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September 2, 2003

**VIA HAND DELIVERY**

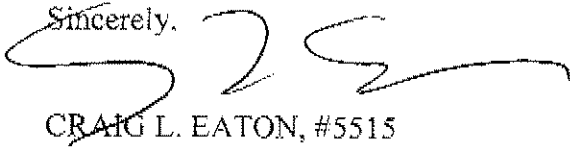
Luly Massaro, Commission Clerk  
Public Utilities Commission  
89 Jefferson Boulevard  
Warwick, RI 02888

Re: Docket No. 3459; Earnings Sharing Mechanism and Distribution  
Adjustment Clause

Dear Luly:

Enclosed please find an original and nine copies of Pre-Filed Testimony of Robert J. Riccitelli regarding earnings sharing for the period ended June 30, 2003. Also filed under copy of this correspondence is the Supplemental Testimony of Peter C. Czekanski. In this testimony, Mr. Czekanski proposes to update the Company's Distribution Adjustment Charge to include various calculations, including the earnings sharing calculation. Thank you for our attention to this filing.

Sincerely,



CRAIG L. EATON, #5515  
Attorney for New England Gas Company  
CLE/kmb  
Enclosure  
cc: Service List

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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

NEW ENGLAND GAS COMPANY  
DOCKET NO. 3459

DIRECT TESTIMONY

OF

ROBERT J. RICCITELLI

September 2, 2003

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Robert J. Riccitelli. My business address is 100 Weybosset Street,  
3 Providence, RI 02903.

4 **Q. WHAT IS YOUR POSITION AND RESPONSIBILITIES?**

5 A. I am Manager of Financial Reporting and Budgeting for the New England Gas  
6 Company (the "Company"). My responsibilities include the preparation of external  
7 financial reporting, budgeting and plant accounting.

8 **Q. WHAT IS YOUR PROFESSIONAL AND EDUCATIONAL BACKGROUND?**

9 A. I graduated from Bryant College with B.S. in Accounting. I have 13 years of  
10 experience in accounting, budgeting, finance and tax preparation for utility companies.

11 **Q. ARE THERE ANY ATTACHMENTS TO YOUR TESTIMONY?**

12 A. Yes, I am sponsoring the following Attachments:

13 Attachment RJR-1 – Earnings Sharing Calculation

14 Attachment RJR-2 – Calculation of Average Short-Term Interest Rate

15

16 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY IN THIS PROCEEDING?**

17 A. In Docket 3401, Order No. 17381, the Commission investigated, modified and  
18 approved a base-rate settlement between the Division and the Company ("the

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1 Settlement Agreement”) that requires the Company to file an earnings sharing  
2 calculation by September 1 of each year as part of an incentive-based Earnings  
3 Sharing Mechanism (“ESM”). The purpose of my testimony is to provide the  
4 calculation of earnings under the ESM that was approved by the Commission and to  
5 indicate the portion available to customers.

6 **Q. HAS THE COMPANY CALCULATED THE RETURN ON EQUITY FOR THE**  
7 **FISCAL YEAR ENDED JUNE 30, 2003 AND THE BENEFIT TO**  
8 **CUSTOMERS OF THAT RETURN?**

9 A. Yes. The Settlement Agreement requires the earnings to be calculated each year based  
10 on financial results for the 12-month period ending June 30 (Section II.F.1). The  
11 determination of earnings subject to the ESM is based on a benchmark return on  
12 equity of 11.25 percent, excluding the Company’s portion of non-firm margins  
13 (Section II.F.5). The earnings-sharing formula requires that any annual earnings over  
14 an 11.25 percent return on equity, up to an including 100 basis points (12.25 percent),  
15 will be shared 50 percent to customers and 50 percent to the Company (*id.*) Any  
16 earnings in excess of a 12.25 percent return on equity will be shared 75 percent to  
17 customers and 25 percent to the Company (*id.*).

18 As discussed below, the Company calculated a return on equity for the period ending  
19 June 30, 2003 of 15.08 percent (Attachment RJR-1, at page 1 of 6). Based on this  
20 return, the Company has calculated that firm throughput customers should receive a

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1 credit through the Distribution Adjustment Charge (“DAC”) totaling \$4,481,783, or  
2 \$0.0128 per therm for the period November 1, 2003 through October 31, 2004.

3 **Q. HOW DID THE COMPANY CALCULATE THE RETURN ON EQUITY FOR**  
4 **PURPOSES OF THE ESM?**

5 A. The Settlement Agreement states that the return on equity will be calculated by  
6 dividing the net income available for common equity by the common equity  
7 applicable to rate base (Section II.F.1).

8 **Q. PLEASE EXPLAIN THE CALCULATION OF NET INCOME AVAILABLE**  
9 **FOR COMMON EQUITY FOR PURPOSES OF THE ESM.**

10 A. In accordance with the Settlement Agreement, the Company calculated net income  
11 available for common equity based on operating income for the twelve months ended  
12 June 30, 2003, less applicable interest and preferred dividends and adjusted to reflect  
13 established Commission ratemaking principles, including the impact of the Weather  
14 Normalization Clause (Section II.F.1).

15 The Company’s calculation of net income available for common equity is set forth in  
16 Attachment RJR-1, at page 2. As shown, for the period ending June 30, 2003, the  
17 Company calculated net income available for common equity of \$16,767,045.

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1 **Q. DID THE COMPANY MAKE ANY ADJUSTMENTS TO OPERATING**  
2 **REVENUES OR OPERATING EXPENSES?**

3 A. Yes. The Company made the following adjustments to Operating Revenues and  
4 Expenses:

5 (1) The Weather Normalization Clause requires the Company to return to or  
6 receive from customers an amount sufficient to provide the Company with normal  
7 weather margins around a 2 percent deadband. In fiscal 2003, winter weather was  
8 colder than normal, resulting in \$4,302,000 of margins to be returned to customers  
9 through the Distribution Adjustment Charge (see, Docket No. 3459, Testimony of  
10 Witness Czekanski, at page 9), which has the effect of reducing operating income for  
11 purposes of the earnings-sharing calculation. Accordingly, the Operating Revenues  
12 reflected on Attachment RJR-1, at page 2, line 3, include the return of revenues to  
13 customers in relation to the Weather Normalization Clause (\$4,302,000).

14 (2) The Company's portion of non-firm margins are excluded from the earnings-  
15 sharing calculation because non-firm margins in excess of the amount in base rates, or  
16 \$1,600,000, are shared 75 percent with customers and 25 percent to the Company  
17 through a separate mechanism. See, Section II.H. In fiscal 2003, the Company's  
18 portion of non-firm margins was \$141,288.

19 (3) Although not specified in the Settlement Agreement, the Company increased  
20 Operating Revenues by \$5,227,000 to reverse the effect of the amount recorded on the

1 Company's books for FY 2003 in settlement of the ERI-2 earnings-sharing  
2 calculation.

3 (4) The Company excluded unbilled revenues from the earnings-sharing  
4 calculation consistent with the methodology applied in Docket 3401. This reduced  
5 Operating Revenues by \$746,741.

6 (5) In accordance with the Settlement Agreement, the Company included the  
7 investors' share of annual net merger savings, or \$2,049,000, in operating expenses  
8 (Section II.F.3). The Company also reduced operating expenses by \$434,938 to  
9 reflect unbilled gas costs.

10 **Q. WHAT WAS THE FEDERAL INCOME TAX RATE USED BY THE**  
11 **COMPANY TO CALCULATE OPERATING INCOME BEFORE INTEREST**  
12 **EXPENSE?**

13 A. The Company calculated federal income taxes at the statutory rate of 35 percent, as  
14 shown on Attachment RJR-1, at page 3.

15 **Q. HOW DID THE COMPANY CALCULATE LONG-TERM DEBT INTEREST,**  
16 **SHORT-TERM DEBT INTERST AND PREFERRED STOCK DIVIDENDS?**

17 A. The Settlement Agreement specifies the capital structure to be used in computing the  
18 cost of capital (Section II.F.2). The imputed capital structure is as follows:

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1	Short-term Debt	8.8%
2	Long-term Debt	45.7%
3	Preferred Stock	1.9%
4	Common Equity	43.6%

5 Therefore, as shown on Attachment RJR-1, at page 4, the Company computed the cost  
6 of long-term debt by multiplying the percentage of long-term debt applicable to rate  
7 base at the cost rate of 7.81 percent stated in the Settlement Agreement (Section  
8 II.F.2). Likewise, preferred dividends were calculated by multiplying rate base  
9 applicable to preferred stock at the rate of 9.93 percent, as stated in the Settlement  
10 Agreement (*id.*). The Company computed the cost of short-term debt by multiplying  
11 rate base applicable to short-term debt times the 12-month average cost of short-term  
12 debt for Southern Union or 2.45 percent, as calculated in Attachment RJR-2.

13 **Q. DID THE COMPANY MAKE ANY OTHER CALCULATIONS TO DERIVE**  
14 **THE TOTAL NET INCOME AVAILABLE FOR COMMON EQUITY?**

15 A. Yes. In accordance with the Settlement Agreement, the Company included funds  
16 associated with the allowance for funds used during construction in calculating  
17 operating income (Section II.F.1).

18 **Q. HOW DID THE COMPANY CALCULATE RATE BASE UNDER THE ESM?**

19 A. As required by the Settlement Agreement, average rate base for the fiscal year ended  
20 June 30, 2003 is based on a five-quarter average, as set forth in Attachment RJR-1 at



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1 page 5 (Section II.F.1). In conformity with the Settlement Agreement, the Company  
2 excluded environmental response costs and prepaid taxes from rate base (id.).  
3 However, the Company included construction work in progress in rate base (id.). The  
4 Company computed the working capital allowance pursuant to the method approved in  
5 Docket No. 2286 (Attachment RJR-2 at page 6) (id.). The deferred debits in rate base  
6 include Y2K costs, amortized at the rate of \$240,000 per year, and exclude costs  
7 associated with legacy customer-information systems (id.).

8 **Q. HOW DID THE COMPANY DETERMINE COMMON EQUITY**  
9 **APPLICABLE TO RATE BASE?**

10 A. In accordance with the capital structure set forth in Section II.F.2, the Company  
11 multiplied the average rate base, as discussed above, times 43.6 percent to determine  
12 common equity applicable to rate base (Attachment RJR-1, at page 5).

13 **Q. PLEASE EXPLAIN THE EARNINGS-SHARING CALCULATION ON**  
14 **ATTACHMENT RJR-1.**

15 A. Attachment RJR-1 at page 1, calculates the earnings to be shared with customers  
16 based on the sharing percentages required in the Settlement Agreement. Lines 1  
17 through 3 summarize the calculation of average common equity. Line 5 is the net  
18 income available for common equity and Line 6 is the return on common equity for  
19 the period ending June 30, 2003.

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1           Since Line 6 is greater than 12.25 percent, Lines 8 through 10 calculate the after-tax  
2           earnings to be shared 50 percent with customers. The after-tax earnings to be shared  
3           are 1 percent of net income available for common equity or \$1,112,187, of which  
4           \$556,094 will be returned to customers through the DAC.

5           In addition, Lines 12 through 14 calculate the portion of after-tax earnings to be shared  
6           75% to customers and 25% to the Company. Average common equity is multiplied  
7           by the difference in the Company's return on equity (Line 5) less 12.25 percent. This  
8           equates to incremental after-tax earnings available for sharing of \$3,142,753, of which  
9           \$2,913,159 will be returned to customers through the DAC.

10          Line 16 is the total of Lines 10 and 14, the amount of after-tax earnings to be credited  
11          to the DAC. The amount to be returned to customers through the DAC should be the  
12          pre-tax impact or \$4,481,783 (Line 18), which was calculated by dividing Line 16 by  
13          1 minus the tax rate of 35 percent.

