

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

* * * * *

In the matter of the application of the
MICHIGAN PUBLIC SERVICE COMMISSION
STAFF for review and approval of a joint
motion for adoption of rate case filing
requirements for gas utilities and withdrawal
of the existing filing requirements.

Case No. U-10039

At the January 17, 1992 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Steven M. Fetter, Chairman
Hon. Ronald E. Russell, Commissioner
Hon. John L. O'Donnell, Commissioner

ORDER APPROVING APPLICATION

On December 19, 1991, the Michigan Public Service Commission Staff (Staff) filed its application for review and approval of a joint motion by the Staff and the Michigan gas utility companies requesting the Commission to withdraw the existing rate case filing requirements for natural gas utilities, to approve the proposed rate case filing requirements, and to approve the stipulation and agreement by the gas utilities regarding compliance with the proposed rate case filing requirements.

On December 19, 1977 in Case No. U-5653, the Commission adopted standardized filing requirements applicable to rate case filings made by gas utilities with annual retail gas revenues in excess of \$10 million.

On August 29, 1991, the Commission issued its order in Case No. U-9832 adopting a proposed guideline for the completion of cases involving utility rate changes within the statutory nine month time period contemplated by MCL 460.6a(2).

Based on the Staff's ongoing review and consistent with the Commission's goal of expeditiously completing rate cases through the provision of organized, consistent, and pertinent information, the Staff proposed and discussed revisions to the filing requirements with the affected gas utilities. The result is the rate case filing requirements attached to the order.

After review of the application, the Commission finds that ex parte approval is appropriate. The Staff's proposal is just, reasonable, and in the public interest.

The Commission FINDS that:

a. Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 1939 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commissions Rules of Practice and Procedure, 1979 Administrative Code, R 460.11 et seq.

b. The request by the Staff to withdraw the existing rate case filing requirements for natural gas utilities adopted by the Commission in Case No. U-5653 and to approve the proposed rate case filing requirements and the stipulation and agreement by the gas utilities regarding compliance with the proposed rate case requirements is in the public interest and should be approved.

THEREFORE IT IS ORDERED that:

A. The existing rate case filing requirements for natural gas utilities approved by the Commission in Case No. U-5653 shall be withdrawn.

B. The proposed rate case filing requirements contained in Attachment A to Exhibit A shall be approved.

C. The stipulation and agreement by the gas utilities regarding compliance with the proposed rate case filing requirements attached as Exhibit A shall be approved.

D. The new rate case filing requirements shall take effect on the date of this order.

The Commission reserves jurisdiction and may issue further orders as necessary.

MICHIGAN PUBLIC SERVICE COMMISSION

/s/ Steven M. Fetter
Chairman

(S E A L)

/s/ Ronald E. Russell
Commissioner

/s/ John L. O'Donnell
Commissioner

By its action of January 17, 1992.

/s/ Dorothy Wideman
Its Executive Secretary

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

In the matter of the joint motion)
for adoption of rate case filing)
requirements for gas utilities)
Case No. U-100³⁷

STIPULATION AND AGREEMENT REGARDING
RATE CASE FILING REQUIREMENTS

By Order dated December 19, 1977 in Case No. U-5653 the Commission adopted standardized filing requirements applicable to rate case filings made by gas utilities with annual retail gas revenues in excess of \$10,000,000. The general purpose of these requirements was to facilitate the provision of organized, consistent, and pertinent information regarding the status of a gas utility making an application for a rate increase and to shorten the time required to complete a rate case.

On August 29, 1991 the Commission issued its Order in Case No. U-9832 adopting a proposed guideline for the completion of cases involving utility rate changes within the statutory nine month time period contemplated by MCL 460.6a(2).

In a continuing effort to insure the provision of organized, consistent and pertinent information regarding an applicant utility and in furtherance of the guidelines for expeditiously completing cases involving rate changes, the Commission Staff has from time to time reviewed the form and content of the Commission's standardized filing requirements for gas utilities.

Based upon its ongoing review of the standardized filing requirements and consistent with the above-stated goals, the Commission Staff has proposed revisions to the Commission's standardized rate case filing requirements for gas utilities. The

proposed revisions have been discussed with and commented upon by the affected gas utilities and, as a result of these efforts, this Stipulation and Agreement Regarding Rate Case Filing Requirements has been reached.

WHEREFORE, the Commission Staff and the undersigned utilities agree as follows:

1. Attachment A, which is adopted by reference, contains the proposed Rate Case Filing Requirements.

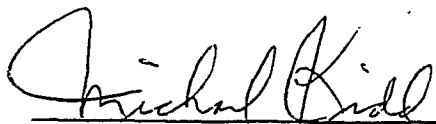
2. Attachment A represents the forms and instructions to be followed by gas utilities with annual retail gas revenues earned in Michigan in excess of \$10,000,000 when making application to the Commission for a rate increase. The Commission Staff will use the information provided pursuant to the forms and instructions contained in Attachment A in determining the completeness of a gas utility's application for a rate increase.

3. The undersigned gas utilities with annual retail gas revenues earned in Michigan in excess of \$10,000,000 agree to the informational requirements identified in the forms and instructions contained in Attachment A, to the extent applicable, when making application to the Commission for a rate increase.

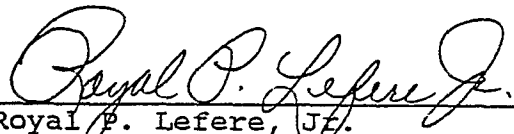
4. The undersigned gas utilities with annual retail gas revenues earned in Michigan of less than \$10,000,000 agree to the informational requirements identified in the forms and instructions contained in Attachment A, to the extent applicable and practicable, when making application to the Commission for a rate increase.

5. The undersigned gas utilities agree to address the appropriate forms and instructions associated with the submittal of consolidated balance sheet and income statement information in accordance with the final resolution of affiliated company reporting requirements in any action by the courts, the legislature, or as a result of settlement.

6. The Commission Staff and the undersigned gas utilities join in requesting the Commission to expeditiously issue an order withdrawing the existing rate case filing requirements for natural gas utilities, approving the proposed Rate Case Filing Requirements contained in Attachment A and approving this Stipulation and Agreement by the undersigned gas utilities regarding compliance with Attachment A. The Commission Staff certifies that this Stipulation and Agreement is reasonable and in the public interest.



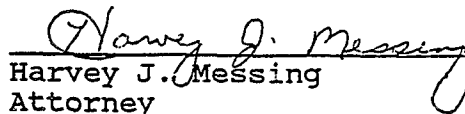
Michael J. Kidd
Director, Gas Division
MPSC Staff



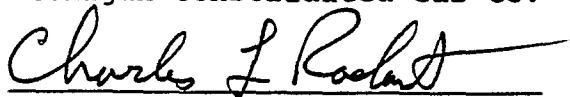
Royal P. Lefere, Jr.
Executive Director
Rates & Regulatory Affairs
Consumers Power Company



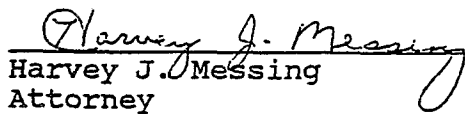
Howard L. Dow III
Vice President
Rates & Regulatory Affairs
Michigan Consolidated Gas Co.



