$2,936	1/31/2006
PAO	0501796	SERVICE INSTALLATION McKean Liberty 868 Two Mile Rd	\$2,167	1/31/2006
LEO	0501817	SERVICE INSTALLATION Carbon Palmerton 141 Princeton Ave	\$1,720	1/31/2006
STO	0501825	SERVICE INSTALLATION Northampton 42 Peter Jacob Dr Lot 2	\$736	1/31/2006
STO	0501826	SERVICE INSTALLATION North Hampton Washington 142 Peter Jaco	\$730	1/31/2006
SBO	0501831	DISTRIBUTION EXTENSION UNBUDGETED CUMBERLAND SHPBRG HALLWOOD	\$13,712	12/31/2006
FRO	0501833	SERVICE INSTALLATION Clarion Farmington Tylersburg Rd	\$226	8/30/2006
CTO	0501835	METER MOVE OUT U POTTER COUDERSPORT BORIE ST 208	\$2,686	2/28/2006
CTO	0501838	SERVICE INSTALLATION Potter Austin Boro. 10 Foster St	\$1,618	1/31/2006
TRO	0501845	SERVICE INSTALLATION RR 3	\$4,256	2/28/2006
WBO	0501847	SERVICE INSTALLATION Tioga Charleston 10 Beaver Dam Rd	\$77	8/30/2006
STO	0501856	SERVICE INSTALLATION Northampton Bangor 450 Blue Valley Dr	\$9,111	1/31/2006
SBO	0501861	SERVICE INSTALLATION Franklin South Hampton 273 Chestnut Dri	\$638	8/30/2006
PAO	0501864	SERVICE INSTALLATION MCKEAN KEATING TWP. 748 CHAMPLIN HILL	\$7,193	1/31/2006
MAO	0501868	SERVICE INSTALLATION 63 Erway Rd	\$2,506	1/31/2006
LHO	0501872	SERVICE INSTALLATION Clinton Lock Haven 12-18 Commerce St	\$133	2/28/2006
LTO	0501875	MISC OPERATIONS NB MIFFLIN LEWISTOWN GRANT STREET	\$1,543	2/28/2006
STO	0501878	SERVICE REPLACEMENT MONROE STROUDSBURG BORO 159 SWEET FER	\$5,008	1/31/2006
WBO	0501882	SERVICE REPLACEMENT TIOGA CHARLESTON TWP 1028 LAKE RD	\$1,538	2/28/2006
MAO	0501884	SERVICE INSTALLATION Tioga Rt 328	\$2,432	1/31/2006
STO	0501885	SERVICE INSTALLATION North Hampton Washington 155 Bunny Trai	\$711	8/30/2006