14   **Q.    DOES THIS CONCLUDE YOUR TESTIMONY?**

15   **A.    Yes.**

**NEW ENGLAND GAS COMPANY  
EARNINGS SHARING CALCULATION  
FOR THE TWELVE MONTHS ENDED JUNE 2003**

1	Average Rate Base	Rate Base L25	255,088,783	1
2	Equity Component of Rate Base	Capital Structure L8	43.60%	2
3	Average Common Equity	(L1 * L2)	<u>111,218,710</u>	3
4				4
5	Net Income Available for Common Stock	Income Statement L62	16,767,045	5
6	Return on Common Equity	(L3 / L5)	15.08%	6
7				7
8	Return on Equity > 11.25% and <12.25%	(Lesser of 1% or L6 - 11.25%)	1.00%	8
9	Earnings to be Shared	(L3 * L8)	1,112,187	9
10	Earnings to Customers - 50%	(L9 * 50%)	556,094	10
11				11
12	Return on Equity >12.25 %	(If L6 >12.25%, L6 - 12.25%)	2.83%	12
13	Earnings to be Shared	(L3 * L12)	3,142,753	13
14	Earnings to Customers - 75%	(L13 * 75%)	2,357,065	14
15				15
16	Total After tax Earnings Credited to Customers	(L10 + L14)	<u>2,913,159</u>	16
17				17
18	Total Earnings Credited to DAC	(L16 / 65%)	<u>4,481,783</u>	18

NEW ENGLAND GAS COMPANY  
INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED JUNE 2003

	12 MONTHS ENDED JUNE 2003	
1 OPERATING REVENUES		1
2		2
3 TOTAL FIRM GAS	\$ 324,323,353	3
4 TRANSPORTATION	13,153,793	4
5 OTHER	1,617,396	5
6 COMPANY PORTION NON-FIRM MARGIN	(141,288)	6
7		7
8 TOTAL OPERATING REVENUES	<u>338,953,254</u>	8
9		9
10 ADJUSTMENTS TO OPERATING REVENUES		10
11		11
12 ERI - 2	5,227,000	12
13 UNBILLED REVENUES	(746,741)	13
14		14
15 TOTAL ADJUSTED OPERATING REVENUES	<u>343,433,513</u>	15
16		16
17		17
18 OPERATING EXPENSES		18
19		19
20 PRODUCTION (GAS COSTS)	194,534,846	20
21 STORAGE	1,059,213	21
22 DISTRIBUTION	18,092,224	22
23 CUSTOMER ACCOUNTS	14,993,350	23
24 SALES	229,308	24
25 ADMIN & GEN	31,997,422	25
26 CORPORATE ALLOCATION	3,751,079	26
27		27
28 TOTAL OPERATING EXPENSES	<u>264,657,442</u>	28
29		29
30 ADJUSTMENTS TO OPERATING EXPENSES		30
31		31
32 UNBILLED GAS COSTS	(434,938)	32
33 SAVINGS IMPUTED IN BASE RATES	2,049,000	33
34		34
35 TOTAL FUNCTIONAL EXP	<u>266,271,504</u>	35
36		36
37 OTHER EXPENSES		37
38		38
39 DEPRECIATION & AMORT.	20,165,405	39
40 LOCAL AND OTHER TAXES	9,727,673	40
41 REVENUE RELATED TAXES (GET)	10,746,928	41
42 FEDERAL INCOME TAXES @ 35%	9,287,557	42
43		43
44 TOTAL OTHER EXPENSES	<u>49,927,563</u>	44
45		45
46 INCOME BEFORE INT EXP	<u>27,234,446</u>	46
47		47
48		48
49 INTEREST EXPENSE		49
50		50
51 SHORT-TERM DEBT	549,724	51
52 LONG-TERM DEBT	9,104,552	52
53 OTHER	503,744	53
54 AFDUC	(171,896)	54
55 TOTAL INTEREST EXPENSE	<u>9,986,125</u>	55
56		56
57		57
58 NET INCOME (LOSS)	<u>17,248,321</u>	58
59		59
60 PREFERRED DIVIDENDS	<u>481,276</u>	60
61		61
62 NET INC (LOSS) APPL TO CMN STK	<u>\$ 16,767,045</u>	62

**NEW ENGLAND GAS COMPANY  
FEDERAL INCOME TAX CALCULATION  
FOR THE TWELVE MONTHS ENDED JUNE 2003**

1	OPERATING REVENUES	343,433,513	1
2			2
3	LESS :		3
4			4
5	OPERATING EXPENSES	266,271,504	5
6	DEPRECIATION & AMORT.	20,165,405	6
7	LOCAL AND OTHER TAXES	9,727,673	7
8	REVENUE RELATED TAXES (GET)	10,746,928	8
9	SHORT-TERM DEBT	549,724	9
10	LONG-TERM DEBT	9,104,552	10
11	OTHER	503,744	11
12	AFDUC	(171,896)	12
13			13
14	TOTAL DEDUCTIONS	316,897,635	14
15			15
16	TAXABLE INCOME	26,535,878	16
17			17
18	FEDERAL INCOME TAX RATE @35%	35%	18
19			19
20	FEDERAL INCOME TAX EXPENSE	9,287,557	20

NEW ENGLAND GAS COMPANY  
APPLICABLE CAPITOL STRUCTURE, INTEREST EXP & PREFERRED DIVIDEND  
JUNE 2003

	%	\$	
1 RATE BASE		<u>255,088,783</u>	1
2			2
3 <b>CAPITAL STRUCTURE</b>			3
4			4
5 SHORT TERM DEBT	8.8%	22,447,813	5
6 LONG TERM DEBT	45.7%	116,575,574	6
7 PREFERRED STOCK	1.9%	4,846,687	7
8 COMMON EQUITY	43.6%	<u>111,218,710</u>	8
9	<u>100.0%</u>	<u>255,088,783</u>	9
10 <b>INTEREST EXPENSE</b>			10
11			11
12			12
13 LONG TERM DEBT PORTION	45.7%	116,575,574	13
14			14
15 COST OF LONG TERM DEBT JUNE 2003		7.81%	15
16			16
17 PROFORMA INTEREST FOR 12 MONTHS ENDED JUNE 2003		<u>9,104,552</u>	17
18			18
19			19
20			20
21 SHORT TERM DEBT PORTION	8.8%	22,447,813	21
22			22
23 COST OF SHORT TERM DEBT JUNE 2003		2.4489%	23
24			24
25 PROFORMA INTEREST FOR 12 MONTHS ENDED JUNE 2003		<u>549,724</u>	25
26			26
27 <b>PREFERRED STOCK</b>			27
28			28
29			29
30 PREFERRED STOCK PORTION	1.9%	4,846,687	30
31			31
32 COST OF LONG TERM DEBT JUNE 2003		9.93%	32
33			33
34 PROFORMA INTEREST FOR 12 MONTHS ENDED JUNE 2003		<u>481,276</u>	34

NEW ENGLAND GAS COMPANY  
RATE BASE  
FIVE QUARTER AVERAGE JUNE 2003

	JUNE 2002	SEPTEMBER 2002	DECEMBER 2002	MARCH 2003	JUNE 2003	AVERAGE JUNE 2003
1 GAS PLANT IN SERVICE	\$ 454,500,899	\$ 460,596,583	\$ 466,271,489	\$ 469,743,269	\$ 475,656,701	\$ 465,353,788
2 ACCUMULATED DEPRECIATION	177,640,648	182,439,668	192,492,419	197,338,479	201,677,093	190,317,661
3 LESS : ENVIRONMENTAL EXPENDITURES	16,735,489	16,415,158	10,825,926	10,544,365	10,832,263	13,070,640
4						
5 NET PLANT	260,124,762	261,741,757	262,953,144	261,860,425	263,147,345	261,965,487
6						
7 MATERIALS AND SUPPLIES	1,529,660	1,457,645	1,555,736	1,507,380	1,437,970	1,497,678
8 PREPAID EXPENSES EXCLUDING TAXES	4,338,592	3,807,871	4,401,689	1,872,832	1,537,127	3,191,622
9 DEFERRED DEBITS	3,060,000	3,000,000	2,940,000	2,880,000	2,820,000	2,940,000
10 GAS INVENTORIES	16,398,721	20,553,182	19,303,483	5,023,306	15,203,473	15,296,433
11 CASH WORKING CAPITAL	7,315,596	7,315,596	7,315,596	7,315,596	9,536,771	7,759,831
12						
13	32,642,569	36,134,294	35,516,504	18,599,114	30,535,341	30,685,564
14						
15						
16 ACCUMULATED DEFERRED HIT	32,316,489	32,316,489	32,316,489	32,316,489	32,316,489	32,316,489
17 ACCUMULATED DEFERRED ITC	2,053,526	2,065,448	2,029,682	1,900,100	1,848,958	1,979,543
18 CUSTOMER DEPOSITS	2,978,768	2,692,623	2,663,923	2,696,384	2,681,730	2,742,686
19 INJURY AND DAMAGE RESERVE	423,191	332,174	480,620	721,942	659,824	523,550
20						
21	37,771,974	37,406,734	37,490,714	37,634,915	37,507,001	37,562,268
22						
23						
24						
25 RATE BASE	\$ 254,995,357	\$ 260,469,317	\$ 260,978,934	\$ 242,824,624	\$ 256,175,685	\$ 255,088,783

NEW ENGLAND GAS COMPANY  
CASH WORKING CAPITAL CALCULATION  
FOR THE TWELVE MONTHS ENDED

	JUNE 2002	JUNE 2003	
1 GAS COSTS	135,647,076	194,099,908	1
2 OPERATING EXP LESS CORPORATE OH'S	63,344,834	66,371,517	2
3 PAYROLL TAXES	2,689,391	2,815,328	3
4 PROPERTY TAXES	5,986,542	6,463,011	4
5 STATE TAXES OTHER	123,766	449,334	5
6 RI GROSS EARNINGS TAX	7,720,299	10,746,928	6
7 FEDERAL TAXES			7
8 TOTAL	<u>215,511,908</u>	<u>280,946,026</u>	8
9			9
10 DAILY CASH REQUIREMENT	590,444	769,715	10
11			11
12 NET LAG	12.39	12.39	12
13			13
14 TOTAL WORKING CAPITAL	<u><u>7,315,596</u></u>	<u><u>9,536,771</u></u>	14



**SOUTHERN UNION COMPANY  
CALCULATION OF SHORT-TERM INTEREST RATE  
FOR THE YEAR ENDED JUNE 30, 2003**

	<u>Month</u>	<u>Beginning Balance</u>	<u>Ending Balance</u>	<u>Average Short-Term Debt Balance</u>	<u>Weighted Cost Rate</u>	
1	Jul-02	105,000,000	155,000,000	194,300,000	2.7272%	1
2	Aug-02	155,000,000	197,500,000	204,900,000	2.6852%	2
3	Sep-02	197,500,000	215,700,000	202,400,000	2.6564%	3
4	Oct-02	215,700,000	230,000,000	212,300,000	2.6697%	4
5	Nov-02	230,000,000	257,200,000	234,750,000	2.4251%	5
6	Dec-02	257,200,000	290,000,000	226,425,000	2.2491%	6
7	Jan-03	290,000,000	230,000,000	193,350,000	2.2167%	7
8	Feb-03	230,000,000	255,000,000	147,775,000	2.1534%	8
9	Mar-03	255,000,000	194,800,000	128,050,000	2.1599%	9
10	Apr-03	194,800,000	200,000,000	126,550,000	2.2184%	10
11	May-03	200,000,000	280,000,000	121,450,000	2.1595%	11
12	Jun-03	280,000,000	245,000,000	126,950,000	2.1811%	12
13						13
14	Annual Average			<u>\$ 176,600,000</u>	<u>2.4487%</u>	14

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS  
PUBLIC UTILITIES COMMISSION

NEW ENGLAND GAS COMPANY  
DOCKET NO. 3459

SUPPLEMENTAL TESTIMONY

OF

PETER C. CZEKANSKI

September 2, 2003

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1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Peter C. Czekanski. My business address is 100 Weybosset Street,  
3 Providence, RI 02903.