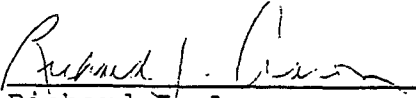
Harvey J. Messing
Attorney
Michigan Gas Company



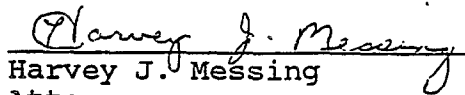
Charles L. Roelant
Vice President, Operations
Michigan Gas Utilities



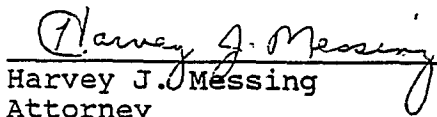
Harvey J. Messing
Attorney
Northern States Power Co.



Richard J. Aaron
Attorney
Peninsular Gas Co.



Harvey J. Messing
Attorney
Southeastern Michigan Gas Co.



Harvey J. Messing
Attorney
Wisconsin Public Service Co.

Re: Adoption of Rate Case Filing Requirements

MICHIGAN PUBLIC SERVICE COMMISSION
RATE CASE FILING REQUIREMENTS

For Gas Utilities with Annual Retail Gas Revenues
Earned in Michigan of More Than \$10,000,000

GENERAL INSTRUCTIONS

A proposed notice of hearing for publication fully disclosing the substance of the application for increased rates must accompany Applicant's filing.

Upon receipt of the filing of an application for rate relief, the Commission will have 10 working days within which to either accept the filing for processing or reject the application as filed. If the application is not accepted, the Staff will notify the Company that the filing is being rejected because it is not in substantial conformance with the filing requirements. The areas of non-conformance will be identified in writing. Upon receipt of an amended filing, the Commission will have 10 working days to accept or reject the amended filing.

If the Commission does not reject a filing within the initial 10 working day period, the Applicant may assume that the Commission accepts the application as being in substantial conformance with the filing requirements.

It is the intent of this provision that the "filing date" which initiates the 9 month period provided by Section 6a of 1939, PA 3, as amended will be the date that is 10 working days beyond the "receipt date" for the filing. The Commission will be considered to have reached a final decision within the provisions of the act if the final decision is reached within a 9 month period commencing with the 11th working day after the receipt of the initial or amended filing, whichever is later.

Gas utilities earning less than \$10,000,000 of their annual retail gas revenues in Michigan should follow the format outlined to the extent practicable.

PART I: EXHIBITS SUPPORTING THE DETERMINATION OF REVENUE REQUIREMENTS AND
APPROPRIATE TARIFF

The forms on which the applicant utility shall provide certain standard data are set forth in the Index. Section A exhibits are designed to provide historical test year results of operations on an average basis. All proposed changes to recorded results are shown in Section B. The format illustrated under Section A should be followed in Section B unless otherwise provided for in the standard schedules. The cost of service study schedule contemplated in Section B, (Exhibit A-11, Schedule F-6) is an optional schedule. All other Section A and B schedules are required.

Working papers supporting applicant's exhibits should be filed by order of witness. The working papers should be identified by witness initial and should be numbered in consecutive order. Each line of the filed exhibits should be source referenced to the appropriate working papers.

PART II: ADDITIONAL INFORMATION REQUIREMENTS

The following information must be provided, accompanied by a certification by the person providing such information.

Section A: Financial Information

1. Annual reports to stockholders and statistical supplements for the most recent 5 years.
2. Any quarterly reports to stockholders issued subsequent to the most recent annual report to stockholders.
3. The latest 10k report filed with the Securities and Exchange Commission.
4. Prospectuses of the most recent stock and bond offerings issued within the last five years.

Section B: Federal Income Tax Information

1. Provide an analysis of the accrued Federal Income Tax reflected on Applicant's balance sheet to show the portion required to provide for current year's income taxes payable by September of the following year. Any remaining balances should be fully explained.
2. Provide a reconciliation of all "Schedule M" items included in the calculation of booked Federal Income Tax expense with the Schedule M items included or intended to be included on the Federal Income Tax Return.
3. Provide a copy of the supporting schedule (or workpaper) from the Consolidated Federal Income Tax Return which shows the consolidation of the separate corporate (or divisional) returns.
4. Provide a schedule indicating amounts paid to the IRS with respect to the final settlements of the IRS audits for the most recent 5 years for which data is available. All supporting IRS documents should be included.
5. a.) Provide a list and brief description of all Commission orders granting the applicant authority to record deferred income taxes.

b.) Provide a schedule of all deferred income taxes recorded on applicant's books for which applicant has not obtained Commission approval.

MICHIGAN PUBLIC SERVICE COMMISSION

CASE NO. U- _____

Date _____

GENERAL APPLICATION FOR
CHANGE IN GAS UTILITY RATES
BEFORE MICHIGAN PUBLIC SERVICE COMMISSION
CLASS A & B UTILITIES

COMPANY NAME: _____

ADDRESS: _____

TELEPHONE: AREA CODE _____ NUMBER _____

COMPANY OFFICIAL TO BE CONTACTED
PERTAINING TO RATE CASE MATTERS: _____

FILING DATE: _____

TITLE OF AUTHORIZED OFFICER: _____

* * * COMMISSION ONLY * * *

DATE RECEIVED BY COMMISSION: _____

DOCKET NUMBER ASSIGNED: _____

RECEIVED BY: _____

DATE ACCEPTED: _____

ACCEPTED BY: _____

NOTIFICATION DATE(S): _____

SCHEDULED PRE-HEARING DATE: _____

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Exhibit A-1 - Revenue Deficiency (or Excess) (Schedule A)

- Schedule A-1 Summarizes the revenue deficiency (or excess) reflecting historical average net plant plus working capital and historical net operating income adjusted for the tax effect of interest and interest synchronization.
- Schedule A-2 Reflects the determination of the Revenue Multiplier used on the other schedules.
- Schedule A-3 Comparative Earnings Schedule summarizes the actual earned rate of return on common equity for the historical test year and four preceding calendar years, based on book results.