District	WO #	Description	Spending as of 12/31/05	Expected In Service date
SBO	0501886	SERVICE INSTALLATION Franklin Green Township 1690 Rock Rd Lo	\$557	1/31/2006
MAO	0501903	METER SET REPLACEMENT TIOGA LAWRENCE T-722	\$2,559	1/31/2006
CLO	0501905	SERVICE INSTALLATION Clearfield Boggs 2690 Old Erie Pike	\$1,849	1/31/2006
LEO	0501906	SERVICE INSTALLATION Carbon Palmerton 110 Delaware Ave	\$3,041	1/31/2006
LEO	0501908	SERVICE INSTALLATION carbon 119 S Third St Parson	\$2,102	1/31/2006
PAO	0501910	MCKEAN, ELDRED BORO 300 MAIN ST GARAGE	\$1,108	1/31/2006
FRO	0501911	SERVICE INSTALLATION Clarion Farmington Twp. Thorn Apple La	(\$137)	8/30/2006
SBO	0501916	METER SET REPLACEMENT FRANKLIN BORO 614 E MAIN ST	\$129	2/28/2006
LTO	0501917	SERVICE INSTALLATION Mifflin Lewistown 901 S Main St	\$684	1/31/2006
LTO	0501918	SERVICE INSTALLATION Mifflin Lewistown 903 S Main St	\$601	1/31/2006
STO	0501923	SERVICE INSTALLATION Monroe Stroudsburg 1115 Dreher Ave	\$3,169	1/31/2006
WAO	0501925	SERVICE INSTALLATION Frederick 1458 Ramblewood Dr Lot 63	\$379	1/31/2006
WAO	0501926	SERVICE INSTALLATION Frederick 1456 Ramblewood Dr	\$525	1/31/2006
CLO	0501932	SERVICE INSTALLATION Centre Rush 342 Railroad St	\$47	Cancel
TRO	0501935	SERVICE REPLACEMENT BRADFORD SMITHFIELD RR 2 BOX 195	\$179	Cancel
POO	0501936	SERVICE INSTALLATION Schuylkill 747 E Norwegian St	\$3,665	1/31/2006
WAO	0501938	SERVICE INSTALLATION Franklin 11625 Anthony Hwy	\$1,300	1/31/2006
POO	0501942	METER SET INSTALLATION SCHUYLKILL POTTSVILLE WALNUT LANE 959	\$6,320	6/30/2006
SBO	0501944	SERVICE INSTALLATION Cumberland Shippensburg 19 Michael cour	\$589	1/31/2006
SBO	0501946	SERVICE INSTALLATION Franklin South Hampton 22 Maizefield Dr	\$465	1/31/2006
CTO	0501950	SERVICE REPLACEMENT POTTER EULALIA DUTCH HILL RD	\$4,267	2/28/2006
WBO	0501957	SERVICE INSTALLATION Tioga Delmar Township 1221 Dutch Hill R	\$3,322	1/31/2006
WAO	0501961	SERVICE INSTALLATION Franklin Washington 8498 Harper Dr 19	\$546	1/31/2006