4 **Q. HAVE YOU PREVIOUSLY SUBMITTED TESTIMONY IN THIS DOCKET ?**

5 A. Yes. I previously submitted prefiled testimony on August 1, 2003.

6 **Q. WHAT IS THE PURPOSE OF YOUR SUPPLEMENTAL TESTIMONY?**

7 A. The purpose of this supplemental testimony is to update the proposed Distribution  
8 Adjustment Charge ("DAC"). Specifically this testimony will describe updates to the  
9 various DAC components that were included in the August 1, 2003 filing as  
10 preliminary and to incorporate the Earnings Sharing calculation for the fiscal year  
11 ending June 30, 2003.

12 **Q. ARE THERE ANY ATTACHMENTS ACCOMPANYING YOUR**  
13 **TESTIMONY?**

14 A. Yes. I am sponsoring the following Attachments:

15	Revised PCC-1	Summary of Distribution Adjustment Charges
16	Revised PCC-2	Typical Customer Bill Impacts
17	Revised PCC-3	System Pressure
18	Revised PCC-4	Environmental Response Cost
19	Revised PCC-7	Earnings Sharing Calculation

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1 **Q. WHAT CHANGED WITH THE SYSTEM PRESSURE CALCULATION?**

2 A. The LNG commodity related costs used in the August 1, 2003 system pressure  
3 calculation were based on preliminary cost estimates. These costs are now being  
4 updated to correspond with the LNG costs included in the Company's September 1,  
5 2003 Gas Cost Recovery ("GCR") filing in Docket No. 3436. Whereas the  
6 preliminary LNG commodity related costs allocated to the DAC were \$1,643,013, the  
7 final projected costs are \$1,731,403. Revised Attachment PCC-3 shows the  
8 calculation of a System Pressure Factor of \$0.0050 per therm.

9 **Q. WHAT CHANGES ARE REFLECTED IN REVISED ATTCHMENT PCC-4?**

10 A. The final fiscal year 2003 costs for the Allens Avenue project shown on Page 2 of  
11 Revised Attachment PCC-4 reflect an increase of \$25,683. In addition, the  
12 Environmental Expense balances for the Plympton site have been updated. The  
13 previously shown balances of \$690,615 for both June 30, 2002 and June 30, 2003  
14 were wrong and have been corrected to reflect a balance of \$77, 333. These changes  
15 did not impact the Environmental Response Cost ("ERC") factor.

16 **Q. HAS THE COMPANY PERFORMED THE EARNINGS SHARING  
17 CALCULATION FOR INCLUSION IN THIS TESTIMONY?**

18 A. Yes. As required under the provisions of the Commission approved settlement  
19 agreement in Docket No. 3401, an earnings sharing calculation for the fiscal year  
20 ending June 30, 2003 is included in this docket in the testimony of Mr. Robert J.

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1 Riccitelli. That calculation shows \$4,481,783 of fiscal year 2003 earnings available  
2 for distribution to customers through the DAC. A summary of that calculation is  
3 provided on Revised Attachment PCC-7.

4 **Q. WHAT IS THE PROPOSED DAC INCORPORATING THESE VARIOUS**  
5 **REVISIONS?**

6 A. The proposed DAC is a credit of \$0.0118 per therm for a residential heating customer  
7 from the former ProvGas territory and a credit of \$0.0650 per therm for a residential  
8 heating customer from the former Valley Gas territory. These rates represent a net  
9 reduction of \$0.0257 per therm from the currently effective DAC rates. Revised  
10 Attachment PCC-1 provides a summary of the proposed DAC rates for each of the  
11 various customer rate groups.

12 **Q. WHAT IS THE IMPACT OF THE PROPOSED DAC ON CUSTOMERS?**

13 A. The overall impact of the proposed DAC on typical customer bills is a decrease of  
14 approximately two percent for both former ProvGas customers and former Valley  
15 Gas customers. A summary of typical customer bill impacts for the various rate  
16 classes is shown on Revised Attachment PCC-2.

17 **Q. DOES THIS CONCLUDE YOUR SUPPLEMENTAL TESTIMONY?**

18 A. Yes.

**Summary of Distribution Adjustment Charge**  
(\$ Per Therm)

Description	reference	Residential Heating	Residential Non-Heating	Small C&I	Med, Large, and X-Large C&I
1 System Pressure	Attach. PCC3	\$0.0050	\$0.0050	\$0.0050	\$0.0050
2 Demand Side Management (DSM)	PCC Testimony	\$0.0000	\$0.0000	\$0.0000	\$0.0000
3 Low Income Assistance Programs (LIAP)	PCC Testimony	\$0.0000	\$0.0000	\$0.0000	\$0.0000
4 Environmental Response Cost (ERC)	Attach. PCC-4	(\$0.0019)	(\$0.0019)	(\$0.0019)	(\$0.0019)
5 On-System Margin Credits (MC)	Attach. PCC-5	(\$0.0012)	(\$0.0012)	(\$0.0012)	(\$0.0012)
6 Weather Normalization (WN)	Attach. PCC-6	(\$0.0123)	(\$0.0123)	(\$0.0123)	(\$0.0123)
7 Earnings Sharing Mechanism (ESM)	Attach. PCC-7	(\$0.0128)	(\$0.0128)	(\$0.0128)	(\$0.0128)
8 Reconciliation Factor (R)	Attach. PCC-8	\$0.0011	\$0.0011	\$0.0011	\$0.0011
9 Subtotal	sum ( [1]:[8] )	(\$0.0221)	(\$0.0221)	(\$0.0221)	(\$0.0221)
10 Uncollectible Percentage	Dkt 3401	2.10%	2.10%	2.10%	2.10%
11 DAC adjusted for uncollectible	[9] * (1 + [10] )	(\$0.0226)	(\$0.0226)	(\$0.0226)	(\$0.0226)
12 Consolidation Mitigation Adjustment					
13 Former Valley customers	Dkt 3401	(\$0.0424)	(\$0.1350)	(\$0.0476)	\$0.0000
14 Former ProvGas customers	Dkt 3401	\$0.0145	\$0.0337	\$0.0174	\$0.0000
15 ERI-2 Adjustment (Applies to ProvGas Only)	Dkt 3459	(\$0.0037)	(\$0.0037)	(\$0.0037)	(\$0.0037)
16 DAC with Mitigation & ERI-2 Adjustments					
17 Former Valley customers	[11] + [13]	(\$0.0650)	(\$0.1576)	(\$0.0702)	(\$0.0226)
18 Former ProvGas customers	[11] + [14] + [15]	(\$0.0118)	\$0.0074	(\$0.0089)	(\$0.0263)

### Summary of Typical Sales Service Bill Impacts

	Annual Consumption (Therms)	Current Charges	Proposed Charges	Difference	Percent
<u>Valley Customers</u>					
Residential Non-heating	153	\$243	\$239	(\$4)	-1.6%
Residential Heating	1,038	\$1,164	\$1,137	(\$27)	-2.3%
Small C&I	1,241	\$1,413	\$1,381	(\$32)	-2.3%
Medium C&I	10,000	\$9,948	\$9,691	(\$257)	-2.6%
Large C&I - Low Load	67,275	\$64,320	\$62,592	(\$1,729)	-2.7%
Large C&I - High Load	67,275	\$52,593	\$50,864	(\$1,729)	-3.3%
<u>ProvGas Customers</u>					
Residential Non-heating	153	\$269	\$265	(\$4)	-1.5%
Residential Heating	1,035	\$1,217	\$1,190	(\$27)	-2.2%
Small C&I	1,242	\$1,493	\$1,461	(\$32)	-2.1%
Medium C&I	10,348	\$10,113	\$9,847	(\$266)	-2.6%
Large C&I - Low Load	67,275	\$63,933	\$62,204	(\$1,729)	-2.7%
Large C&I - High Load	67,275	\$52,344	\$50,616	(\$1,729)	-3.3%

**Typical Customer Bill Impacts**

**Residential Heating - ProvGas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			30					
2	Peak Blk. Brk.			125					
3	Rate		\$9.00	\$ 0.3600	\$ 0.2800	\$ 0.0139		\$0.7120	
4	July	38	\$9.00	\$10.80	\$2.24	\$0.53	\$22.57	\$27.06	\$49.62
5	August	29	\$9.00	\$10.44	\$0.00	\$0.40	\$19.84	\$20.65	\$40.49
6	September	32	\$9.00	\$10.80	\$0.56	\$0.44	\$20.80	\$22.78	\$43.59
7	October	34	\$9.00	\$10.80	\$1.12	\$0.47	\$21.39	\$24.21	\$45.60
8	November	68	\$9.00	\$24.48	\$0.00	\$0.95	\$34.43	\$48.42	\$82.84
9	December	107	\$9.00	\$38.52	\$0.00	\$1.49	\$49.01	\$76.18	\$125.19
10	January	165	\$9.00	\$45.00	\$11.20	\$2.29	\$67.49	\$117.48	\$184.97
11	February	178	\$9.00	\$45.00	\$14.84	\$2.47	\$71.31	\$126.74	\$198.05
12	March	164	\$9.00	\$45.00	\$10.92	\$2.28	\$67.20	\$116.77	\$183.97
13	April	114	\$9.00	\$41.04	\$0.00	\$1.58	\$51.62	\$81.17	\$132.79
14	May	68	\$9.00	\$10.80	\$10.64	\$0.95	\$31.39	\$48.42	\$79.80
15	June	38	\$9.00	\$10.80	\$2.24	\$0.53	\$22.57	\$27.06	\$49.62
16	Total	1,035	\$108.00	\$303.48	\$53.76	\$14.39	\$479.63	\$736.92	\$1,216.55

**Residential Heating - ProvGas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			30					
2	Peak Blk. Brk.			125					
3	Rate		\$9.00	\$ 0.3600	\$ 0.2800	\$ (0.0118)		\$0.7120	
4	July	38	\$9.00	\$10.80	\$2.24	(\$0.45)	\$21.59	\$27.06	\$48.65
5	August	29	\$9.00	\$10.44	\$0.00	(\$0.34)	\$19.10	\$20.65	\$39.75
6	September	32	\$9.00	\$10.80	\$0.56	(\$0.38)	\$19.98	\$22.78	\$42.77
7	October	34	\$9.00	\$10.80	\$1.12	(\$0.40)	\$20.52	\$24.21	\$44.73
8	November	68	\$9.00	\$24.48	\$0.00	(\$0.80)	\$32.68	\$48.42	\$81.09
9	December	107	\$9.00	\$38.52	\$0.00	(\$1.26)	\$46.26	\$76.18	\$122.44
10	January	165	\$9.00	\$45.00	\$11.20	(\$1.95)	\$63.25	\$117.48	\$180.73
11	February	178	\$9.00	\$45.00	\$14.84	(\$2.10)	\$66.74	\$126.74	\$193.48
12	March	164	\$9.00	\$45.00	\$10.92	(\$1.93)	\$62.99	\$116.77	\$179.75
13	April	114	\$9.00	\$41.04	\$0.00	(\$1.34)	\$48.70	\$81.17	\$129.86
14	May	68	\$9.00	\$10.80	\$10.64	(\$0.80)	\$29.64	\$48.42	\$78.05
15	June	38	\$9.00	\$10.80	\$2.24	(\$0.45)	\$21.59	\$27.06	\$48.65
16	Total	1,035	\$108.00	\$303.48	\$53.76	(\$12.21)	\$453.03	\$736.92	\$1,189.95
17	Difference		\$0.00	\$0.00	\$0.00	(\$26.59)	(\$26.59)	\$0.00	(\$26.59)
18	Percent Change		0.00%	0.00%	0.00%		-5.54%	0.00%	-2.19%



