

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

**VERIFIED PETITION OF WESTFIELD GAS, LLC,)
D/B/A CITIZENS GAS OF WESTFIELD FOR (1))
AUTHORITY TO INCREASE RATES AND)
CHARGES FOR GAS UTILITY SERVICE AND)
APPROVAL OF A NEW SCHEDULE OF RATES)
AND CHARGES; (2) APPROVAL OF CERTAIN)
REVISIONS TO ITS TERMS AND CONDITIONS)
APPLICABLE TO GAS UTILITY SERVICE; AND)
(3) APPROVAL PURSUANT TO INDIANA CODE)
SECTION 8-1-2.5-6 OF AN ALTERNATIVE)
REGULATORY PLAN UNDER WHICH IT)
WOULD CONTINUE ITS ENERGY EFFICIENCY)
PROGRAM PORTFOLIO AND ENERGY)
EFFICIENCY RIDER)**

CAUSE NO. 45761

INDIANA OFFICE OF UTILITY CONSUMER COUNSELOR'S

**PUBLIC'S EXHIBIT NO. 6: TESTIMONY OF OUCC WITNESS
BRIEN R. KRIEGER**

December 2, 2022

Respectfully submitted,



Jeffrey M. Reed
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Deputy Consumer Counselor

**WESTFIELD GAS, LLC
D/B/A CITIZENS GAS OF WESTFIELD
CAUSE NO. 45761
TESTIMONY OF OUCC WITNESS BRIEN R. KRIEGER**

I. INTRODUCTION

1 **Q: Please state your name and business address.**

2 A: My name is Brien R. Krieger, and my business address is 115 W. Washington Street,
3 Suite 1500 South, Indianapolis, Indiana 46204.

4 **Q: By whom are you employed and in what capacity?**

5 A: I am employed by the Indiana Office of Utility Consumer Counselor ("OUCC") as a
6 Utility Analyst II in the Natural Gas Division. For a summary of my educational and
7 professional experience please see Appendix BRK-1 attached to my testimony.

8 **Q: What is the purpose of your testimony?**

9 A: The purpose of my testimony is to discuss my review and analysis of Westfield Gas,
10 LLC's d/b/a Citizens Gas of Westfield, Inc. ("Petitioner" or "Westfield Gas") cost of
11 service study ("COSS"), proposed rate design, tariffs, and monthly customer charges.
12 My testimony specifically addresses the application of Petitioner's revenue
13 requirement to rate classes, and Petitioner's proposed monthly customer charges.

14 **Q: Please summarize your recommendations concerning Petitioner's COSS, rate
15 design, monthly customer charges, and tariffs.**

16 A: I recommend the Indiana Utility Regulatory Commission ("Commission") not approve
17 Petitioner's proposed COSS, which includes Fair Value, but instead require Petitioner
18 to rerun the COSS using Original Cost Plant in Service and Original Cost Accumulated
19 Depreciation. The COSS should incorporate the Commission's final determination of
20 the Weighted Average Cost of Capital ("WACC") and Original Cost Rate Base along

1 with the Commission's final determination of the revenue requirement to determine
2 each rate class' revenue requirement.

3 I do not agree with Petitioner's proposed residential class monthly customer
4 charge increase from \$11.83 to \$16.76. I recommend the residential monthly customer
5 service charge be set to \$14.00. My final recommendation is for Petitioner to include a
6 detailed analysis to determine its Design Day Throughput allocator in its next COSS.

7 I do not have any recommended changes to Petitioner's updated tariff
8 language. Finally, Petitioner should provide the OUCC and Commission with a final
9 revenue proof and updated, red-lined tariff that includes all items from the
10 Commission's Final Order.

11 **Q: Are you sponsoring any attachments in this proceeding?**

12 A: Yes. I am sponsoring the OUCC's COSS results using the OUCC's recommended
13 changes for Original Cost Rate Base and WACC incorporated into Petitioner's COSS
14 model. The OUCC's results are in Attachment BRK-3 - OUCC COSS-1 (Using
15 Original Cost Rate Base with Petitioner's WACC for Original Cost Rate Base) and
16 Attachment BRK-4 - OUCC COSS-2 (Original Cost Rate Base with the OUCC's
17 Proposed WACC for Original Cost Rate Base).

18 **Q: To the extent you do not address a specific item in your testimony, should it be**
19 **construed to mean you agree with Petitioner's proposal?**

20 A: No. Not addressing a specific item or adjustment Westfield Gas proposes does not
21 indicate my agreement or approval. Rather, the scope of my testimony is limited to the
22 specific items addressed herein.