WAO	0501962	SERVICE INSTALLATION Franklin Washington 8308 Harper Dr 11	\$507	1/31/2006
WAO	0501963	SERVICE INSTALLATION Franklin Washington 8874 Harper Dr Lot	\$496	1/31/2006
WAO	0501964	SERVICE INSTALLATION Franklin Washington 8892 Harper Dr Lot	\$434	1/31/2006
WAO	0501965	SERVICE INSTALLATION Franklin Washington 8911 Harper Dr Lot	\$351	1/31/2006
STO	0501970	SERVICE INSTALLATION Northampton Borough 41 E Central Ave	\$11,365	1/31/2006
SBO	0501977	SERVICE INSTALLATION Cumberland South Hampton 97 Lantern Ln	\$346	8/30/2006
PAO	0501978	SERVICE INSTALLATION MCKEAN LIBERTY 3492 RT 155	\$1,231	1/31/2006
LEO	0501979	SERVICE INSTALLATION Carbon 200 Center Ave	\$1,499	1/31/2006
PAO	0501989	SERVICE INSTALLATION McKean Eldred Twp. 1987 Prentisvale Rd	\$1,124	1/31/2006
PAO	0501990	KINGS RUN RD MCKEAN SHINGLEHOUSE	\$3,377	1/31/2006
WAO	0501991	SERVICE INSTALLATION Franklin Washington 8380 Harper Dr	\$415	8/30/2006
SBO	0501992	SERVICE INSTALLATION SHIPPENSBURG LARCH DRIVE 32/34	\$278	8/30/2006
SBO	0501993	SERVICE INSTALL SHIPPENSBURG E ORANGE ST 28/30	\$271	1/31/2006
SBO	0501995	REGULATOR STATION INSTALLATION FRANKLIN GREEN TOWNSHIP	\$2,388	6/30/2006
MAO	0501998	SERVICE INSTALLATION Man Creek Heigh lot9	\$1,565	2/28/2006
POO	0501999	SERVICE INSTALLATION Schuylkill Pottsville 1024 W Market St	\$1,243	1/31/2006
WAO	0502006	SERVICE INSTALLATION Frederick 1452 Ramblewood Dr Lot 60	\$440	1/31/2006
WAO	0502007	SERVICE INSTALLATION Frederick 1454 Ramblewood Dr	\$438	1/31/2006
WAO	0502008	SERVICE INSTALLATION Frederick 1446 Ramblewood Dr Lot 59	\$529	8/30/2006
POO	0502009	SERVICE INSTALLATION Schuylkill Port Carbon 19 Pottsville St	\$4,845	1/31/2006
WAO	0502010	SERVICE INSTALLATION Frederick 1460 Ramblewood Dr Lot 64	\$389	1/31/2006
SBO	0502013	SERVICE INSTALLATION Franklin Greene Twp 120 Apple Blossum C	\$362	1/31/2006
STO	0502018	SI ST MONROE 1066 W MAIN STREET REAR STROUDSBURG	\$383	8/30/2006
STO	0502019	ST MONROE BRAESIDE AVE EAST STROUDSBURG UNIT 1 & 2	\$3,965	1/31/2006