Case No.:
Witness:
Exhibit No.: A-1
Schedule No.: A-1

GAS COMPANY
COMPUTATION OF REVENUE DEFICIENCY
BASED ON AVERAGE NET PLANT RATE BASE
FOR THE YEAR ENDED

Gas Utility - Jurisdictional
(000's Omitted)

Line No.	Description
-------------	-------------

- | | |
|----|--|
| 1. | Rate Base (Schedule B-1) |
| 2. | Rate of Return (Schedule D-1) |
| 3. | Income Required (Line 2 x Line 1) |
| 4. | Adjusted Net Operating Income (Schedule C-1) |
| 5. | Income Deficiency (Line 3 x Line 4) |
| 6. | Revenue Multiplier (Schedule A-2) |
| 7. | Revenue Deficiency (Line 5 x Line 6) |

Case No.:
Witness:
Exhibit No.: A-1
Schedule No.: A-2

GAS COMPANY
COMPUTATION OF REVENUE MULTIPLIER
FOR THE YEAR ENDED _____

Line
No. Description

1.	Base Prior to Income Tax	\$100,000
2.	State Tax (Rate 2.35%)	<u>2,350</u>
3.	Federal Tax Base	<u>97,650</u>
4.	Federal Income Tax (Line 3 x 34%)	<u>33,201</u>
5.	Base After Taxes	<u>64,449</u>
6.	Revenue Multiplier (Line 1 / Line 5)	1.5516

Case No.:
Witness:
Exhibit No.: A-1
Schedule No.: A-3

GAS COMPANY
COMPARATIVE EARNINGS SCHEDULE
(000 Omitted)

Line No.	Description	Calendar Year				Historical Test Year
		Fourth Preceding Year	Third Preceding Year	Second Preceding Year	First Preceding Year	
1.	Operating Revenues					
2.	Operating Expenses					
3.	Taxes					
4.	Net Operating Income					
5.	AFUDC					
6.	Other Income (Net)					
7.	Interest Charges					
8.	Preferred and Preference Dividends					
9.	Income Available					
10.	Return Assignable to JDITC					
11.	Income Available to Common After JDITC					
12.	Average Common Equity					
13.	Earned Rate of Return on Common Equity					
14.	Authorized Return on Common Equity					

Exhibit A-2 Rate Base (Schedule B)

Schedule B-1 Summarizes the historical test year rate base and capital.
Schedule B-2 Reflects the historical test year average net plant.
Schedule B-3 Reflects the 13-month average balance sheet account balances and presents the historical balance sheet working capital calculation.

1. An average of 13 monthly balance sheets is summarized as shown on B-3. The components of Working Capital are reflected on B-3. Average Capital presented on Schedule B-1 should reconcile with investor-supplied funds reflected on Schedule B-3. Underlying work papers must show the way the summary ties to monthly balance sheets, and the monthly balance sheets must be readily traceable to the company's general ledger.
2. For combination companies or those having non-jurisdictional gas operations, the working capital and net plant components should be allocated to jurisdictional gas on an appropriate basis. The appropriate basis may differ company to company, but the underlying work papers must show the method used and sufficient details to permit tracing of data to its source.

Case No.:
Witness:
Exhibit No.: A-2
Schedule No.: B-1

GAS COMPANY
AVERAGE RATE BASE AND CAPITAL
FOR THE YEAR ENDED _____
(000's Omitted)

Line No.	Description	Amount

	Average Rate Base:	
1.	Net Utility Plant (Schedule B-2)	
2.	Working Capital (Schedule B-3)	
3.	Total	
	Average Capital: (Schedule B-3)	
4.	Common Equity	
5.	Preferred & Preference Stock	
6.	Long Term Debt	
7.	Short Term Debt	
8.	Customer Deposits	
9.	Other Interest Bearing Obligations	
10.	Deferred Income Taxes	
11.	Unamortized Investment Tax Credit	
12.	Total Capital (Line 4 - Line 11)	
13.	Less Non-Utility Investment	
14.	Jurisdictional Capital	

Case No.:
Witness:
Exhibit No.: A-2
Schedule No.: B-2

GAS COMPANY
RATE BASE - NET PLANT
FOR THE YEAR ENDED _____
(000's Omitted)

Line No.	Description	Average	
		Total Gas Utility	Gas Jurisdic- tional

	Utility Plant:		
1.	Plant in Service		
2.	Property Held for Future Use		
3.	Construction Work in Progress		
4.	Total Utility Plant		
Deduct:			
5.	Accumulated Depreciation, Amortization and Depletion of Plant in Service		
6.	Accumulated Depreciation, and Amortization of Plant Held for Future Use		
7.	Retained from Contractors		
8.	Customer Advances for Construction		
9.	Net Utility Plant		

GAS COMPANY
RATE BASE - BALANCE SHEET WORKING CAPITAL
AVERAGE BALANCE SHEETS FOR THE YEAR ENDED _____

Case No.:
Witness:
Exhibit No.: A-2
Schedule No.: B-3

Line No.	Description	Total	Investor Supplied Funds				Balance Sheet Working Capital
			Investor Supplied	Utility Plant	Non-Utility	Net	
	(Col.1)	(Col.2)	(Col.3)	(Col.4)	(Col.5)	(Col.6)	(Col.7)
1.	ASSETS						
2.	PROPERTY, PLANT AND EQUIPMENT						
3.	UTILITY PLANT						
4.	ACCUMULATED DEPRECIATION/DEPLETION						
5.	NET UTILITY PLANT						
6.	NET PROPERTY UNDER CAPITAL LEASES						
7.	OTHER PROPERTY AND INVESTMENTS						
8.	CURRENT AND ACCRUED ASSETS						
9.	CASH AND SPECIAL DEPOSITS						
10.	TEMPORARY CASH INVESTMENTS						
11.	ACCOUNTS RECEIVABLE - NET						
12.	UNBILLED REVENUE						
13.	GAS IN UNDERGROUND STORAGE						
14.	MATERIALS AND SUPPLIES						
15.	PREPAYMENTS						
16.	PROPERTY TAXES						
17.	OTHER CURRENT AND ACCRUED ASSETS						
18.	TOTAL CURRENT AND ACCRUED ASSETS						
19.	DEFERRED DEBITS						
20.	TOTAL ASSETS						
21.	STOCKHOLDERS' EQUITY AND LIABILITIES						
22.	COMMON EQUITY						
23.	PREFERRED AND PREFERENCE STOCK						
24.	LONG TERM DEBT						
25.	LONG - TERM LEASE OBLIGATIONS						
26.	CURRENT LIABILITIES						
27.	NOTES PAYABLE						
28.	MATURITIES/SINKING FUND REQUIREMENTS						
29.	ACCOUNTS PAYABLE						
30.	CUSTOMER DEPOSITS						
31.	REFUNDS PAYABLE TO CUSTOMERS						
32.	ACCRUED GENERAL TAXES						
33.	FEDERAL AND OTHER INCOME TAXES						
34.	ACCRUED INTEREST						
35.	OTHER CURRENT LIABILITIES						
36.	TOTAL CURRENT LIABILITIES						
37.	DEFERRED CREDITS AND RESERVES						
38.	CUSTOMER ADVANCES FOR CONSTRUCTION						
39.	ACCUMULATED DEFERRED ITC						
40.	JDITC						
41.	ACCUMULATED DEFERRED INCOME TAXES						
42.	OTHER DEFERRED CREDITS AND RESERVES						
43.	TOTAL DEFERRED CREDITS AND RESERVES						
44.	TOTAL EQUITY AND LIABILITIES						
45.	GRAND TOTAL (L.20 - L.44)						

(This list is not intended to be all inclusive. Elements may be added or deleted, as appropriate, and further detail may be provided.)