**Typical Customer Bill Impacts**

**Residential Heating - Valley Gas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			30					
2	Peak Blk. Brk.			125					
3	Rate		\$9.00	\$0.3600	\$0.2800	(\$0.0393)		\$0.7120	
4	July	32	\$9.00	\$10.80	\$0.56	(\$1.26)	\$19.10	\$22.78	\$41.89
5	August	27	\$9.00	\$9.72	\$0.00	(\$1.06)	\$17.66	\$19.22	\$36.88
6	September	26	\$9.00	\$9.36	\$0.00	(\$1.02)	\$17.34	\$18.51	\$35.85
7	October	39	\$9.00	\$10.80	\$2.52	(\$1.53)	\$20.79	\$27.77	\$48.56
8	November	76	\$9.00	\$27.36	\$0.00	(\$2.99)	\$33.37	\$54.11	\$87.49
9	December	108	\$9.00	\$38.88	\$0.00	(\$4.24)	\$43.64	\$76.90	\$120.53
10	January	165	\$9.00	\$45.00	\$11.20	(\$6.48)	\$58.72	\$117.48	\$176.20
11	February	194	\$9.00	\$45.00	\$19.32	(\$7.62)	\$65.70	\$138.13	\$203.82
12	March	143	\$9.00	\$45.00	\$5.04	(\$5.62)	\$53.42	\$101.82	\$155.24
13	April	107	\$9.00	\$38.52	\$0.00	(\$4.21)	\$43.31	\$76.18	\$119.50
14	May	76	\$9.00	\$10.80	\$12.88	(\$2.99)	\$29.69	\$54.11	\$83.81
15	June	45	\$9.00	\$10.80	\$4.20	(\$1.77)	\$22.23	\$32.04	\$54.27
16	Total	1,038	\$108.00	\$302.04	\$55.72	(\$40.79)	\$424.97	\$739.06	\$1,164.02

**Residential Heating - Valley Gas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			30					
2	Peak Blk. Brk.			125					
3	Rate		\$9.00	\$ 0.3600	\$ 0.2800	\$ (0.0650)		\$ 0.7120	
4	July	32	\$9.00	\$10.80	\$0.56	(\$2.08)	\$18.28	\$22.78	\$41.06
5	August	27	\$9.00	\$9.72	\$0.00	(\$1.75)	\$16.97	\$19.22	\$36.19
6	September	26	\$9.00	\$9.36	\$0.00	(\$1.69)	\$16.67	\$18.51	\$35.18
7	October	39	\$9.00	\$10.80	\$2.52	(\$2.53)	\$19.79	\$27.77	\$47.55
8	November	76	\$9.00	\$27.36	\$0.00	(\$4.94)	\$31.42	\$54.11	\$85.53
9	December	108	\$9.00	\$38.88	\$0.00	(\$7.02)	\$40.86	\$76.90	\$117.76
10	January	165	\$9.00	\$45.00	\$11.20	(\$10.72)	\$54.48	\$117.48	\$171.96
11	February	194	\$9.00	\$45.00	\$19.32	(\$12.61)	\$60.71	\$138.13	\$198.84
12	March	143	\$9.00	\$45.00	\$5.04	(\$9.29)	\$49.75	\$101.82	\$151.56
13	April	107	\$9.00	\$38.52	\$0.00	(\$6.95)	\$40.57	\$76.18	\$116.75
14	May	76	\$9.00	\$10.80	\$12.88	(\$4.94)	\$27.74	\$54.11	\$81.85
15	June	45	\$9.00	\$10.80	\$4.20	(\$2.92)	\$21.08	\$32.04	\$53.12
16	Total	1,038	\$108.00	\$302.04	\$55.72	(\$67.46)	\$398.30	\$739.06	\$1,137.35
17	Difference		\$0.00	\$0.00	\$0.00	(\$26.67)	(\$26.67)	\$0.00	(\$26.67)
18	Percent Change		0.00%	0.00%	0.00%		-6.28%	0.00%	-2.29%

**Typical Customer Bill Impacts**

**Residential Non-Heating - ProvGas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			N/A					
2	Peak Blk. Brk.			N/A					
3	Rate		\$ 7.500	\$ 0.4226	\$ 0.4226	\$ 0.0331		\$0.7120	
4	July	13	\$7.50	\$5.49	\$0.00	\$0.43	\$13.42	\$9.26	\$22.68
5	August	9	\$7.50	\$3.80	\$0.00	\$0.30	\$11.60	\$6.41	\$18.01
6	September	10	\$7.50	\$4.23	\$0.00	\$0.33	\$12.06	\$7.12	\$19.18
7	October	10	\$7.50	\$4.23	\$0.00	\$0.33	\$12.06	\$7.12	\$19.18
8	November	13	\$7.50	\$5.49	\$0.00	\$0.43	\$13.42	\$9.26	\$22.68
9	December	14	\$7.50	\$5.92	\$0.00	\$0.46	\$13.88	\$9.97	\$23.85
10	January	16	\$7.50	\$6.76	\$0.00	\$0.53	\$14.79	\$11.39	\$26.18
11	February	16	\$7.50	\$6.76	\$0.00	\$0.53	\$14.79	\$11.39	\$26.18
12	March	17	\$7.50	\$7.18	\$0.00	\$0.56	\$15.25	\$12.10	\$27.35
13	April	14	\$7.50	\$5.92	\$0.00	\$0.46	\$13.88	\$9.97	\$23.85
14	May	11	\$7.50	\$4.65	\$0.00	\$0.36	\$12.51	\$7.83	\$20.34
15	June	10	\$7.50	\$4.23	\$0.00	\$0.33	\$12.06	\$7.12	\$19.18
16	Total	153	\$90.00	\$64.66	\$0.00	\$5.06	\$159.72	\$108.94	\$268.66

**Residential Non-Heating - ProvGas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			N/A					
2	Peak Blk. Brk.			N/A					
3	Rate		\$7.50	\$ 0.4226	\$ 0.4226	\$ 0.0074		\$0.7120	
4	July	13	\$7.50	\$5.49	\$0.00	\$0.10	\$13.09	\$9.26	\$22.35
5	August	9	\$7.50	\$3.80	\$0.00	\$0.07	\$11.37	\$6.41	\$17.78
6	September	10	\$7.50	\$4.23	\$0.00	\$0.07	\$11.80	\$7.12	\$18.92
7	October	10	\$7.50	\$4.23	\$0.00	\$0.07	\$11.80	\$7.12	\$18.92
8	November	13	\$7.50	\$5.49	\$0.00	\$0.10	\$13.09	\$9.26	\$22.35
9	December	14	\$7.50	\$5.92	\$0.00	\$0.10	\$13.52	\$9.97	\$23.49
10	January	16	\$7.50	\$6.76	\$0.00	\$0.12	\$14.38	\$11.39	\$25.77
11	February	16	\$7.50	\$6.76	\$0.00	\$0.12	\$14.38	\$11.39	\$25.77
12	March	17	\$7.50	\$7.18	\$0.00	\$0.13	\$14.81	\$12.10	\$26.91
13	April	14	\$7.50	\$5.92	\$0.00	\$0.10	\$13.52	\$9.97	\$23.49
14	May	11	\$7.50	\$4.65	\$0.00	\$0.08	\$12.23	\$7.83	\$20.06
15	June	10	\$7.50	\$4.23	\$0.00	\$0.07	\$11.80	\$7.12	\$18.92
16	Total	153	\$90.00	\$64.66	\$0.00	\$1.13	\$155.79	\$108.94	\$264.73
17	Difference		\$0.00	\$0.00	\$0.00	(\$3.93)	(\$3.93)	\$0.00	(\$3.93)
18	Percent Change		0.00%	0.00%			-2.46%	0.00%	-1.46%

**Typical Customer Bill Impacts**

**Residential Non-Heating - Valley Gas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	LISUP (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			N/A					
2	Peak Blk. Brk.			N/A					
3	Rate		\$ 7.500	\$ 0.4226	\$ 0.4226	\$ (0.1319)		\$0.7120	
4	July	10	\$7.50	\$4.23	\$0.00	(\$1.32)	\$10.41	\$7.12	\$17.53
5	August	9	\$7.50	\$3.80	\$0.00	(\$1.19)	\$10.12	\$6.41	\$16.52
6	September	9	\$7.50	\$3.80	\$0.00	(\$1.19)	\$10.12	\$6.41	\$16.52
7	October	10	\$7.50	\$4.23	\$0.00	(\$1.32)	\$10.41	\$7.12	\$17.53
8	November	12	\$7.50	\$5.07	\$0.00	(\$1.58)	\$10.99	\$8.54	\$19.53
9	December	13	\$7.50	\$5.49	\$0.00	(\$1.71)	\$11.28	\$9.26	\$20.54
10	January	17	\$7.50	\$7.18	\$0.00	(\$2.24)	\$12.44	\$12.10	\$24.55
11	February	17	\$7.50	\$7.18	\$0.00	(\$2.24)	\$12.44	\$12.10	\$24.55
12	March	17	\$7.50	\$7.18	\$0.00	(\$2.24)	\$12.44	\$12.10	\$24.55
13	April	14	\$7.50	\$5.92	\$0.00	(\$1.85)	\$11.57	\$9.97	\$21.54
14	May	13	\$7.50	\$5.49	\$0.00	(\$1.71)	\$11.28	\$9.26	\$20.54
15	June	12	\$7.50	\$5.07	\$0.00	(\$1.58)	\$10.99	\$8.54	\$19.53
16	Total	153	\$90.00	\$64.66	\$0.00	(\$20.18)	\$134.48	\$108.94	\$243.41

**Residential Non-Heating - Valley Gas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			N/A					
2	Peak Blk. Brk.			N/A					
3	Rate		\$7.50	\$ 0.4226	\$ 0.4226	\$ (0.1576)		\$ 0.7120	
4	July	10	\$7.50	\$4.23	\$0.00	(\$1.58)	\$10.15	\$7.12	\$17.27
5	August	9	\$7.50	\$3.80	\$0.00	(\$1.42)	\$9.89	\$6.41	\$16.29
6	September	9	\$7.50	\$3.80	\$0.00	(\$1.42)	\$9.89	\$6.41	\$16.29
7	October	10	\$7.50	\$4.23	\$0.00	(\$1.58)	\$10.15	\$7.12	\$17.27
8	November	12	\$7.50	\$5.07	\$0.00	(\$1.89)	\$10.68	\$8.54	\$19.22
9	December	13	\$7.50	\$5.49	\$0.00	(\$2.05)	\$10.95	\$9.26	\$20.20
10	January	17	\$7.50	\$7.18	\$0.00	(\$2.68)	\$12.01	\$12.10	\$24.11
11	February	17	\$7.50	\$7.18	\$0.00	(\$2.68)	\$12.01	\$12.10	\$24.11
12	March	17	\$7.50	\$7.18	\$0.00	(\$2.68)	\$12.01	\$12.10	\$24.11
13	April	14	\$7.50	\$5.92	\$0.00	(\$2.21)	\$11.21	\$9.97	\$21.18
14	May	13	\$7.50	\$5.49	\$0.00	(\$2.05)	\$10.95	\$9.26	\$20.20
15	June	12	\$7.50	\$5.07	\$0.00	(\$1.89)	\$10.68	\$8.54	\$19.22
16	Total	153	\$90.00	\$64.66	\$0.00	(\$24.11)	\$130.55	\$108.94	\$239.48
17	Difference		\$0.00	\$0.00	\$0.00	(\$3.93)	(\$3.93)	\$0.00	(\$3.93)
18	Percent Change		0.00%	0.00%			-2.92%	0.00%	-1.62%