District	WO #	Description	Spending as of 12/31/05	Expected In Service date
LTO	0502022	METER SET INSTALLATION,MIFFLIN,LEWISTOWN,6395 SR 103 NORTH	\$287	1/31/2006
MAO	0502024	SERVICE INSTALLATION 200 Oak Ridge Est	\$4,806	1/31/2006
SBO	0502027	SERVICE INSTALLATION Franklin Southampton 27 Maizefield Dr	\$637	1/31/2006
PAO	0502030	DISTRIBUTION REPLACEMENT MCKEAN LIBERTY T-381	\$4,662	2/28/2006
MAO	0502033	SERVICE INSTALLATION Tioga Hamilton Summit St	\$3,855	1/31/2006
FRO	0502034	SERVICE INSTALLATION Clarion Elk Township 427 Knight Town Rd	\$718	1/31/2006
PAO	0502040	SERVICE EXTENSION U MCKEAN ELDRED TWP TANNER RD,313	\$404	2/28/2006
SBO	0502044	SERVICE INSTALLATION Cumberland South Hampton Twosp 49 Lante	\$448	8/30/2006
SBO	0502045	SERVICE INSTALLATION Cumberland Southampton 60 Lantern Ln	\$466	8/30/2006
SBO	0502049	SERVICE INSTALLATION Cumberland South Hampton 82 Lantern Ln	\$213	1/31/2006
PAO	0502056	SERVICE INSTALLATION McKean Annin Twp. 835 Annin Creek Rd	\$2,873	1/31/2006
WFO	0502057	SERVICE INSTALLATION Potter Harrison Twp. 200 South St	\$986	8/30/2006
LEO	0502059	SERVICE INSTALLATION CARBON 1430 MAUCH CHUCK RD	\$1,924	1/31/2006
LHO	0502061	METER SET REPLACEMENT UNION LEWISBURG BORO BUCKNELL UNI	\$270	8/30/2006
MAO	0502071	SERVICE INSTALLATION Trowbridge Stat Rd	\$4,252	1/31/2006
MAO	0502072	SERVICE INSTALLATION Tioga Richmond Township 544 Mulberry Hi	\$62	2/28/2006
STO	0502075	SERVICE INSTALLATION Northampton Washington 11 Christine Ln	\$368	8/30/2006
WBO	0502077	SERVICE INSTALLATION Tioga Shippen 819 Marsh Creek Rd	\$1,160	1/31/2006
LTO	0502078	SERVICE INSTALLATION Mifflin Union 76 S Penn St	\$978	1/31/2006
PAO	0502082	SERVICE INSTALLATION 3 Campbell Alley	\$1,114	1/31/2006
TRO	0502095	DISTRIBUTION REPLACEMENT BRADFORD CANTON SR 0414	\$532	4/30/2006
CLO	0502096	SERVICE INSTALLATION Clearfield Clearfield Boro 309 E Walnut	\$1,659	1/31/2006
SHO	0502100	SERVICE INSTALLATION Schuykill Gordon 112 McKnight Rd lot 35	\$326	1/31/2006
SHO	0502101	SERVICE INSTALLATION Schuykill Gordon 108 McKnight RD lot 37	\$338	1/31/2006
SHO	0502102	SERVICE INSTALLATION Schuykill Gordon 110 McKnight Rd lot 36	\$363	1/31/2006
SHO	0502103	SERVICE INSTALLATION Schuykill Gordon 106 McKnight Rd lot 38	\$347	1/31/2006
SHO	0502104	SERVICE INSTALLATION Schuykill Gordon 104 McKnight ST lot 39	\$398	1/31/2006
SHO	0502105	SERVICE INSTALLATION Schuykill Gordon 102 McKnight St lot 40	\$394	1/31/2006
WAO	0502106	SERVICE REPLACEMENT FRANKLIN WAYNESBORO W NORTH ST 30	\$2,034	2/28/2006
STO	0502107	SERVICE INSTALLATION North Hampton Washington 102 Peter Jaco	\$789	8/30/2006
OXO	0502111	SERVICE INSTALLATION Chester Oxford 224 Penn Ave	\$1,458	1/31/2006
LEO	0502115	SERVICE INSTALLATION Carbon Jim Thorpe 20 W Seventh St	\$1,813	8/30/2006
POO	0502117	SERVICE INSTALLATION BERKS TILTEN SHORT ST, 8	\$242	1/31/2006
STO	0502118	SERVICE INSTALLATION North Hampton Plainfield 1131 Pleasant	\$59	8/30/2006
STO	0502120	SERVICE INSTALLATION Northampton Upper Mount Bethel 1711 S D	\$2,787	8/30/2006
FRO	0502124	METER SET INSTALLATION VENANGO CORNPLANTER	\$1,872	2/28/2006
SBO	0502126	SERVICE INSTALLATION Cumberland South Hampton 73 Lantern Ln	\$342	1/31/2006
SBO	0502127	SERVICE INSTALLATION Franklin Shippensburg 404 W King St	\$120	8/30/2006
SBO	0502128	SERVICE INSTALLATION Cumberland South Hampton 16 Burke Dr	\$339	8/30/2006
SBO	0502129	SERVICE INSTALLATION Cumberland South Hampton 9 Michael Ct	\$414	8/30/2006
POO	0502131	SERVICE REPLACEMENT BERKS HAMBURG MOUNTAIN VIEW CT, 7	\$131	7/31/2006
LHO	0502132	METER REPLACEMENT UNION LEWISBURG 137 N. 10TH ST.	\$1,027	2/28/2006
TRO	0502133	SERVICE INSTALLATION Bradford Troy 277 Paine St	\$2,891	1/31/2006
WAO	0502135	SERVICE INSTALLATION 1461 Ramblewood Dr	\$582	1/31/2006
CTO	0502137	METER SET REPLACEMENT U POTTER AUSTIN ELLIOTT ST	\$125	2/28/2006
SBO	0502138	SERVICE INSTALLATION Franklin South Hampton 432 Macintosh Ct	\$419	8/30/2006
HUO	0502142	SERVICE INSTALLATION Huntingdon Smithfield 1424 Pennsylvania	\$3,302	8/30/2006