Exhibit A-3 Adjusted Net Operating Income (Schedule C)

The Adjustments to Recorded Operating Income are reflected in Schedule C.

- Schedule C-1 Reflects the adjusted net operating income associated with an Average Net Plant rate base. Recorded operating results reflected on Schedule C-2 should be adjusted to reflect the tax effect of interest and interest synchronization on rate base.
- Schedule C-2 Reflects Recorded Net Income Available for Common Equity.
- Schedule C-3 Reflects the effect of using the historical test year average rate base in the income tax formula shown thereon.
- Schedule C-4 Reflects the tax effect of interest synchronization on the historical test year average rate base.
- Schedule C-5 Classifies the historical test year advertising expenses in accordance with Commission Order in Case No. U-6490 dated May 2, 1986.
- Schedule C-6 Reports non-utility expenditures, as defined by the Commission's most recent rate order, which are included in the historical test year utility operating results.

Reallocations of any non-utility revenues or expenses to utility operations should be separately identified on schedule C-1.

Allocations to Gas Utility Operations and to Jurisdictional Operations should be accomplished on an appropriate basis. The underlying work papers should clearly reflect the basis used and the source of the data used to develop the allocation ratios.

GAS COMPANY
ADJUSTED NET OPERATING INCOME
FOR THE YEAR ENDED _____
(000 Omitted)

Case No:
Witness:
Exhibit No.: A-3
Schedule No.: C-1

Line No.	Description	Source	Total Gas Utility *	Gas Juris- dictional *	Net of Tax Effect
1.	Recorded Net Operating Income	Exh.A-3,Sch.C-2			
2.	Allowance for Funds Used During Construction	Exh.A-3,Sch.C-2			
3.	Subtotal				
4.	Adjust Income Taxes to Reflect Rate Base and Rate of Return	Exh.A-3,Sch.C-3			
5.	Interest Synchronization	Exh.A-3,Sch.C-4			
6.	Adjusted Net Operating Income Section A				

* First two columns are before income taxes.

GAS COMPANY
RECORDED NET INCOME
FOR THE YEAR ENDED _____
(000 Omitted)

Case No:
Witness:
Exhibit No.: A-3
Schedule No.: C-2

Line No.	Description	Total Company	Gas Utility	Gas Juris- dictional
1.	Operating Revenues			
2.	Operating Expenses:			
3.	Cost of Gas Sold			
4.	Other Operation and Maintenance Expenses			
5.	Depreciation, Depletion & Amortization			
6.	Property Taxes			
7.	Federal & Other Income Taxes			
8.	Single Business Taxes			
9.	Other Operating Taxes			
10.	Total			
11.	Net Operating Income			
12.	Other Income:			
13.	Allowance for Fundes Used During Construction			
14.	Other Income			
15.	Other Income Deductions:			
16.	Discounts on Reacquired Securities			
17.	Other Income Deductions			
18.	Tax Applicable to Other Income & Deductions			
19.	Interest Charges (As Allocated for Income Tax Purposes)			
20.	Extraordinary Items			
21.	Preferred Stock Dividends			
22.	Income Available for Common Equity			

Case No:
Witness:
Exhibit No.: A-3
Schedule No.: C-3

GAS COMPANY
ADJUSTED NET OPERATING INCOME
INCOME TAX SAVINGS
FOR THE YEAR ENDED _____

Line No. (000 Omitted)

-
1. Rate Base (Schedule B-1)
 2. Debt Portion of Capital Structure
(Schedule D-1)
 3. Portion of Rate Base Funded by
Debt (Line 1 x Line 2)
 4. Cost of Debt Included in the Rate of
Return (Schedule D-1)
 5. Interest Allowed for in the Case
(Line 3 x Line 4)
 6. Less Actual Interest Deductions
Reflected in Recorded Income Taxes
 - a.) Total Company
 - b.) Gas Utility (%)
 - c. Jurisdictional (%)
 7. Additional Interest Allowed
(Line 5 - Line 6)
 8. Income Tax Effect
(Current Income Tax Rate of _____ x Line 7)

Case No:
Witness:
Exhibit No.: A-3
Schedule No.: C-4

GAS COMPANY
TAX EFFECT OF INTEREST
SYNCHRONIZATION ADJUSTMENT
FOR THE YEAR ENDED _____

Line No. (000 Omitted)

1. Rate Base (Schedule B-1)
2. JDITC Portion of Capital Structure
(Schedule D-1)
3. Portion of Rate Base Funded by
JDITC (Line 1 x Line 2)
4. Weighted Debt Cost Included in
Return on JDITC (Schedule D-1)
5. Interest Amount
(Line 3 x Line 4)
6. Income Tax Effect of Interest Synchronization
(Current Income Tax Rate of ____ x Line 5)

Case No:
Witness:
Exhibit No.: A-3
Schedule No.: C-5

GAS COMPANY
ADVERTISING CLASSIFICATIONS
FOR THE YEAR ENDED _____
(000 Omitted)

Line No.	Description	MPSC Account Charged	Total Gas Utility	Gas Juris- dictional	Net of tax Effect
1.	Promotes Conservation of Energy.				
2.	Related to Explanation of Billing Practices, Rates, etc.				
3.	Related to Energy Assistance Programs.				
4.	Related to Economic Development.				
5.	Related to Employment Opportunities.				
6.	Related to Provision of Factual and Objective Data for Programs in Educational Institutions.				
7.	Related to Public Health and Safety, Service Interruptions, or Emergency Conditions.				
8.	Related to Promotion of Energy - Efficient Appliances.				
9.	Other Advertising Programs (list each program separately)				
10.	Total				

Case No:
Witness:
Exhibit No.: A-3
Schedule No.: C-6

GAS COMPANY
NON-UTILITY EXPENDITURES INCLUDED IN
TEST YEAR UTILITY OPERATING INCOME
FOR THE YEAR ENDED _____
(000 Omitted)

Line No.	Description	Source	Total Gas Utility *	Gas Juris- dictional *	Net of Tax Effect
1.	Report all expenses included in historical utility operations which were excluded from revenue requirements in your Company's latest Commission rate case order.				
2.					
3.	(Identify each item separately.)				
4.					
5.					
6.					

* First two columns are before income taxes.

Exhibit A-4 Rate of Return (Schedule D)

Schedule D-1	Reflects the calculation of the overall rate of return.
Schedule D-2	Summarizes historical test year long term debt costs.
Schedule D-3	Summarizes historical test year short term debt costs.
Schedule D-4	Summarizes historical test year preferred stock costs.
Schedule D-5	Reflects the authorized return on common equity.