**Typical Customer Bill Impacts**

**Small C&I - ProvGas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			20					
2	Peak Blk. Brk.			135					
3	Rate		\$ 14.000	\$ 0.3721	\$ 0.2600	\$ 0.0168		\$0.7120	
4	July	22	\$14.00	\$7.44	\$0.52	\$0.37	\$22.33	\$15.66	\$38.00
5	August	21	\$14.00	\$7.44	\$0.26	\$0.35	\$22.05	\$14.95	\$37.01
6	September	21	\$14.00	\$7.44	\$0.26	\$0.35	\$22.05	\$14.95	\$37.01
7	October	40	\$14.00	\$7.44	\$5.20	\$0.67	\$27.31	\$28.48	\$55.79
8	November	72	\$14.00	\$26.79	\$0.00	\$1.21	\$42.00	\$51.26	\$93.26
9	December	157	\$14.00	\$50.23	\$5.72	\$2.64	\$72.59	\$111.78	\$184.38
10	January	208	\$14.00	\$50.23	\$18.98	\$3.49	\$86.71	\$148.10	\$234.80
11	February	265	\$14.00	\$50.23	\$33.80	\$4.45	\$102.49	\$188.68	\$291.17
12	March	198	\$14.00	\$50.23	\$16.38	\$3.33	\$83.94	\$140.98	\$224.92
13	April	132	\$14.00	\$49.12	\$0.00	\$2.22	\$65.33	\$93.98	\$159.32
14	May	77	\$14.00	\$7.44	\$14.82	\$1.29	\$37.56	\$54.82	\$92.38
15	June	29	\$14.00	\$7.44	\$2.34	\$0.49	\$24.27	\$20.65	\$44.92
16	Total	1,242	\$168.00	\$321.49	\$98.28	\$20.87	\$608.64	\$884.30	\$1,492.94

**Small C&I - ProvGas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			20					
2	Peak Blk. Brk.			135					
3	Rate		\$14.00	\$ 0.3721	\$ 0.2600	\$ (0.0089)		\$0.7120	
4	July	22	\$14.00	\$7.44	\$0.52	(\$0.20)	\$21.77	\$15.66	\$37.43
5	August	21	\$14.00	\$7.44	\$0.26	(\$0.19)	\$21.52	\$14.95	\$36.47
6	September	21	\$14.00	\$7.44	\$0.26	(\$0.19)	\$21.52	\$14.95	\$36.47
7	October	40	\$14.00	\$7.44	\$5.20	(\$0.36)	\$26.29	\$28.48	\$54.77
8	November	72	\$14.00	\$26.79	\$0.00	(\$0.64)	\$40.15	\$51.26	\$91.41
9	December	157	\$14.00	\$50.23	\$5.72	(\$1.40)	\$68.56	\$111.78	\$180.34
10	January	208	\$14.00	\$50.23	\$18.98	(\$1.85)	\$81.36	\$148.10	\$229.46
11	February	265	\$14.00	\$50.23	\$33.80	(\$2.36)	\$95.68	\$188.68	\$284.36
12	March	198	\$14.00	\$50.23	\$16.38	(\$1.76)	\$78.85	\$140.98	\$219.83
13	April	132	\$14.00	\$49.12	\$0.00	(\$1.17)	\$61.94	\$93.98	\$155.93
14	May	77	\$14.00	\$7.44	\$14.82	(\$0.68)	\$35.58	\$54.82	\$90.40
15	June	29	\$14.00	\$7.44	\$2.34	(\$0.26)	\$23.52	\$20.65	\$44.17
16	Total	1,242	\$168.00	\$321.49	\$98.28	(\$11.05)	\$576.73	\$884.30	\$1,461.03
17	Difference		\$0.00	\$0.00	\$0.00	(\$31.91)	(\$31.91)	\$0.00	(\$31.91)
18	Percent Change		0.00%	0.00%	0.00%		-5.24%	0.00%	-2.14%

**Typical Customer Bill Impacts**

**Small C&I - Valley Gas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			20					
2	Peak Blk. Brk.			135					
3	Rate		\$14.00	\$ 0.3721	\$ 0.2600	\$ (0.0445)		\$0.7120	
4	July	36	\$14.00	\$7.44	\$4.16	(\$1.60)	\$24.00	\$25.63	\$49.63
5	August	37	\$14.00	\$7.44	\$4.42	(\$1.65)	\$24.22	\$26.34	\$50.56
6	September	33	\$14.00	\$7.44	\$3.38	(\$1.47)	\$23.35	\$23.50	\$46.85
7	October	40	\$14.00	\$7.44	\$5.20	(\$1.78)	\$24.86	\$28.48	\$53.34
8	November	81	\$14.00	\$30.14	\$0.00	(\$3.60)	\$40.54	\$57.67	\$98.21
9	December	121	\$14.00	\$45.02	\$0.00	(\$5.38)	\$53.64	\$86.15	\$139.79
10	January	204	\$14.00	\$50.23	\$17.94	(\$9.08)	\$73.10	\$145.25	\$218.34
11	February	263	\$14.00	\$50.23	\$33.28	(\$11.70)	\$85.81	\$187.26	\$273.07
12	March	178	\$14.00	\$50.23	\$11.18	(\$7.92)	\$67.49	\$126.74	\$194.23
13	April	113	\$14.00	\$42.05	\$0.00	(\$5.03)	\$51.02	\$80.46	\$131.47
14	May	95	\$14.00	\$7.44	\$19.50	(\$4.23)	\$36.71	\$67.64	\$104.35
15	June	40	\$14.00	\$7.44	\$5.20	(\$1.78)	\$24.86	\$28.48	\$53.34
16	Total	1,241	\$168.00	\$312.56	\$104.26	(\$55.22)	\$529.60	\$883.59	\$1,413.19

**Small C&I - Valley Gas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Head Block (d)	Tail Block (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	Off-Peak Blk. Brk.			20					
2	Peak Blk. Brk.			135					
3	Rate		\$14.00	\$0.3721	\$0.2600	\$ (0.0702)		\$0.7120	
4	July	36	\$14.00	\$7.44	\$4.16	(\$2.53)	\$23.08	\$25.63	\$48.71
5	August	37	\$14.00	\$7.44	\$4.42	(\$2.60)	\$23.26	\$26.34	\$49.61
6	September	33	\$14.00	\$7.44	\$3.38	(\$2.32)	\$22.51	\$23.50	\$46.00
7	October	40	\$14.00	\$7.44	\$5.20	(\$2.81)	\$23.83	\$28.48	\$52.31
8	November	81	\$14.00	\$30.14	\$0.00	(\$5.69)	\$38.45	\$57.67	\$96.13
9	December	121	\$14.00	\$45.02	\$0.00	(\$8.49)	\$50.53	\$86.15	\$136.68
10	January	204	\$14.00	\$50.23	\$17.94	(\$14.32)	\$67.85	\$145.25	\$213.10
11	February	263	\$14.00	\$50.23	\$33.28	(\$18.46)	\$79.05	\$187.26	\$266.31
12	March	178	\$14.00	\$50.23	\$11.18	(\$12.49)	\$62.92	\$126.74	\$189.66
13	April	113	\$14.00	\$42.05	\$0.00	(\$7.93)	\$48.12	\$80.46	\$128.57
14	May	95	\$14.00	\$7.44	\$19.50	(\$6.67)	\$34.27	\$67.64	\$101.91
15	June	40	\$14.00	\$7.44	\$5.20	(\$2.81)	\$23.83	\$28.48	\$52.31
16	Total	1,241	\$168.00	\$312.56	\$104.26	(\$87.11)	\$497.71	\$883.59	\$1,381.31
17	Difference		\$0.00	\$0.00	\$0.00	(\$31.89)	(\$31.89)	\$0.00	(\$31.89)
18	Percent Change		0.00%	0.00%	0.00%		-6.02%	0.00%	-2.26%

**Typical Customer Bill Impacts**

**Medium C&I - ProvGas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			53.09					
2	N/A								
3	Rate		\$ 45.000	\$ 0.9000	\$ 0.1715	\$ (0.0006)		\$0.6988	
4	July	363	\$45.00	\$47.78	\$62.25	(\$0.22)	\$154.82	\$253.66	\$408.48
5	August	335	\$45.00	\$47.78	\$57.45	(\$0.20)	\$150.03	\$234.10	\$384.13
6	September	361	\$45.00	\$47.78	\$61.91	(\$0.22)	\$154.48	\$252.27	\$406.74
7	October	543	\$45.00	\$47.78	\$93.12	(\$0.33)	\$185.58	\$379.45	\$565.03
8	November	761	\$45.00	\$47.78	\$130.51	(\$0.46)	\$222.84	\$531.79	\$754.62
9	December	1,240	\$45.00	\$47.78	\$212.66	(\$0.74)	\$304.70	\$866.51	\$1,171.21
10	January	1,581	\$45.00	\$47.78	\$271.14	(\$0.95)	\$362.97	\$1,104.80	\$1,467.78
11	February	1,623	\$45.00	\$47.78	\$278.34	(\$0.97)	\$370.15	\$1,134.15	\$1,504.30
12	March	1,396	\$45.00	\$47.78	\$239.41	(\$0.84)	\$331.36	\$975.52	\$1,306.88
13	April	1,102	\$45.00	\$47.78	\$188.99	(\$0.66)	\$281.11	\$770.08	\$1,051.19
14	May	593	\$45.00	\$47.78	\$101.70	(\$0.36)	\$194.12	\$414.39	\$608.51
15	June	450	\$45.00	\$47.78	\$77.18	(\$0.27)	\$169.69	\$314.46	\$484.15
16	Total	10,348	\$540.00	\$573.37	\$1,774.68	(\$6.21)	\$2,881.85	\$7,231.18	\$10,113.03

**Medium C&I - ProvGas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			53.09					
2	N/A								
3	Rate		\$45.00	\$ 0.9000	\$ 0.1715	\$ (0.0263)		\$0.6988	
4	July	363	\$45.00	\$47.78	\$62.25	(\$9.54)	\$145.49	\$253.66	\$399.16
5	August	335	\$45.00	\$47.78	\$57.45	(\$8.81)	\$141.43	\$234.10	\$375.52
6	September	361	\$45.00	\$47.78	\$61.91	(\$9.49)	\$145.20	\$252.27	\$397.47
7	October	543	\$45.00	\$47.78	\$93.12	(\$14.28)	\$171.63	\$379.45	\$551.08
8	November	761	\$45.00	\$47.78	\$130.51	(\$20.01)	\$203.28	\$531.79	\$735.07
9	December	1,240	\$45.00	\$47.78	\$212.66	(\$32.60)	\$272.84	\$866.51	\$1,139.35
10	January	1,581	\$45.00	\$47.78	\$271.14	(\$41.57)	\$322.35	\$1,104.80	\$1,427.16
11	February	1,623	\$45.00	\$47.78	\$278.34	(\$42.67)	\$328.45	\$1,134.15	\$1,462.60
12	March	1,396	\$45.00	\$47.78	\$239.41	(\$36.71)	\$295.49	\$975.52	\$1,271.01
13	April	1,102	\$45.00	\$47.78	\$188.99	(\$28.98)	\$252.80	\$770.08	\$1,022.88
14	May	593	\$45.00	\$47.78	\$101.70	(\$15.59)	\$178.89	\$414.39	\$593.28
15	June	450	\$45.00	\$47.78	\$77.18	(\$11.83)	\$158.12	\$314.46	\$472.58
16	Total	10,348	\$540.00	\$573.37	\$1,774.68	(\$272.09)	\$2,615.97	\$7,231.18	\$9,847.15
17	Difference		\$0.00	\$0.00	\$0.00	(\$265.88)	(\$265.88)	\$0.00	(\$265.88)
18	Percent Change		0.00%	0.00%	0.00%		-9.23%	0.00%	-2.63%

**Typical Customer Bill Impacts**

**Medium C&I - Valley Gas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			62.42					
2	N/A								
3	Rate		\$ 45.000	\$ 0.9000	\$ 0.1715	\$ 0.0031		\$ 0.6988	
4	July	345	\$45.00	\$56.18	\$59.17	\$1.07	\$161.42	\$241.09	\$402.50
5	August	365	\$45.00	\$56.18	\$62.60	\$1.13	\$164.91	\$255.06	\$419.97
6	September	340	\$45.00	\$56.18	\$58.31	\$1.05	\$160.54	\$237.59	\$398.13
7	October	418	\$45.00	\$56.18	\$71.69	\$1.30	\$174.16	\$292.10	\$466.26
8	November	760	\$45.00	\$56.18	\$130.34	\$2.36	\$233.87	\$531.09	\$764.96
9	December	1,037	\$45.00	\$56.18	\$177.85	\$3.21	\$282.24	\$724.66	\$1,006.89
10	January	1,520	\$45.00	\$56.18	\$260.68	\$4.71	\$366.57	\$1,062.18	\$1,428.75
11	February	1,824	\$45.00	\$56.18	\$312.82	\$5.65	\$419.65	\$1,274.61	\$1,694.26
12	March	1,324	\$45.00	\$56.18	\$227.07	\$4.10	\$332.35	\$925.21	\$1,257.56
13	April	908	\$45.00	\$56.18	\$155.72	\$2.81	\$259.71	\$634.51	\$894.23
14	May	750	\$45.00	\$56.18	\$128.63	\$2.33	\$232.13	\$524.10	\$756.23
15	June	409	\$45.00	\$56.18	\$70.14	\$1.27	\$172.59	\$285.81	\$458.40
16	Total	10,000	\$540.00	\$674.14	\$1,715.00	\$31.00	\$2,960.14	\$6,988.00	\$9,948.14