PIO	0502144	MSR LUZERENE PITTSTON 9 MARKET STREET QUALITY REALITY CO.	\$245	2/28/2006
FRO	0502145	MISC. OPERATIONS VENANGO CORNPLANTER SR 0008	\$1,965	2/28/2006
PAO	0502146	SERVICE REPLACEMENT U MCKEAN PORT ALLEGANY BROAD ST, 313	\$1,877	2/28/2006
WAO	0502149	SERVICE INSTALLATION Franklin Washington 8781 Harper Dr	\$281	8/30/2006
SBO	0502152	SERVICE INSTALLATION FRANKLIN GREENE 2941 CONSTELLATION DR 8	\$55	8/30/2006

<u>District</u>	<u>WO #</u>	<u>Description</u>	<u>Spending as of 12/31/05</u>	<u>Expected In Service date</u>
SBO	0502154	SERVICE INSTALLATION Franklin Greene 2940 Constellation Dr 6	\$492	8/30/2006
SBO	0502155	SERVICE INSTALLATION Cumberland South Hampton 7 Michael Ct	\$485	8/30/2006
SBO	0502156	SERVICE INSTALLATION Cumberland South Hampton 16 Michael Ct	\$369	1/31/2006
FRO	0502160	SERVICE INSTALLATION Clarion Beaver Twp. RR 1 Box 234	\$1,343	1/31/2006
SBO	0502161	SERVICE INSTALLATION Franklin South Hampton 9601 Possum Holl	\$468	1/31/2006
LHO	0502162	METER REPLACEMENT CLINTON WAYNE TWP. 897 MCELHATTAN DR	\$530	1/31/2006
WBO	0502163	DISTRIBUTION REPLACEMENT TIOGA MIDDLEBURY	\$5,917	2/28/2006
WAO	0502166	SERVICE INSTALLATION Franklin Washington Twp 10988 Weatherst	\$191	1/31/2006
WAO	0502168	SERVICE INSTALLATION Franklin Washington Twp 11396 Weatherst	\$472	1/31/2006
TRO	0502170	SERVICE REPLACEMENT BRADFORD SPRINGFIELD RR 2 BOX 85	\$191	2/28/2006
WBO	0502171	SERVICE REPLACEMENT TIOGA MIDDLEBURY TWP 108 PLAZA RD	\$1,711	2/28/2006
SBO	0502179	SERVICE INSTALLATION Cumberland Southampton 276 Chestnut Dr	\$370	1/31/2006
POO	0502183	SERVICE INSTALLATION Berks Hamburg 516 Elm St	\$576	1/31/2006
PAO	0502186	SERVICE INSTALLATION MCKEAN KEATING TWP. 260 RT446	\$172	2/28/2006
CLO	0600124	DISTRIBUTION REPLACEMENT CLEARFIELD CLEARFIELD NICHOLS ST	\$13,134	8/30/2006

: 2006 Projects -To be In Service Prior to June 30, 2007

Category	Project Type	Budgeted Cost
Replacement and Betterment – To be in service by December 31, 2006		\$10,140,000
	Buildings	\$ 359,200
	Cathodic Protection and Pipeline Integrity Management	\$ 941,500
	Measurement and Regulation Stations Rebuilds	\$ 288,300
	Measurement and Regulation Equipment	\$ 459,400
	Office Equipment	\$ 16,300
	Production and Storage	\$ 719,800
	Replacement and Betterment (Mains)	\$ 5,780,900
	Service Replacement and Betterment	\$ 495,200
	Tools and Equipment	\$ 610,000
	Transmission	\$ 469,400
Replacement and Betterment – To be in service by June 30, 2007		\$ 60,000
	Right of way acquisition	\$ 60,000
New Business – To be in service by December 31, 2006		\$ 3,900,000
	Main Extensions (New Business)	\$ 1,976,100
	Services and Meters (New Business)	\$ 1,923,900
Grand Total		\$14,100,000

Q.I-A-13. If a claim is made for non-revenue producing construction work in progress, include, in the form of an exhibit, the summary page from all work orders, amount expended at the end of the test year and anticipated in-service dates. Indicate if any of the construction work in progress will result in insurance recoveries, reimbursements, or retirements of existing facilities. Describe in exact detail the necessity of each project claimed if not detailed on the summary page from the work order. Include final completion date and estimated total amounts to be spent on each project.

[These exhibits should be updated at the conclusion of these proceedings.]

A.I-A-13. The amount of, non-revenue producing construction work in progress, to be included in rate base for the future test year ending December 31, 2006 is \$60,000. This expenditure is for the acquisition of right-of-way associated with 2007 construction which is expected to be in service by June 30, 2007.

Q.I-A-14. If a claim is made for plant held for future use, supply the following:

- a. A brief description of the plant or land site and its cost.
- b. Expected date of use for each item claimed.
- c. Explanation as to why it is necessary to acquire each item in advance of its date of use.
- d. Date when each item was acquired.
- e. Date when each item was placed in plant held for future use.

A.I-A-14. No claim is being made for plant held for future use.

Q. I-A-15. If materials and supplies comprise part of the cash working capital claim, attach an exhibit showing the actual book balances for materials and supplies by month for the thirteen months prior to the end of the test year. Explain any abrupt changes in monthly balances.

[Explain method of determining claim if other than that described above.]

A. I-A-15. See Schedule C-3 of Exhibit Historic 1.

Q. I-A-16. If fuel stocks comprise part of the cash working capital claim, provide an exhibit showing the actual book balances (quantity and price) for the fuel inventories by type of fuel for the thirteen months prior to the end of the test year by location, station, etc.

[Explain the method of determining claim if other than that described above.]