The computation of the rate of return involves four specific determinations. They are:

1. Capital Structure.
2. Cost of Debt (Long and Short Term)
3. Cost of Preferred Stock.
4. Cost of Common Equity.

The capital structure, required on Schedule D-1, is based on the average of 13 monthly balances. Long Term Debt is total debt outstanding and gives consideration to Unamortized Premiums, Discounts and Financing Expense. Preferred Stock is the total of all preferred and preference stock outstanding and is also determined net of the associated premiums and discounts and financing expense. Common equity reflects the other proprietary capital accounts, such as Capital Stock, Retained Earnings, Undistributed Earnings, etc. Short Term Debt has also been included in the determination of the cost of debt.

Deferred Income Taxes and the Accumulated Deferred Investment Tax Credits are treated as "zero cost capital". The Job Development Investment Tax Credit Accumulation is included at the overall rate of return on permanent capital.

The calculation of the weighted cost of Long Term Debt capital will rely primarily upon the net proceeds method. This will enable us to determine the net cost of maturity based on the interest coupon and the net proceeds the company receives when a new issue is sold. The net proceeds to the Company is the price that investors pay for the bonds, less the underwriters' compensation and the expense of financing -- such as cost of printing the prospectus, legal fees, accountant fees, etc. The net cost of maturity rate for debt capital based on the net proceeds method, can be obtained from bond value tables that spread the discount, premium and other financing costs over the life of the bonds on a compound interest basis. If the bonds have a serial maturity, or a fixed sinking fund requirement which retires a significant amount of the bonds prior to maturity, then a weighted average maturity should be used. When using comprehensive bond tables, if the exact price does not appear in the table columns, a process known as "interpolation" will be necessary to find the nearest correct cost. "Interpolation" is a matter of proportion, as it is based upon the assumption that changes in the bond table values are proportionate. This assumption is not absolutely correct, but the degree of variance is too small to be serious. To illustrate the use of interpolation, assume a 4% bond is to run for 20 years and costs the issuer \$108.00 after accounting for all underwriting costs, expenses and other costs. Using comprehensive bond value tables to determine net cost rate, one would look under the 4% coupon heading, in the 20-year column to find the rates

immediately above and below \$108.00 (or 108.00). A typical bond value table may show the nearest figures encompassing the figure 108.00 to be 108.66 and 105.67 which give net yields of 3.40% and 3.60%, respectively. The required net yield (or cost rate in our case) is therefore between 3.40% and 3.60% in this instance. The difference between the two numbers that bracket the solution sought is 2.99 (108.66 minus 105.67), and the difference in yield is 0.20% (3.60 less 3.40). The given price is \$108.00, being 2.33 greater than 105.67, will therefore yield $2.33/2.99$ of 0.20% LESS than 3.60%, or $.66/2.99$ of 0.20% greater than 3.40%, making the net yield, or cost rate for our purposes, 3.444% (3.60 less $0.1558 = 3.444$; or 3.40 plus $0.044 = 3.444$).

A second method of calculating the net cost of bond debt may be approximated by dividing the annual expense (interest expense, plus or minus the annual amortization of bond discount or premium) by the average value of maturity (as adjusted by accumulation credits or amortization charges). As an illustration, assume a 4% (\$100 bond due in 20 years, which brought net proceeds of \$108.00 to the issuing company (after deducting all fees, expenses, etc), what would its approximate cost rate (to maturity) be?

The problem could be set up thusly:

Annual interest cost.....	\$4.00 (4% of \$100)
minus	
Annual amortization of premium.....	-0.40 (\$108 less \$100 / 20 yrs.)
equals	
Total cost to company.....	\$3.60
divided by	
Average value of bond.....	\$104 (\$108 + \$100 / 2)
equals	
Net cost rate to maturity.....	3.46% (\$3.60 / \$104)

To calculate the overall embedded or historical cost of debt, one would then multiply the total dollar amount outstanding for an issue by its calculated cost based on the net proceeds received, using the above-described method. The result would be the annual interest cost for that single debt issue. Complete the calculation for each outstanding issue the Company has. Then, sum up both the total amount outstanding column and the annual interest cost column. Finally, divide the grand total of the annual interest cost column by the grand total of the long term debt outstanding column; the resulting quotient will be the embedded debt cost rate.

Any senior securities issued beyond the end of the test year should have their costs calculated in the same manner as the above-described processes for debt issues; and the amount of the later issues, along with their calculated annual interest costs should be incorporated into the overall embedded debt cost calculation.

The cost rate for Preferred Stock is determined in a way similar to that method used for Debt, with one principal difference — Preferred Stock has no maturity, in most cases. The only exception might exist if the Preferred Stock has a fixed sinking fund of sufficient amount to retire a substantial part of

the issue within a reasonable period. In the latter situation, we would then have to consider the problem of maturity.

To determine Preferred Stock cost, we would divide the annual dividend requirement per share by the net proceeds that the issuing company received per share at the time a new issue was sold. The net proceeds is the price investors pay for the preferred or preference stock, less the underwriters' compensation and the expense of financing. To calculate the overall embedded cost of Preferred Stock, one would then multiply total dollar value of the net proceeds outstanding by that issue's calculated cost. The result would be the annual interest cost for that single Preferred Stock issue. Complete the calculation for each Preferred Stock issue outstanding. Then sum up both the total value of the net proceeds column and the annual interest cost column. Finally, divide the grand total of the total value of the net proceeds column into the grand total figure of the annual interest cost column. The resulting quotient will be the embedded Preferred Stock cost rate.

Any Preferred Stock issued beyond the end of the test year should have its costs calculated in the same manner as described above for Preferred Stock. Where actual underwriters' compensation and other financing expenses are unknown, or only partially available, then an estimated allowance may be acceptable, based on the pertinent prospectus or some other validly reasonable proof. This should provide amply satisfactory for cost calculation purposes, since such expenses usually represent such a small part of the cost for these issues.

Notes Payable or other short term debt should reflect the latest actual cost of issues outstanding at the end of the test year.

The cost of common equity should reflect the latest cost of common equity authorized by the Commission. Note that the Applicant is encouraged to put in whatever evidence it believes is appropriate under Section B of these filing requirements relative to changing the cost of common equity.

Case No.:
 Witness:
 Exhibit No.: A-4
 Schedule No.: D-1

GAS COMPANY
 OVERALL RATE OF RETURN SUMMARY
 FOR THE YEAR ENDED _____

Line No.	Description	Source	Amount	% Amount of Permanent Capital	% Amount Total Capital	Cost Rate %	Weighted Cost Of Permanent Capital (%)	Weighted Cost Total Capital (%)
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)
1.	Long Term Debt							
2.	Short Term Debt							
3.	Preferred & Preference Stock							
4.	Common Equity							
5.	Subtotal							
6.	Other Interest Bearing Balance Sheet Items							
7.	Deferred FIT							
8.	Investment Tax Credits							
9.	JDITC							
10.	Total							

Case No.:
 Witness:
 Exhibit No.: A-4
 Schedule No.: D-2

GAS COMPANY
 LONG TERM DEBT COST
 FOR THE YEAR ENDED _____

Line No.	Description	Date Sold	Amount of Offering (\$000)	Price To Public	Underwriter Compen- sation	Expenses of Financing	Net Proceeds Received by the Company	Cost Based on Net Proceeds (%)	Amount Outstanding (\$)	Annual Cost (Col.8x9)
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)
1.										
2.										
3.										
4.										
5.										
6.										
7.										
8.										
9.	Total									
10.	Weighted Average Cost (Totals Cols. 10/9)									
										----- % =====