**Medium C&I - Valley Gas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			62.42					
2	N/A								
3	Rate		\$45.00	\$0.9000	\$0.1715	(\$0.0226)		\$0.6988	
4	July	345	\$45.00	\$56.18	\$59.17	(\$7.79)	\$152.55	\$241.09	\$393.64
5	August	365	\$45.00	\$56.18	\$62.60	(\$8.25)	\$155.53	\$255.06	\$410.59
6	September	340	\$45.00	\$56.18	\$58.31	(\$7.68)	\$151.81	\$237.59	\$389.40
7	October	418	\$45.00	\$56.18	\$71.69	(\$9.44)	\$163.42	\$292.10	\$455.52
8	November	760	\$45.00	\$56.18	\$130.34	(\$17.17)	\$214.35	\$531.09	\$745.43
9	December	1,037	\$45.00	\$56.18	\$177.85	(\$23.43)	\$255.59	\$724.66	\$980.25
10	January	1,520	\$45.00	\$56.18	\$260.68	(\$34.34)	\$327.52	\$1,062.18	\$1,389.69
11	February	1,824	\$45.00	\$56.18	\$312.82	(\$41.21)	\$372.78	\$1,274.61	\$1,647.39
12	March	1,324	\$45.00	\$56.18	\$227.07	(\$29.91)	\$298.33	\$925.21	\$1,223.54
13	April	908	\$45.00	\$56.18	\$155.72	(\$20.52)	\$236.38	\$634.51	\$870.90
14	May	750	\$45.00	\$56.18	\$128.63	(\$16.95)	\$212.86	\$524.10	\$736.96
15	June	409	\$45.00	\$56.18	\$70.14	(\$9.24)	\$162.08	\$285.81	\$447.89
16	Total	10,000	\$540.00	\$674.14	\$1,715.00	(\$225.94)	\$2,703.20	\$6,988.00	\$9,691.20
17	Difference		\$0.00	\$0.00	\$0.00	(\$256.94)	(\$256.94)	\$0.00	(\$256.94)
18	Percent Change		0.00%	0.00%	0.00%		-8.68%	0.00%	-2.58%

**Typical Customer Bill Impacts**

**Large C&I (LLF) - ProvGas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			364.30					
2	N/A								
3	Rate		\$ 90.000	\$ 0.9000	\$ 0.1695	\$ (0.0006)		\$0.7069	
4	July	1,597	\$90.00	\$327.87	\$270.69	(\$0.96)	\$687.60	\$1,128.92	\$1,816.52
5	August	1,360	\$90.00	\$327.87	\$230.52	(\$0.82)	\$647.57	\$961.38	\$1,608.96
6	September	1,283	\$90.00	\$327.87	\$217.47	(\$0.77)	\$634.57	\$906.95	\$1,541.52
7	October	3,449	\$90.00	\$327.87	\$584.61	(\$2.07)	\$1,000.41	\$2,438.10	\$3,438.50
8	November	5,269	\$90.00	\$327.87	\$893.10	(\$3.16)	\$1,307.80	\$3,724.66	\$5,032.46
9	December	9,942	\$90.00	\$327.87	\$1,685.17	(\$5.97)	\$2,097.07	\$7,028.00	\$9,125.07
10	January	11,710	\$90.00	\$327.87	\$1,984.85	(\$7.03)	\$2,395.69	\$8,277.80	\$10,673.49
11	February	10,820	\$90.00	\$327.87	\$1,833.99	(\$6.49)	\$2,245.37	\$7,648.66	\$9,894.03
12	March	9,358	\$90.00	\$327.87	\$1,586.18	(\$5.61)	\$1,998.44	\$6,615.17	\$8,613.61
13	April	7,301	\$90.00	\$327.87	\$1,237.52	(\$4.38)	\$1,651.01	\$5,161.08	\$6,812.09
14	May	3,680	\$90.00	\$327.87	\$623.76	(\$2.21)	\$1,039.42	\$2,601.39	\$3,640.81
15	June	1,505	\$90.00	\$327.87	\$255.10	(\$0.90)	\$672.06	\$1,063.88	\$1,735.95
16	Total	67,274	\$1,080.00	\$3,934.43	\$11,402.94	(\$40.36)	\$16,377.01	\$47,555.99	\$63,933.00

**Large C&I (LLF) - ProvGas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			364.30					
2	N/A								
3	Rate		\$90.00	\$ 0.9000	\$ 0.1695	\$ (0.0263)		\$0.7069	
4	July	1,597	\$90.00	\$327.87	\$270.69	(\$41.99)	\$646.57	\$1,128.92	\$1,775.49
5	August	1,360	\$90.00	\$327.87	\$230.52	(\$35.76)	\$612.63	\$961.38	\$1,574.01
6	September	1,283	\$90.00	\$327.87	\$217.47	(\$33.73)	\$601.60	\$906.95	\$1,508.56
7	October	3,449	\$90.00	\$327.87	\$584.61	(\$90.69)	\$911.79	\$2,438.10	\$3,349.89
8	November	5,269	\$90.00	\$327.87	\$893.10	(\$138.54)	\$1,172.42	\$3,724.66	\$4,897.08
9	December	9,942	\$90.00	\$327.87	\$1,685.17	(\$261.41)	\$1,841.63	\$7,028.00	\$8,869.63
10	January	11,710	\$90.00	\$327.87	\$1,984.85	(\$307.90)	\$2,094.82	\$8,277.80	\$10,372.61
11	February	10,820	\$90.00	\$327.87	\$1,833.99	(\$284.50)	\$1,967.36	\$7,648.66	\$9,616.02
12	March	9,358	\$90.00	\$327.87	\$1,586.18	(\$246.06)	\$1,757.99	\$6,615.17	\$8,373.16
13	April	7,301	\$90.00	\$327.87	\$1,237.52	(\$191.97)	\$1,463.42	\$5,161.08	\$6,624.50
14	May	3,680	\$90.00	\$327.87	\$623.76	(\$96.76)	\$944.87	\$2,601.39	\$3,546.26
15	June	1,505	\$90.00	\$327.87	\$255.10	(\$39.57)	\$633.39	\$1,063.88	\$1,697.28
16	Total	67,274	\$1,080.00	\$3,934.43	\$11,402.94	(\$1,768.88)	\$14,648.50	\$47,555.99	\$62,204.49
17	Difference		\$0.00	\$0.00	\$0.00	(\$1,728.51)	(\$1,728.51)	\$0.00	(\$1,728.51)
18	Percent Change		0.00%	0.00%	0.00%		-10.55%	0.00%	-2.70%



Typical Customer Bill Impacts

Large C&I (LLF) - Valley Gas Customer (Rate 82) at Current Rates (Rates net of GRT)

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			377.02					
2	N/A								
3	Rate		\$ 90.000	\$ 0.9000	\$ 0.1695	\$ 0.0031		\$0.7069	
4	July	2,507	\$90.00	\$339.32	\$424.94	\$7.77	\$862.03	\$1,772.20	\$2,634.22
5	August	2,212	\$90.00	\$339.32	\$374.93	\$6.86	\$811.11	\$1,563.66	\$2,374.77
6	September	3,204	\$90.00	\$339.32	\$543.08	\$9.93	\$982.33	\$2,264.91	\$3,247.24
7	October	5,603	\$90.00	\$339.32	\$949.71	\$17.37	\$1,396.40	\$3,960.76	\$5,357.16
8	November	6,886	\$90.00	\$339.32	\$1,167.18	\$21.35	\$1,617.84	\$4,867.71	\$6,485.56
9	December	10,013	\$90.00	\$339.32	\$1,697.20	\$31.04	\$2,157.56	\$7,078.19	\$9,235.75
10	January	11,674	\$90.00	\$339.32	\$1,978.74	\$36.19	\$2,444.25	\$8,252.35	\$10,696.60
11	February	9,070	\$90.00	\$339.32	\$1,537.37	\$28.12	\$1,994.80	\$6,411.58	\$8,406.38
12	March	5,835	\$90.00	\$339.32	\$989.03	\$18.09	\$1,436.44	\$4,124.76	\$5,561.20
13	April	5,260	\$90.00	\$339.32	\$891.57	\$16.31	\$1,337.19	\$3,718.29	\$5,055.49
14	May	3,026	\$90.00	\$339.32	\$512.91	\$9.38	\$951.61	\$2,139.08	\$3,090.69
15	June	1,985	\$90.00	\$339.32	\$336.46	\$6.15	\$771.93	\$1,403.20	\$2,175.13
16	Total	67,275	\$1,080.00	\$4,071.82	\$11,403.11	\$208.55	\$16,763.48	\$47,556.70	\$64,320.18

Large C&I (LLF) - Valley Gas Customer at Proposed Rates (Rates net of GRT)

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			377.02					
2	N/A								
3	Rate		\$90.00	\$0.9000	\$0.1695	\$ (0.0226)		\$0.7069	
4	July	2,507	\$90.00	\$339.32	\$424.94	(\$56.64)	\$797.61	\$1,772.20	\$2,569.81
5	August	2,212	\$90.00	\$339.32	\$374.93	(\$49.98)	\$754.27	\$1,563.66	\$2,317.94
6	September	3,204	\$90.00	\$339.32	\$543.08	(\$72.39)	\$900.01	\$2,264.91	\$3,164.91
7	October	5,603	\$90.00	\$339.32	\$949.71	(\$126.59)	\$1,252.43	\$3,960.76	\$5,213.20
8	November	6,886	\$90.00	\$339.32	\$1,167.18	(\$155.58)	\$1,440.92	\$4,867.71	\$6,308.63
9	December	10,013	\$90.00	\$339.32	\$1,697.20	(\$226.23)	\$1,900.29	\$7,078.19	\$8,978.48
10	January	11,674	\$90.00	\$339.32	\$1,978.74	(\$263.76)	\$2,144.30	\$8,252.35	\$10,396.65
11	February	9,070	\$90.00	\$339.32	\$1,537.37	(\$204.92)	\$1,761.76	\$6,411.58	\$8,173.34
12	March	5,835	\$90.00	\$339.32	\$989.03	(\$131.83)	\$1,286.52	\$4,124.76	\$5,411.28
13	April	5,260	\$90.00	\$339.32	\$891.57	(\$118.84)	\$1,202.05	\$3,718.29	\$4,920.34
14	May	3,026	\$90.00	\$339.32	\$512.91	(\$68.37)	\$873.86	\$2,139.08	\$3,012.94
15	June	1,985	\$90.00	\$339.32	\$336.46	(\$44.85)	\$720.93	\$1,403.20	\$2,124.12
16	Total	67,275	\$1,080.00	\$4,071.82	\$11,403.11	(\$1,519.99)	\$15,034.94	\$47,556.70	\$62,591.64
17	Difference		\$0.00	\$0.00	\$0.00	(\$1,728.54)	(\$1,728.54)	\$0.00	(\$1,728.54)
18	Percent Change		0.00%	0.00%	0.00%		-10.31%	0.00%	-2.69%