A. I-A-16. See Schedule C-4 of Exhibit Historic 1 for price information and Attachment I-A-16 for quantity information.

PPL GAS UTILITIES CORPORATION

Natural Gas Inventory
Thirteen Monthly Balances Ended December 31, 2005
(Thousands)

<u>Month</u>	<u>Quantity (Dths)</u>
December 2004	4,008
January 2005	3,480
February	2,609
March	1,631
April	1,941
May	2,283
June	2,490
July	3,044
August	3,420
September	3,554
October	3,897
November	4,055
December	3,769

- Q.I-A-17. Regardless of whether a claim for net negative or positive salvage is made, attach an exhibit showing gross salvage, cost of removal, and net salvage for the test year and four previous years by account.
- A.I-A-17. See Exhibits JJS-1 and JJS-2 in "Results of Study" in the sections titled "Experienced Net Salvage" and "Experienced and Estimated Net Salvage", respectively.

- Q.I-A-18. Explain in detail by statement or exhibit the appropriateness of claiming any additional items, not previously mentioned, in the measures of value.
- A.I-A-18. See Section C of Exhibit Future 1 for the Company's claimed measure of value.

Q.I-C-1. Provide, with respect to the scope of operations of the utility, a description of all property, including an explanation of the system's operation, and all plans for any significant future expansion, modification, or other alteration of facilities.

This description should include, but not be limited to the following:

- a. If respondent has various gas service areas, indicate if they are integrated, such that the gas supply is available to all customers.
- b. Provide all pertinent data regarding company policy related to the addition of new consumers in the company's service area.
- c. Explain how respondent obtains its gas supply, as follows:
 - (i) Explain how respondent stores or manufactures gas; if applicable.
 - (ii) State whether the company has peak shaving facilities.
 - (iii) Provide details of coal-gasification programs, if any.
 - (iv) Describe the potential for emergency purchases of gas.
 - (v) Provide the amount of gas in MCF supplied by various suppliers in the test year (include a copy of all contracts).
 - (vi) Provide the amount of gas in MCF supplied from company-owned wells during the test year.
- d. Provide plans for future gas supply, as follows:
 - (i) Supply details of anticipated gas supply from respondent's near-term development of gas wells, if any.
 - (ii) Provide gas supply agreements and well development ventures and identify the parties thereto.
- e. Indicate any anticipated curtailments and explain the reasons for the curtailments.
- f. Provide current data on any Federal Power Commission action or programs that may affect, or tend to affect, the natural gas supply to the gas utility

A.I-C-1. See Attachment I-C-1.

Property Description

- a. The Company operates in rural and small town areas with a relatively low percentage of the properties along its lines using natural gas. The majority of customers are residential (87%). Commercial customers account for most of the remainder with industrial accounting for less than one-half percent.

The Company has six gas service segments. Two areas are integrated, but depend on one pipeline for the majority of supply. Four other segments serve small distribution systems which are not integrated, i.e., without multiple pipelines providing supply. The following will describe each area as to source of supply and number of take points off the pipeline.

North Penn-West Approx. 7% of total customers

This segment is supplied by Tennessee Gas Pipeline (Tennessee) and augmented, to a limited extent, by Consolidated Natural Gas (CNG). Both of the Tennessee stations are demand stations, in that they take what the demand of the system needs. The segment is stand-alone, in that the storage assets of North Penn are not connected to this segment.

PIPELINE	CITY GATE STATION	
TENNESSEE GAS PIPELINE	Coal Hill	#20335
	Marienville	#20173
Consolidated Natural Gas (CNG)	Eshbaugh	#20804
National Fuel Gas (Emergency)	Marienville	
	Fryburg	

North Penn – East Approx. 41% of total customers

This segment is supplied by Tennessee, CNG and Company storage. The Wellsboro and Mansfield city gate stations are utilized for the injection of on-system customer storage gas. Of the five Tennessee city gates, three are set-point stations and 2 are demand stations. The two CNG stations are demand stations.