Case No.:
Witness:
Exhibit No.: A-4
Schedule No.: D-3

GAS COMPANY
WEIGHTED COST OF SHORT TERM DEBT
FOR THE YEAR ENDED _____

Line No.	Issue	Amounts Outstanding	Interest Rate	Interest Requirements
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)
1.				
2.				
3.				
4.				
5.				
6.				
7.				
8.				
9.	Total *			

*Weighted Cost of Total
(Total Column 4 / Total Column 2)

Case No.:
 Witness:
 Exhibit No.: A-4
 Schedule No.: D-4

GAS COMPANY
 PREFERRED STOCK COST
 FOR THE YEAR ENDED _____

		PER SHARE								
Line No.	Description	Annual Dividend Required	Par Value	Discounts or (Premiums)	Fees and Expenses of Financing	Net Proceeds to the Company	Number of Shares Outstanding	Total Value of Net Proceeds	Cost Rate	Annual Dollar Amount
	(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)
1.										
2.										
3.										
4.										
5.										
6.										
7.	Total									
8.	Weighted Average Cost (Totals Cols. 10/8)									

 %
 =====

Case No.:
Witness:
Exhibit No.: A-4
Schedule No.: D-5

GAS COMPANY
COST OF COMMON EQUITY
FOR THE YEAR ENDED _____

The Detemination of the Rate of Return
on Common Equity is based on judgment
derived from a number of studies rather
than a formula.

For purposes of Part I, Section A, the latest
authorized rate of return for common equity
should be reflected.

Exhibit A-5 Affiliated Company Transactions (Schedule E)

- Schedule E-1 Reflects the interrelationship of all members of the corporate group whether or not the members are involved in regulated activities. The exhibit should be in the nature of a diagram with explanations.
- Schedule E-2 Summarizes the costs billed to/from Applicant by/to affiliated companies and included in recorded results. The nature of the charges and the billing method used should be fully explained.
- Schedule E-3 Reflects the earned rate of return on common equity for the historical test year for those affiliates doing business with Applicant. Indicate the earned rate of return on average common equity earned by each affiliated company or by Applicant as a result of transactions between Applicant and its affiliated companies. If it is not possible to determine the rate of return on average common equity earned on each segment of the affiliated company transactions, indicate the overall rate of return on common equity. The determination of the rate of return on each segment of affiliated transactions provides better insights on the actual earnings between affiliates and should be provided if can be determined.

Case No.:
Witness:
Exhibit No.: A-5
Schedule No.: E-1

Corporate Structure of Affiliated Group

Case No.:
Witness:
Exhibit No.: A-5
Schedule No.: E-2

GAS COMPANY
SUMMARY OF COSTS BILLED FROM/TO
AFFILIATED COMPANIES
FOR THE YEAR ENDED _____

Recorded on Gas Company Books									
Line No.	Company Name	Affiliation	Description: Nature of Goods and Services	Classified	Classified to	Classified to	Total	Account Number	Billing Method
				to Operating Income	Other Operating Income	Balance Sheet			

Case No.:
Witness:
Exhibit No.: A-5
Schedule No.: E-3

GAS COMPANY-AFFILIATED COMPANIES
RATE OF RETURN ON COMMON EQUITY
FOR THE YEAR ENDED _____

Line No.	Description	Affiliated Company 1	Affiliated Company 2	Affiliated Company 3
1.	Net Income			
2.	Average Common Equity			
3.	Rate of Return on Average Common Equity			

Exhibit A-6 Rate Design (Schedule F)

The attached exhibit reflects a format for presenting the design of rates and the related data concerning sales volumes and revenues. Exhibit A-6 consists of the following schedules:

- F-1 Summarizes the historical test year revenues.
- F-2 Reflects the average and year end number of customers and the sales volumes for the test year.
- F-3 Reflects revenues for the test year.
Other sources of revenue should also be shown.
- F-6 Summarizes the cost of service study, which allows for a comparison of the costs of serving each rate class. This study should be prepared using the allocation methods authorized by the Commission in the Company's last rate order.

Additional schedules of F-9, F-10, etc. may be used to reflect added data to support rate design filing.

Gas Company
Summary of Historical Test Year Revenues

Case No.
Witness
Exhibit No.: A-6
Schedule No.: F-1

Line	Rate Class	Annual Operating Revenue
----	-----	-----
		Historical Test Year

1	Residential	
2	Commercial	
3	Industrial	
4	Interruptible	
5	Transportation	
6	Other Revenue	
7	Total Revenue	

Gas Company
Test Year Volumes

Case No.
Witness
Exhibit No.: A-6
Schedule No.: F-2

Line	Rate Class	Test Year Average	Year End Customers
1	Number of Customers		
2	Residential		
3	Commercial		
4	Industrial		
5	Interruptible		
6	Transportation		
7	Subtotal		
	Rate Class	Actual	
8	Volumes in Mcf		
9	Residential		
10	Commercial		
11	Industrial		
12	Interruptible		
13	Transportation		
14	Subtotal		
15	Total Revenue		

Gas Company
Test Year Operating Revenues
For the Year Ending _____

Case No.
Witness
Exhibit No.: A-6
Schedule No.: F-3

Line	Rate Class	Actual	Rate
-----	-----	-----	-----
1	Customer Charge		
2	Residential		
3	Commercial		
4	Industrial		
5	Interruptible		
6	Transportation		
7	Subtotal		
8	Volumetric Charges		
9	Residential		
10	Commercial		
11	Industrial		
12	Interruptible		
13	Transportation		
14	Subtotal		
15	Total Revenue		
16	Residential		
17	Commercial		
18	Industrial		
19	Interruptible		
20	Transportation		
21	Total		

Gas Company
Cost of Service Allocation Study
Allocation of Revenues & Expenses
(-000- Omitted)

Case No.
Witness
Exhibit
Schedule : F-6-3

Line	Description	Total Company	Residential	Commercial	Industrial	Interruptible	Transportation
1	Revenue						
2	Gas Sales Revenue						
3	Transportation Revenue						
4	Other Revenue						
5	Total Revenue						
6	Operating Expenses						
7	O & M - Production						
8	O & M - Storage						
9	O & M - Transmission						
10	O & M - Distribution						
11	O & M - General						
12	Lost & Unacct. for Gas						
13	Company Use Gas						
14	Customer Accounts						
15	Customer Service						
16	Sales Expense						
17	Administrative & General						
18	Depreciation						
19	Property Taxes						
20	Mich. Single Business Tax						
21	Other Taxes						
22	AFUDC						
23	Disc. on Reacquired Securities						
24	Operating Expenses (excl. inc. tax)						
	Tax Adjustments						
25	Interest Expense						
26	Schedule M Adjustments						
27	Total Tax Adjustments						
28	Taxable Income (1.5-1.24-1.27)						
29	Federal Income Tax @ 34%						
30	Total Operating Expense (1.24+1.29)						
31	Net Operating Income (1.5-1.30)						

(NOTE: This list of revenue and expense)
(items is not intended to be all)
(inclusive. Elements may be added)
(or deleted, as appropriate, and)
(further detail may be provided.)