**Typical Customer Bill Impacts**

**Large C&I (HLF) - ProvGas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			26.05					
2	N/A								
3	Rate		\$ 90.000	\$ 1.2500	\$ 0.0964	\$ (0.0006)		\$0.6604	
4	July	3,310	\$90.00	\$32.56	\$319.08	(\$1.99)	\$439.66	\$2,185.92	\$2,625.58
5	August	4,928	\$90.00	\$32.56	\$475.06	(\$2.96)	\$594.66	\$3,254.45	\$3,849.12
6	September	5,158	\$90.00	\$32.56	\$497.23	(\$3.09)	\$616.70	\$3,406.34	\$4,023.04
7	October	5,147	\$90.00	\$32.56	\$496.17	(\$3.09)	\$615.65	\$3,399.08	\$4,014.72
8	November	5,267	\$90.00	\$32.56	\$507.74	(\$3.16)	\$627.14	\$3,478.33	\$4,105.47
9	December	6,977	\$90.00	\$32.56	\$672.58	(\$4.19)	\$790.96	\$4,607.61	\$5,398.57
10	January	8,359	\$90.00	\$32.56	\$805.81	(\$5.02)	\$923.35	\$5,520.28	\$6,443.64
11	February	7,119	\$90.00	\$32.56	\$686.27	(\$4.27)	\$804.56	\$4,701.39	\$5,505.95
12	March	6,843	\$90.00	\$32.56	\$659.67	(\$4.11)	\$778.12	\$4,519.12	\$5,297.24
13	April	6,144	\$90.00	\$32.56	\$592.28	(\$3.69)	\$711.16	\$4,057.50	\$4,768.66
14	May	4,439	\$90.00	\$32.56	\$427.92	(\$2.66)	\$547.82	\$2,931.52	\$3,479.33
15	June	3,584	\$90.00	\$32.56	\$345.50	(\$2.15)	\$465.91	\$2,366.87	\$2,832.78
16	Total	67,275	\$1,080.00	\$390.75	\$6,485.31	(\$40.37)	\$7,915.70	\$44,428.41	\$52,344.11

**Large C&I (HLF) - ProvGas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			26.05					
2	N/A								
3	Rate		\$90.00	\$ 1.2500	\$ 0.0964	\$ (0.0263)		\$0.6604	
4	July	3,310	\$90.00	\$32.56	\$319.08	(\$87.03)	\$354.61	\$2,185.92	\$2,540.54
5	August	4,928	\$90.00	\$32.56	\$475.06	(\$129.58)	\$468.05	\$3,254.45	\$3,722.50
6	September	5,158	\$90.00	\$32.56	\$497.23	(\$135.62)	\$484.17	\$3,406.34	\$3,890.51
7	October	5,147	\$90.00	\$32.56	\$496.17	(\$135.33)	\$483.40	\$3,399.08	\$3,882.48
8	November	5,267	\$90.00	\$32.56	\$507.74	(\$138.49)	\$491.81	\$3,478.33	\$3,970.14
9	December	6,977	\$90.00	\$32.56	\$672.58	(\$183.45)	\$611.69	\$4,607.61	\$5,219.31
10	January	8,359	\$90.00	\$32.56	\$805.81	(\$219.79)	\$708.58	\$5,520.28	\$6,228.87
11	February	7,119	\$90.00	\$32.56	\$686.27	(\$187.18)	\$621.65	\$4,701.39	\$5,323.04
12	March	6,843	\$90.00	\$32.56	\$659.67	(\$179.93)	\$602.30	\$4,519.12	\$5,121.42
13	April	6,144	\$90.00	\$32.56	\$592.28	(\$161.55)	\$553.30	\$4,057.50	\$4,610.79
14	May	4,439	\$90.00	\$32.56	\$427.92	(\$116.72)	\$433.76	\$2,931.52	\$3,365.28
15	June	3,584	\$90.00	\$32.56	\$345.50	(\$94.24)	\$373.82	\$2,366.87	\$2,740.70
16	Total	67,275	\$1,080.00	\$390.75	\$6,485.31	(\$1,768.90)	\$6,187.16	\$44,428.41	\$50,615.57
17	Difference		\$0.00	\$0.00	\$0.00	(\$1,728.54)	(\$1,728.54)	\$0.00	(\$1,728.54)
18	Percent Change		0.00%	0.00%	0.00%		-21.84%	0.00%	-3.30%

**Typical Customer Bill Impacts**

**Large C&I (HLF) - Valley Gas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			26.05					
2	N/A								
3	Rate		\$ 90.000	\$ 1.2500	\$ 0.0964	\$ 0.0031		\$0.6604	
4	July	3,310	\$90.00	\$32.56	\$319.08	\$10.26	\$451.91	\$2,185.92	\$2,637.83
5	August	4,928	\$90.00	\$32.56	\$475.06	\$15.28	\$612.90	\$3,254.45	\$3,867.35
6	September	5,158	\$90.00	\$32.56	\$497.23	\$15.99	\$635.78	\$3,406.34	\$4,042.13
7	October	5,147	\$90.00	\$32.56	\$496.17	\$15.96	\$634.69	\$3,399.08	\$4,033.77
8	November	5,267	\$90.00	\$32.56	\$507.74	\$16.33	\$646.63	\$3,478.33	\$4,124.96
9	December	6,977	\$90.00	\$32.56	\$672.58	\$21.63	\$816.77	\$4,607.61	\$5,424.38
10	January	8,359	\$90.00	\$32.56	\$805.81	\$25.91	\$954.28	\$5,520.28	\$6,474.57
11	February	7,119	\$90.00	\$32.56	\$686.27	\$22.07	\$830.90	\$4,701.39	\$5,532.29
12	March	6,843	\$90.00	\$32.56	\$659.67	\$21.21	\$803.44	\$4,519.12	\$5,322.56
13	April	6,144	\$90.00	\$32.56	\$592.28	\$19.05	\$733.89	\$4,057.50	\$4,791.39
14	May	4,439	\$90.00	\$32.56	\$427.92	\$13.76	\$564.24	\$2,931.52	\$3,495.76
15	June	3,584	\$90.00	\$32.56	\$345.50	\$11.11	\$479.17	\$2,366.87	\$2,846.04
16	Total	67,275	\$1,080.00	\$390.75	\$6,485.31	\$208.55	\$8,164.61	\$44,428.41	\$52,593.02

**Large C&I (HLF) - Valley Gas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			26.05					
2	N/A								
3	Rate		\$90.00	\$ 1.2500	\$ 0.0964	\$ (0.0226)		\$0.6604	
4	July	3,310	\$90.00	\$32.56	\$319.08	(\$74.81)	\$366.84	\$2,185.92	\$2,552.76
5	August	4,928	\$90.00	\$32.56	\$475.06	(\$111.37)	\$486.25	\$3,254.45	\$3,740.70
6	September	5,158	\$90.00	\$32.56	\$497.23	(\$116.57)	\$503.22	\$3,406.34	\$3,909.57
7	October	5,147	\$90.00	\$32.56	\$496.17	(\$116.32)	\$502.41	\$3,399.08	\$3,901.49
8	November	5,267	\$90.00	\$32.56	\$507.74	(\$119.03)	\$511.27	\$3,478.33	\$3,989.59
9	December	6,977	\$90.00	\$32.56	\$672.58	(\$157.68)	\$637.47	\$4,607.61	\$5,245.08
10	January	8,359	\$90.00	\$32.56	\$805.81	(\$188.91)	\$739.46	\$5,520.28	\$6,259.74
11	February	7,119	\$90.00	\$32.56	\$686.27	(\$160.89)	\$647.94	\$4,701.39	\$5,349.33
12	March	6,843	\$90.00	\$32.56	\$659.67	(\$154.65)	\$627.58	\$4,519.12	\$5,146.69
13	April	6,144	\$90.00	\$32.56	\$592.28	(\$138.85)	\$575.99	\$4,057.50	\$4,633.49
14	May	4,439	\$90.00	\$32.56	\$427.92	(\$100.32)	\$450.16	\$2,931.52	\$3,381.68
15	June	3,584	\$90.00	\$32.56	\$345.50	(\$81.00)	\$387.06	\$2,366.87	\$2,753.94
16	Total	67,275	\$1,080.00	\$390.75	\$6,485.31	(\$1,520.42)	\$6,435.65	\$44,428.41	\$50,864.06
17	Difference		\$0.00	\$0.00	\$0.00	(\$1,728.97)	(\$1,728.97)	\$0.00	(\$1,728.97)
18	Percent Change		0.00%	0.00%	0.00%		-21.18%	0.00%	-3.29%

Typical Customer Bill Impacts

**Extra Large C&I (LLF) - Valley Gas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			1,434.0					
2	N/A								
3	Rate		\$ 300.000	\$ 0.9000	\$ 0.0348	\$ 0.0031		\$0.6948	
4	July	10,704	\$300.00	\$1,290.60	\$372.50	\$33.18	\$1,996.28	\$7,437.14	\$9,433.42
5	August	10,442	\$300.00	\$1,290.60	\$363.38	\$32.37	\$1,986.35	\$7,255.10	\$9,241.45
6	September	3,762	\$300.00	\$1,290.60	\$130.92	\$11.66	\$1,733.18	\$2,613.84	\$4,347.02
7	October	12,996	\$300.00	\$1,290.60	\$452.26	\$40.29	\$2,083.15	\$9,029.62	\$11,112.77
8	November	26,476	\$300.00	\$1,290.60	\$921.36	\$82.08	\$2,594.04	\$18,395.52	\$20,989.57
9	December	37,319	\$300.00	\$1,290.60	\$1,298.70	\$115.69	\$3,004.99	\$25,929.24	\$28,934.23
10	January	42,558	\$300.00	\$1,290.60	\$1,481.02	\$131.93	\$3,203.55	\$29,569.30	\$32,772.85
11	February	43,839	\$300.00	\$1,290.60	\$1,525.60	\$135.90	\$3,252.10	\$30,459.34	\$33,711.44
12	March	41,137	\$300.00	\$1,290.60	\$1,431.57	\$127.52	\$3,149.69	\$28,581.99	\$31,731.68
13	April	29,294	\$300.00	\$1,290.60	\$1,019.43	\$90.81	\$2,700.84	\$20,353.47	\$23,054.31
14	May	16,698	\$300.00	\$1,290.60	\$581.09	\$51.76	\$2,223.45	\$11,601.77	\$13,825.22
15	June	9,399	\$300.00	\$1,290.60	\$327.09	\$29.14	\$1,946.82	\$6,530.43	\$8,477.25
16	Total	284,624	\$3,600.00	\$15,487.20	\$9,904.92	\$882.33	\$29,874.45	\$197,756.76	\$227,631.20

**Extra Large C&I (LLF) - Valley Gas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			1,434.0					
2	N/A								
3	Rate		\$300.00	\$ 0.9000	\$ 0.0348	\$ (0.0226)		\$0.6948	
4	July	10,704	\$300.00	\$1,290.60	\$372.50	(\$241.91)	\$1,721.19	\$7,437.14	\$9,158.33
5	August	10,442	\$300.00	\$1,290.60	\$363.38	(\$235.99)	\$1,717.99	\$7,255.10	\$8,973.09
6	September	3,762	\$300.00	\$1,290.60	\$130.92	(\$85.02)	\$1,636.50	\$2,613.84	\$4,250.33
7	October	12,996	\$300.00	\$1,290.60	\$452.26	(\$293.71)	\$1,749.15	\$9,029.62	\$10,778.77
8	November	26,476	\$300.00	\$1,290.60	\$921.36	(\$598.36)	\$1,913.61	\$18,395.52	\$20,309.13
9	December	37,319	\$300.00	\$1,290.60	\$1,298.70	(\$843.41)	\$2,045.89	\$25,929.24	\$27,975.13
10	January	42,558	\$300.00	\$1,290.60	\$1,481.02	(\$961.81)	\$2,109.81	\$29,569.30	\$31,679.11
11	February	43,839	\$300.00	\$1,290.60	\$1,525.60	(\$990.76)	\$2,125.44	\$30,459.34	\$32,584.77
12	March	41,137	\$300.00	\$1,290.60	\$1,431.57	(\$929.70)	\$2,092.47	\$28,581.99	\$30,674.46
13	April	29,294	\$300.00	\$1,290.60	\$1,019.43	(\$662.04)	\$1,947.99	\$20,353.47	\$22,301.46
14	May	16,698	\$300.00	\$1,290.60	\$581.09	(\$377.37)	\$1,794.32	\$11,601.77	\$13,396.09
15	June	9,399	\$300.00	\$1,290.60	\$327.09	(\$212.42)	\$1,705.27	\$6,530.43	\$8,235.69
16	Total	284,624	\$3,600.00	\$15,487.20	\$9,904.92	(\$6,432.50)	\$22,559.61	\$197,756.76	\$220,316.37
17	Difference		\$0.00	\$0.00	\$0.00	(\$7,314.84)	(\$7,314.84)	\$0.00	(\$7,314.84)
18	Percent Change		0.00%	0.00%	0.00%		-24.49%	0.00%	-3.21%