PIPELINE	CITY GATE STATION	
Tennessee	Port Allegany	#20315
	West Bingham	# 20089
	Wellsboro	#20253
	Mansfield	# 20213
	Troy	#20444
CNG	Clermnot	#20802
	McDowell(Emergency)	#20803
National Fuel Gas(Emergency)	Lawrenceville	
Company Storage	Tioga/Meeker	
	Wharton	

TEXAS EASTERN Approx. 22% of total customers

This segment is supplied by Texas Eastern Transmission Corporation (Texas Eastern). All the stations are demand stations. There are two storage supply contracts one with Texas Eastern (SS-1) and the other is with CNG, all of which are delivered by Texas Eastern. Any imbalance created from a mismatch of supply to demand is absorbed by the swing capability of SS-1 storage contracted from Texas Eastern. None of the systems served from Texas Eastern interconnect with any other pipeline supply.

PIPELINE	SYSTEM SERVED	CITY GATE STATIONS	
Texas Eastern	Shippensburg	Shippensburg	#70096
	Huntingdon	Huntingdon	#70266
		Mapleton	#71455
	Lewistown	Lewistown	#70308
		Belleville	#71143
	Longfellow	Longfellow	#70463
	Bedford	Bedford	#71144
	Valley	Valley	#71189
	Allied	Pottsville	#70309
Dauphin		#71438	
McConnellsburg	McConnellsburg	#72157	

**TRANSCONTINENTAL GAS PIPE LINE CORPORATION
Approx. 14% of total customers**

This segment is supplied by Transco. All of the five stations are demand stations, any imbalance of supply to demand is balanced through the swing ability of the storage contracted from Transco. None of the systems served from Transco interconnect with any other pipeline supply.

PIPELINE	SYSTEM SERVED	CITY GATE STATIONS	
Transco	Lehighton	Palmerton	#6125
	Pittston	Wyoming	#6111
	Hughesville	Hughesville	#6152
	Lock Haven	Avis	#6186
	Wind Gap	Wind Gap	#6198

COLUMBIA – OP AREA 04 Approx. 13% of total customers

This segment is supplied by Columbia Gas Transmission (Columbia) from its 1278 line in eastern Pennsylvania. All of the stations are demand stations. This segment has receipt points from Texas Eastern at Eagle and Transco at Downingtown and Columbia Gulf. None of the systems served from Columbia 04 interconnect with any other pipeline supply.

PIPELINE	SYSTEM SERVED	CITY GATE STATIONS	
Columbia Gas Transmission	Emmitsburg	Emmitsburg	#600007
	Bangor	Bangor	#600014
	Oxford	Oxford	#600016
		Mount Vernon	#600017
		Spring Valley	#633513
	Stroudsburg	Stroudsburg	#600025
Delaware Water Gap		#600024	
Waynesboro	Waynesboro	#600050	
	Waynesboro	#600051	

COLUMBIA –OP AREA 08 Approx. 3% of total customers

This segment is supplied by Columbia Gas Transmission from its 1711 line in central Pennsylvania. All the stations are demand stations. In this segment, a small amount of local production is purchased. None of the systems served from Columbia 08 interconnect with any other pipeline supply.

PIPELINE	SYSTEM SERVED	CITY GATE STATIONS	
Columbia Gas Transmission	Clearfield/Phillipsburg	Clearfield	#600004
		Counties	#600027
	Curwensville	Curwensville	#600026
	Renovo	Renovo	#600074

The six segments are not integrated except for the following limited instances. Columbia Gas-OP Area 08 has Texas Eastern at Delmont as a primary receipt point for 3,215 dth per day; however, Texas Eastern at Delmont is not a primary delivery point. Supplies have been delivered by Texas Eastern in the past on a secondary basis. Likewise, Columbia –OP Area 04 has Texas Eastern at Eagle as a primary receipt point for 958 dth per day, but it is a secondary delivery point on Texas Eastern. Columbia-OP Area 08 has Tennessee Highland as a primary receipt point but deliveries from Tennessee are on a secondary basis only. Additionally, the receipt point off of Transco at Downingtown is a primary point of 1,028 dth per day with a corresponding primary delivery point from Transco. The Transco point is the only primary point of common pipelines on the Company's systems.

- b. See the response to Filing Requirement III-E-38.

- c. (i) The Company does not manufacture gas. The Company maintains contracts for storage and has its own storage. The storage that is owned by the Company is referred to as "Tioga/Meeker" and "Wharton" storage. Both storages are operated by another party or in joint operation.