Gas Company
Summary of Cost of Service Allocation Study
Current Rates
(-000- Omitted)

Case No.
Witness
Exhibit
Schedule : F-6-1

Line	Description	Total Company	Residential	Commercial	Industrial	Interruptible	Transportation
1	Revenue	\$325,000	\$200,000	\$70,000	\$2,000	\$1,000	\$52,000
2	Operating Expense	268,000	170,000	55,000	1,500	800	40,700
3	Net Operating Income	\$57,000	\$30,000	\$15,000	\$500	\$200	\$11,300
4	Rate Base	\$600,000	\$300,000	\$150,000	\$6,000	\$3,000	\$141,000
5	Rate of Return	9.5%	10.0%	10.0%	8.3%	6.7%	8.0%

Gas Company
Cost of Service Allocation Study
Allocation of Rate Base
(-000- Omitted)

Case No.
Witness
Exhibit
Schedule : F-6-2

Line	Description	Total Company	Residential	Commercial	Industrial	Interruptible	Transportation
1	Plant in Service						
2	Intangible Plant						
3	Production & Gathering						
4	Storage						
5	Transmission						
6	Distribution Mains						
7	Services						
8	Meters						
9	Meter Installations						
10	Regulators						
11	Distribution - Other						
12	General Plant						
13	Total Plant in Service						
14	Construction Work in Progress						
15	Plant Held for Future Use						
16	Accumulated Depreciation						
17	Production & Gathering						
18	Storage						
19	Transmission						
20	Distribution						
21	General						
22	Total Accum. Depreciation						
23	Customer Advances						
24	Net Plant in Service						
25	Working Capital						
26	Total Rate Base						

(NOTE: This list of rate base items)
(is not intended to be all)
(inclusive. Elements may be)
(added or deleted, as appro-)
(priate, and further detail)
(may be provided.)

Exhibit A-7 Revenue Deficiency (Schedule A)

- Schedule A-1 Summarizes the revenue deficiency based upon the results of Section B Rate Base, Rate of Return and Adjusted Net Operating Income.
- Schedule A-2 This is a summary schedule which reconciles the revenue deficiency (excess) in Section A to the revenue deficiency presented in Section B.
- Schedule A-3 This schedule reconciles the changes in Section B made to Section A rate base, rate of return and adjusted net operating income and reflects the effect on revenue requirements of such changes.

Case No.:
Witness:
Exhibit No.: A-7
Schedule No.: A-2

GAS COMPANY
Reconciliation of Revenue Deficiency
Section A and Section B

Line No.	Description	Section A.	Changes	Section B
	(Col.1)	(Col.2)	(Col.3)	(Col.4)
1.	Net Plant			
2.	Working Capital			
3.	Rate Base			
4.	Rate of Return			
5.	Income Requirement			
6.	Adjusted Net Operating Income			
7.	Income Deficiency			
8.	Revenue Multiplier			
9.	Revenue Deficiency			

Case No.:
Witness:
Exhibit No.: A-7
Schedule No.: A-3

GAS COMPANY
Reconciliation of Section A and Section B

Line No.	Description	Amount	Effect on Revenue Requirement
	(Col.1)	(Col.2)	(Col.3)
1.	Rate Base		
2.	Change in Net Utility Plant	\$0.00	
3.	Change in Working Capital Require	\$0.00	
4.	Total Change in Rate Base	\$0.00	
5.	Rate of Return		
6.	Change in Cost of Long Term Debt	0.00%	
7.	Change in Cost of Short Term Debt	0.00%	
8.	Change in Cost of Preferred Stock	0.00%	
9.	Change in Cost of Common Equity	0.00%	
10.	Change in Cost of JDITC	0.00%	
11.	Total Change in Rate of Return	0.00%	
12.	Net Operating Income		
13.	Section B Adjustments to NOI	\$0.00	
14.	Pro Forma Income Tax Savings	\$0.00	
15.	Interest Synchronization	\$0.00	
16.	Total Change in NOI	\$0.00	

Exhibit A-9 Adjusted Net Operating Income (Schedule C)

The Adjustments to Operating Income are reflected in Schedule C.

- | | |
|--------------|---|
| Schedule C-1 | Reconciles the historical test year adjusted net operating income with Section B adjusted NOI, reflected in Exhibit A-9, Schedule C-2. |
| Schedule C-2 | Reflects the test year adjusted net operating income. The weather normalization and rate annualization adjustments should reflect historical average number of customers and should include the effects of the migration and reclassification of customers, as appropriate. |
| Schedule C-3 | Reflects the tax effect of interest on the requested test year average rate base. |
| Schedule C-4 | Reflects the tax effect of interest synchronization on the requested test year average rate base. |

Allocations to Gas Utility Operations and to Jurisdictional Operations should be accomplished on an appropriate basis. The underlying work papers should clearly reflect the basis used and the source of the data used to develop the allocation ratios.

Case No.:
Witness:
Exhibit No.: A-9
Schedule No.: C-1

GAS COMPANY
NET OPERATING INCOME ADJUSTMENTS
FOR THE YEAR ENDED _____

Line No.	Description	End User		Total Revenues	Cost of Gas Company Use and Lost Gas	Operations and Maintenance Expenses		Depreciation, Depletion and Amortization Expense	Property and Other Taxes	SBT	Federal and Other Income Taxes		Net Operating Income	AFUDC	Other	Net Income	Source
		Gas Sales Revenues	Transportation Revenues			Gas Expenses	Other Expenses										
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)	(Col. 12)	(Col. 13)	(Col. 14)	(Col. 15)	(Col. 16)

1. Historical Test
Year Operating
Income

2. Section A Adjustments

4. Pro Forma Income Tax Savings

5. Interest Synchronization

6. Subtotal: Sec. A Adjustments

7. Total Section A Income

8. Section B Adjustments

9. Weather Normalization

10. Annualized Rate Change

11. Prior Commission Disallowances

12. Other Known and Measurable
Changes (list separately)

13. Other Revenue Adjustments
(list separately)

14. Other Expense Adjustments
(list separately)

15. Pro Forma Income Tax Savings

16. Interest Synchronization

17. Subtotal: Section B Adjustments

18. Total Adjusted Net Income

GAS COMPANY
Adjusted Net Operating Income
For the Year Ended _____

Case No.:
Witness:
Exhibit No.: A-9
Schedule No.: C-2

Line No.	Description	Source	Amount (Gross)	Net of Tax Effect
	(Col.1)		(Col.2)	(Col.3)
1.	Adjusted Net Operating Income Section A	Exh. A-3,Sch.C-1		
	Section B Adjustments:			
2.	Weather Normalization (a.)			
3.	Annualized Rate Changes (a.)			
4.	Prior Commission Disallowances	Exh.A-3,Sch.C-6		
5.	Other Known and Measurable Changes to Historical Operating Results (Identify each item separately)			
6.	Subtotal:			
7.	Other Revenue Adjustments: (Identify each item separately)			
8.	Other Expense Adjustments: (Identify each item separately)			
9.	Pro Forma Income Tax Savings Adjust.	Exh.A-9,Sch.C-3		
10.	Interest Synchronization	Exh.A-9,Sch.C-4		
11.	Total Section B Adjustments			
12.	Adjusted Net Operating Income			

(a.)