Typical Customer Bill Impacts

**Extra Large C&I (HLF) - Valley Gas Customer at Current Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			1,039.9					
2	N/A								
3	Rate		\$ 300.00	\$ 1.2500	\$ 0.0270	\$ 0.0031		\$0.6239	
4	July	19,156	\$300.00	\$1,299.88	\$517.21	\$59.38	\$2,176.47	\$11,951.43	\$14,127.90
5	August	19,599	\$300.00	\$1,299.88	\$529.17	\$60.76	\$2,189.80	\$12,227.82	\$14,417.62
6	September	24,440	\$300.00	\$1,299.88	\$659.88	\$75.76	\$2,335.52	\$15,248.12	\$17,583.64
7	October	20,082	\$300.00	\$1,299.88	\$542.21	\$62.25	\$2,204.34	\$12,529.16	\$14,733.50
8	November	23,799	\$300.00	\$1,299.88	\$642.57	\$73.78	\$2,316.22	\$14,848.20	\$17,164.42
9	December	23,508	\$300.00	\$1,299.88	\$634.72	\$72.87	\$2,307.47	\$14,666.64	\$16,974.11
10	January	33,426	\$300.00	\$1,299.88	\$902.50	\$103.62	\$2,606.00	\$20,854.48	\$23,460.48
11	February	28,625	\$300.00	\$1,299.88	\$772.88	\$88.74	\$2,461.49	\$17,859.14	\$20,320.63
12	March	25,929	\$300.00	\$1,299.88	\$700.08	\$80.38	\$2,380.34	\$16,177.10	\$18,557.44
13	April	23,315	\$300.00	\$1,299.88	\$629.51	\$72.28	\$2,301.66	\$14,546.23	\$16,847.89
14	May	13,183	\$300.00	\$1,299.88	\$355.94	\$40.87	\$1,996.68	\$8,224.87	\$10,221.56
15	June	19,563	\$300.00	\$1,299.88	\$528.20	\$60.65	\$2,188.72	\$12,205.36	\$14,394.08
16	Total	274,625	\$3,600.00	\$15,598.50	\$7,414.88	\$851.34	\$27,464.71	\$171,338.54	\$198,803.25

**Extra Large C&I (HLF) - Valley Gas Customer at Proposed Rates (Rates net of GRT)**

Line No.	Particular (a)	Throughput (therms) (b)	Cust. Ch. (c)	Demand Charge (d)	Distribution Charge (e)	DAC (f)	Total Non-Gas (g)	GCR (h)	Total (i)
1	MDCQ			1,039.9					
2	N/A								
3	Rate		\$300.00	\$ 1.2500	\$ 0.0270	\$ (0.0226)		\$0.6239	
4	July	19,156	\$300.00	\$1,299.88	\$517.21	(\$432.93)	\$1,684.16	\$11,951.43	\$13,635.59
5	August	19,599	\$300.00	\$1,299.88	\$529.17	(\$442.94)	\$1,686.11	\$12,227.82	\$13,913.93
6	September	24,440	\$300.00	\$1,299.88	\$659.88	(\$552.34)	\$1,707.41	\$15,248.12	\$16,955.53
7	October	20,082	\$300.00	\$1,299.88	\$542.21	(\$453.85)	\$1,688.24	\$12,529.16	\$14,217.40
8	November	23,799	\$300.00	\$1,299.88	\$642.57	(\$537.86)	\$1,704.59	\$14,848.20	\$16,552.79
9	December	23,508	\$300.00	\$1,299.88	\$634.72	(\$531.28)	\$1,703.31	\$14,666.64	\$16,369.95
10	January	33,426	\$300.00	\$1,299.88	\$902.50	(\$755.43)	\$1,746.95	\$20,854.48	\$22,601.43
11	February	28,625	\$300.00	\$1,299.88	\$772.88	(\$646.93)	\$1,725.83	\$17,859.14	\$19,584.96
12	March	25,929	\$300.00	\$1,299.88	\$700.08	(\$586.00)	\$1,713.96	\$16,177.10	\$17,891.07
13	April	23,315	\$300.00	\$1,299.88	\$629.51	(\$526.92)	\$1,702.46	\$14,546.23	\$16,248.69
14	May	13,183	\$300.00	\$1,299.88	\$355.94	(\$297.94)	\$1,657.88	\$8,224.87	\$9,882.75
15	June	19,563	\$300.00	\$1,299.88	\$528.20	(\$442.12)	\$1,685.95	\$12,205.36	\$13,891.31
16	Total	274,625	\$3,600.00	\$15,598.50	\$7,414.88	(\$6,206.53)	\$20,406.85	\$171,338.54	\$191,745.39
17	Difference		\$0.00	\$0.00	\$0.00	(\$7,057.86)	(\$7,057.86)	\$0.00	(\$7,057.86)
18	Percent Change		0.00%	0.00%	0.00%		-25.70%	0.00%	-3.55%

**Calculation of System Pressure Factor**

	LNG Commodity Related Costs			Total
	Withdrawal Commodity (Dkt 3436)	Inventory Costs (Dkt 3436)	Demand from GCR (Dkt 3436)	
Nov-03	\$144,917	\$58,361	\$281,700	\$484,978
Dec-03	\$181,071	\$60,010	\$285,840	\$526,921
Jan-04	\$2,424,740	\$39,838	\$285,840	\$2,750,418
Feb-04	\$628,870	\$37,148	\$277,560	\$943,577
Mar-04	\$179,013	\$38,797	\$285,840	\$503,650
Apr-04	\$138,869	\$41,254	\$281,700	\$461,823
May-04	\$141,693	\$43,595	\$285,840	\$471,128
Jun-04	\$135,468	\$45,283	\$281,700	\$462,452
Jul-04	\$138,596	\$47,044	\$285,840	\$471,481
Aug-04	\$137,356	\$48,821	\$285,840	\$472,017
Sep-04	\$131,886	\$52,845	\$281,700	\$466,431
Oct-04	\$135,265	\$55,453	\$285,840	\$476,558
<b>Total</b>	<b>\$4,517,744</b>	<b>\$568,450</b>	<b>\$3,405,240</b>	<b>\$8,491,434</b>
System Balancing Factor (Dkt 3401)	0.2039	0.2039	0.2039	
GCR Costs allocated to DAC	\$921,168	\$115,907	\$694,328	\$1,731,403
Firm Thru-put (dth): (Dkt 3436)				34,892,499
System Pressure Factor (\$/dth)				\$0.0496 per Dt
System Pressure Factor (\$/therm)				<b>\$0.0050</b> per Therm

**Environmental Response Cost (ERC) Factor**

$$\text{ERCF} = \frac{\frac{\text{ERC 95-02}}{10} + \frac{\sum_{x=n-9}^n \text{ERCyr}}{10} - \text{ERC EMB}}{\text{Dt}}$$

Where:

**ERC 95-02**

Costs	\$15,570,621	(Dkt 3401; DIV 1-35)
Revenue	\$2,504,368	Revenues
	<u>\$1,700,000</u>	SUG Acquisition Adjustment
	\$4,204,368	
	<b>\$11,366,253</b>	<b>Unamortized Environmental Costs through 2001</b>

**FY 2002**

Costs	\$2,172,287	Dkt 3459
Revenue	\$678,288	Revenues
	<u>\$350,000</u>	Insurance
	\$1,028,288	
	<b>\$1,143,999</b>	<b>Net Environmental Costs FY2002</b>

**$\sum_{x=n-9}^n \text{ERCyr}$**

<b>FY 2003</b>		
Costs	\$3,456,769	page 2

Insurance sub-total	<u>\$9,443,759</u>	page 2
	\$9,443,759	

**(\$5,986,990) Net Environmental Costs FY2003**

**ERC Emb**

**\$1,310,000 Base Rate Embedded ERC funding**

**Dt**

**34,892,499 Annual Dt Nov '03 - Oct '04**

$$\begin{aligned} \text{ERCF} &= \frac{\frac{\$12,510,252}{10} + \frac{(\$5,986,990)}{10} - \$1,310,000}{34,892,499} = \frac{(\$657,674)}{34,892,499 \text{ Dt}} \\ &= (\$0.0188) \text{ per Dt} \\ &= \boxed{(\$0.0019) \text{ per therm}} \end{aligned}$$

**Environmental Response Cost (ERC) Factor**

Environmental Projects A/C # 10860001		Bal @ 6/30/2002	Bal @ 6/30/2003	FY03 Activity
<b>I. Environmental Expenses</b>				
907-1	Blackstone Street	\$0	\$0	\$0
907	Envir Phase II @ Aliens Ave	\$1,332,885	\$1,344,390	\$11,505
908	Aliens Avenue	\$3,561,600	\$3,340,361	(\$221,239)
908 - 01	Aliens Avenue	\$10,278,288	\$13,844,160	\$3,565,872
306	Insur Pol, no Pollution Excl	\$33,047	\$40,002	\$6,955
307	PCB Reg Pipe Abandon.	\$19,679	\$19,679	\$0
309	Manchester Street	\$152,861	\$152,861	\$0
317	Plympton	\$77,333	\$77,333	\$0
379	Petroleum Site	\$530,652	\$524,079	(\$6,573)
700	18 & 21 Holders COR	\$49,974	\$54,746	\$4,772
161	Canal Street, Westerly	\$33,183	\$29,133	(\$4,050)
963	Narr. Electric, South St.	\$2,400	\$2,400	\$0
170	IAG Insurance Investment	\$47,987	\$47,987	\$0
170	General Enviro Issues	\$24,934	\$61,099	\$36,165
178	Site Inv Connell Hwy Newp	\$9,780	\$24,057	\$14,277
144	Westerly Soil Investigation	\$78,134	\$82,184	\$4,050
784	Environmental Study	\$12,511	\$12,511	\$0
781	Mendon Road	\$121,355	\$121,355	\$0
782	Tidewater	\$284,887	\$284,887	\$0
783	Hamlet	\$95,970	\$95,970	\$0
785	Gooding Ave	\$34,079	\$34,079	\$0
786	Plympton	\$23,382	\$23,382	\$0
171	Contaminated Regulators	<u>\$1,076,580</u>	<u>\$1,121,615</u>	<u>\$45,035</u>
	Sub-Total	\$17,881,502	\$21,338,271	\$3,456,769
<b>II. Insurance Recovery/Settlement</b>				
910	Environ Insur Settlement	(\$350,000)	(\$9,793,759)	(\$9,443,759)
<b>III. Environmental Amortization</b>				
	Beginning Balance	(\$4,204,368)	(\$4,882,656)	
	Amortization	<u>(\$678,288)</u>	<u>(\$1,251,025)</u>	
	Ending Balance	(\$4,882,656)	(\$6,133,681)	



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**Fiscal Year 2003 Earnings Sharing Calculation**

	Explanations	Calculation
(1) <b>Total Earnings Credited to DAC</b>	RJR - 1, pg 1, ln 18	\$4,481,783
(2) Firm Thru-put (dth):	Docket 3436	34,892,499
(3) Earnings Sharing Factor (\$/dth)	(18) / (19)	\$0.1284
(4) Earnings Sharing Factor (\$/therm)	(20) / 10	<b>\$0.0128</b>