Tioga/Meeker Storage:

The natural gas stored in this operation is received via Tennessee Gas Pipe Line at the Wellsboro and Mansfield City Gate Stations and moved via the Company's lines to the CNG injection point at Palmer Station.

Wharton Storage:

The natural gas stored in this field is delivered to National Fuel Gas Supply Corporation at the Wharton receipt point. The withdrawal of gas is accomplished through a meter that the Company has in the field.

- (ii) The Company has no peak shaving facilities.
- (iii) The Company has no coal gasification programs.
- (iv) The Company does not anticipate the purchase of emergency gas.
- (v) *The following are the purchases during the test years:*

VENDORS	2005	2006 (estimated)
Anadarko	4,633,959	4,600,000
BP Energy	501,773	1,000,000
Chevron	1,576,879	1,000,000
Cinergy	1,015,978	1,000,000
Connective	68,403	0
Conoco	1,373,525	1,200,000
Hess	1,382,867	1,400,000
Occidental Energy	2,222,012	2,300,000
PG Energy	2,480	2,000
PPL	43,623	0
Total Gas & Power	8,797	20,000
Local Producers	356,830	350,000
Supplied from next RFP		656,272
TOTAL:	13,394,329 net DTH	13,528,272 net DTH

Copies of contracts can be provided under a properly executed confidentiality agreement, upon request.

- (vi) Production from Company-owned wells (North Penn) was 17,608 Dth.

- d. (i) The Company does not plan to develop additional gas wells in the near future.
- (ii) Not applicable.
- e. The Company does not anticipate curtailments for the system.
- f. Not applicable.

Q.I-C-2. Provide an overall system map, including and labeling all measuring and regulating stations, storage facilities, production facilities, transmission and distribution mains, by size, and all interconnections with other utilities and pipelines.

A.I-C-2. A map showing the Company's system is provided in Attachment I-C-2.

PPL GAS UTILITIES CORPORATION

52 Pa. Code 53.52(a)(7)

- Q. A list of factors considered by the utility in its determination to make the change. The list shall include a comprehensive statement about why these factors were chosen and the relative importance of each. This subsection does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308 (relating to voluntary changes in rates).
- A. Not applicable.

52 Pa. Code 53.52(a)(8)

- Q. Studies undertaken by the utility in order to draft its proposed change. This paragraph does not apply to a portion of a tariff change seeking a general rate increase as defined in 66 Pa.C.S. § 1308.
- A. Not applicable.

52 Pa. Code 53.52(a)(9)

- Q. Customer polls taken and other documents which indicate customer acceptance and desire for the proposed change. If the poll or other documents reveal discernible public opposition, an explanation of why the change is in the public interest shall be provided.
- A. Not applicable.

52 Pa. Code 53.52(a)(10)

- Q. Plans the utility has for introducing or implementing the changes with respect to its ratepayers.
- A. The Company will notify customers of the proposed increase in base rates by a bill insert using the form of notice specified by the Commission at 52 Pa. Code 53.45. A copy of the notice will be provided together with an affidavit of compliance with the notice requirements.

52 Pa. Code 53.52(a)(11)

- Q. FCC, FERC or Commission orders or rulings applicable to the filing.

PPL GAS UTILITIES CORPORATION

A. Not applicable.

52 Pa. Code 53.52(b)(1)

Q. The specific reasons for each increase or decrease.

A. See the Statement of Reasons in Exhibit Future 1, Section A.

52 Pa. Code 53.52(b)(2)

Q. The operating income statement of the utility for a 12-month period, the end of which may not be more than 120 days prior to the filing. Water and wastewater utilities with annual revenues under \$100,000 and municipal corporations subject to Commission jurisdiction may provide operating income statements for a 12-month period, the end of which may not be more than 180 days prior to the filing.

A. See Exhibit Future 1, Schedule D-1 for the test year income statement.

52 Pa. Code 53.52(b)(3)

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be increased.

A. See Exhibit CPW-4, page 2.

52 Pa. Code 53.52(b)(4)

Q. A calculation of the total increases, in dollars, by tariff subdivision, projected to an annual basis.

A. See Exhibit CPW-4, page 2.

52 Pa. Code 53.52(b)(5)

Q. A calculation of the number of customers, by tariff subdivision, whose bills will be decreased.

A. None.