The weather normalization and rate annualization adjustments should reflect historical average number of customers and should include the effects of migration and reclassifications, as appropriate. Any adjustments to reflect year end customers or any projected customer levels should be shown on line 7.

Case No:
Witness:
Exhibit No.: A-9
Schedule No.: C-3

GAS COMPANY
ADJUSTED NET OPERATING INCOME
INCOME TAX SAVINGS
FOR THE YEAR ENDED _____

Line No. (000 Omitted)

1. Rate Base (Schedule B-1)
2. Debt Portion of Capital Structure
(Schedule D-1)
3. Portion of Rate Base Funded by
Debt (Line 1 x Line 2)
4. Cost of Debt Included in the Rate
Return (Schedule D-1)
5. Interest Allowed for in the Case
(Line 3 x Line 4)
6. Less Section A Proforma Income Tax Savings
Adjustment (Exhibit A-3, Schedule C-3, Line 5)
7. Additional Interest Allowed for in Section B
(Line 5 - Line 6)
8. Income Tax Effect
(Current Income Tax Rate of ____ x Line 7)

Case No:
Witness:
Exhibit No.: A-9
Schedule No.: C-4

GAS COMPANY
TAX EFFECT OF INTEREST
SYNCHRONIZATION ADJUSTMENT
FOR THE YEAR ENDED _____

Line No. (000 Omitted)

1. Rate Base (Schedule B-1)
2. JDITC Portion of Capital Structure
(Schedule D-1)
3. Portion of Rate Base Funded by
JDITC (Line 1 x Line 2)
4. Weighted Debt Cost Included in
Return on JDITC (Schedule D-1)
5. Interest Amount
(Line 3 x Line 4)
6. Less Section A Synchroniztion
Adjustment (Exhibit A-3, Schedule C-4, Line 5)
7. Additional Interest Synchronization in Section B
(Line 5 - Line 6)
8. Income Tax Effect
(Current Income Tax Rate of ____ x Line 6)

Exhibit A-11 Rate Design (Schedule F)

The attached exhibit reflects a format for presenting the design of rates and the related data concerning sales volumes and revenues. Exhibit A-6 consists of the following schedules:

- F-1 Summarizes the effect on revenues of proposed rate increases including the percent of increase.
- F-2 Reflects the average number of customers, and the sales volumes for the test year as adjusted.
- F-3 Reflects revenues for the test year as adjusted. Other sources of revenue should also be shown.
- F-4 Reflects the Mcf and the revenues by rate class based on present and proposed rates. Each rate class will require a separate page to be designated as Schedule F-4 X page of (total pages).
- F-5 Composes rate structures by rate class. Other sources of revenue should also be shown.
- F-6 Summarizes the cost of service study, which allows for a comparison of the costs of serving each rate class.
- F-7 Summarizes changes in rules and regulations of tariff sheets other than price changes.
- F-8 Reflects the proposed tariff sheets.

Note that each adjustment shown on schedules F-2, F-3, and F-4 is to be reflected separately and supported by work papers.

Additional schedules of F-9, F-10, etc. may be used to reflect added data to support rate design filing.

Gas Company
Summary of Proposed Gas Rate Increase

Case No.
Witness
Exhibit No.: A-11
Schedule No.: F-1

Line	Rate Class	Annual Operating Revenue		Revenue Increase	
		Test Year			
		Present	Proposed	Amount	Percent
1	Residential				
2	Commercial				
3	Industrial				
4	Interruptible				
5	Transportation				
6	Other Revenue				
7	Total Revenue				

Gas Company
Test Year Volumes and Adjustments

Case No.
Witness
Exhibit No.: A-11
Schedule No.: F-2

Line	Rate Class	Actual	Weather Adjustment	Rate Annualization	Other (Each Noted)*	Total
1	Number of Customers					
2	Residential					
3	Commercial					
4	Industrial					
5	Interruptible					
6	Transportation					
7	Subtotal					
	Rate Class					
8	Volumes in Mcf					
9	Residential					
10	Commercial					
11	Industrial					
12	Interruptible					
13	Transportation					
14	Subtotal					
15	Total Revenue					

* Separate column for each adjustment

Gas Company
 Test Year Operating Revenues and Adjustments
 For the Year Ending _____

Case No.
 Witness
 Exhibit No.: A-11
 Schedule No.: F-3

Line	Rate Class	Actual	Weather Adjustment	Rate Annualization	Other (Each Noted)*	Total
1	Customer Charge	-----	-----	-----	-----	-----
2	Residential					
3	Commercial					
4	Industrial					
5	Interruptible					
6	Transportation					
7	Subtotal					
8	Volumetric Charges					
9	Residential					
10	Commercial					
11	Industrial					
12	Interruptible					
13	Transportation					
14	Subtotal					
15	Total Revenue	-----				
16	Residential					
17	Commercial					
18	Industrial					
19	Interruptible					
20	Transportation					
21	Total					

*Separate column for each adjustment.

Gas Company
 Calculation of _____
 Service Rate _____
 Pro Forma and Proposed Revenue

Case No.
 Witness
 Exhibit No.: A-11
 Schedule No.: F-4

Line	Customers or Mcf	Current Rate	Pro Forma Revenue	Proposed Rate	Proposed Revenue	Proposed Revenue Increase (Decrease)	
						Amount	Percentage
1	Average Customers						
2	Volumes						
3	Actual						
4	Weather Adjustment						
5	Total Volumes						
6	Total for Rate Class						

Gas Company
Comparison of Rates

Case No.
Witness
Exhibit No.: A-11
Schedule No.: F-5

Line	Rate Class	Current	Proposed
----	-----	-----	-----
1	Residential		
2	Customer Charge		
3	Distribution Charge		
4	Commercial		
5	Customer Charge		
6	Distribution Charge		
7	Industrial		
8	Customer Charge		
9	Distribution Charge		
10	Interruptible		
11	Customer Charge		
12	Distribution Charge		
13	Transportation		
14	Customer Charge		
15	Administrative Fee		
16	Other Fixed Charges		
17	SSEC Charge		
18	Storage Charge		
19	Load Balancing Charge		
20	Transportation Charge		

Gas Company
Summary of Tariff Changes

Case No.
Witness
Exhibit No.: A-11
Schedule No.: F-7

Tariff Sheet

Paragraph

Description of Change