II. OVERVIEW OF PETITIONER'S SYSTEM OPERATION AND COSS

1 **Q: Please describe Westfield Gas' natural gas system.**

2 A: Petitioner serves Westfield, Indiana. Petitioner's service territory is centered on US 31
3 and Indiana SR 32. Petitioner's distribution mains extend west to Executive Airport,
4 and just east of US 31. The northern boundary is approximately 193rd St. and the
5 southern boundary is 156th St. In response to OUCC Data Request ("DR") 1.1,
6 Petitioner provided a system map including city gates ("take-points"). The majority of
7 Petitioner's distribution mains are plastic polyethylene mains. Distribution mains
8 represent approximately 98% of the historical cost of the total transmission and
9 distribution mains. (Petitioner's Exhibit No. 6, Attachment SAM-1, page 58, Summary
10 of Reproduction Cost New Less Depreciation, Historical Cost Column (1).) On the
11 system map, Petitioner indicated distribution mains are classified at 50 psi and the
12 transmission mains at 748 psi. Petitioner's distribution system is compact, serving
13 residential subdivisions except a single distribution main serving the Grand Park area
14 to the North and a different distribution main serving the Executive Airport to the west
15 at approximately Indiana SR 32 and US 421. The residential customer class dominates
16 the number of customers served by Westfield Gas. The residential rate class is
17 approximately 52% of annual throughput and the commercial rate class is
18 approximately 37% of annual throughput.

19 **Q: Did Petitioner perform a Cost-of-Service Study ("COSS") for this Cause?**

20 A: Yes. Petitioner complied with the Commission's Order in Cause No. 44731 to prepare
21 a COSS in this rate case. *In re Westfield Gas*, Cause No. 44731, Final Order p. 23 (Ind.

1 Util. Regulatory Comm'n Apr. 26, 2017). Petitioner used Reproduction Costs and a
2 WACC of 8.426% in its COSS.

3 **Q: Please describe Petitioner's customer base included in Petitioner's COSS.**

4 A: Petitioner's system map indicates most distribution mains serve a small and contiguous
5 area centered around US 31 and Indiana SR 32. The three (3) take-points are all
6 centrally located and are connected to the distribution system with minimal
7 transmission mains. All distribution mains are the same pressure. My analysis indicates
8 the rate class usage allocators accurately represent Petitioner's customer base. I have
9 no issues with these rate class characteristic allocators, and these allocators and their
10 use with the COSS represent cost causation of Petitioner's system. I do not change any
11 of the customer characteristic allocators.

12 **Q: Do you have any concerns about the Cost-of-Service ("COS") modeling of**
13 **Petitioner's Rate Base and the associated cost allocation?**

14 A: Yes. I do not agree with Petitioner using Reproduction Cost ("Fair Value") in
15 Petitioner's COSS. There are three major Fair Value issues in Petitioner's COS model:
16 Petitioner's use of a calculated Fair Value of Gross Plant, calculated Accumulated
17 Depreciation using a Fair Value method, and Petitioner's proposed hybrid Weighted
18 Average Cost of Capital for Fair Value.

19 The OUCC recommends an Original Cost ("Historical Cost") Rate Base and
20 weighted average cost of capital based upon Original Cost. Use of Fair Value increases
21 revenue requirements and results in inflated rates while distorting the historical rate
22 base and allocation of Rate Base. Fair Value inflates revenue requirements by
23 increasing Rate Base value from Historical Value to Fair Value. (Petitioner's Exhibit

1 No. 6, Attachment SAM-1 Accounting Report on Fair Value of Assets, August 26,
2 2022, page 58.) For those amounts used in the COSS, I calculated the Rate Base
3 differential from Attachment SAM-1 to be \$6,808,549 to indicate the approximate
4 magnitude of Rate Base differentials ($\$25,602,224 - \$18,793,675 = \$6,808,549$).
5 (Petitioner's Exhibit No. 6, Attachment SAM-1 Accounting Report on Fair Value of
6 Assets, August 26, 2022, page 58.)

7 Petitioner's COS model is functional and contains all COSS calculations to
8 derive rate class revenue requirements for independent study. The OUCC reran
9 Petitioner's COS model to show the Commission the inflated revenue requirements if
10 Petitioner's proposed Fair Value Rate Base is used in the model.

11 **Q: Please briefly describe the Fair Value issues, the OUCC's changes to Petitioner's**
12 **COS model, and summarize your analysis.**

13 A: My three issues, which I change in the OUCC's COS runs, are the following
14 Petitioner's COS inputs: 1) Fair Value of Petitioner's Gross Plant, 2) Accumulated
15 Depreciation at Fair Value, and 3) the proposed Weighted Average Cost of Capital for
16 Fair Value.

17 My first concern is determining the correct Rate Base to use in the COS model.
18 Petitioner provides a summary comparison of Historical Cost and Original Cost.
19 (Petitioner's Exhibit No. 6, Attachment SAM-1, page 58, Summary of Reproduction
20 Cost New Less Depreciation, columns (1).) I use the Historical Cost ("Original Cost")
21 column (1) for an input to the OUCC COS modeling. OUCC witness Leja Courter

1 testifies regarding the differences between Petitioner's Fair Value and Original Cost
2 Rate Base. (Public's Exhibit No. 5, pages 27-35.)

3 My second concern is the Accumulated Depreciation, which is subtracted from
4 Petitioner's Fair Value gross plant assets. Petitioner uses the estimated expired life of
5 assets to determine the Fair Value Accumulated Depreciation. (Petitioner's Exhibit No.
6 6, Attachment SAM-1, pages 42-57, page 58, footnote 2.) I use Petitioner's Original
7 Cost Accumulated Depreciation balances as of December 31, 2021 that Petitioner
8 provided. (Attachment BRK-5, Petitioner's workpaper 470-S1, Column F.) The OUCC
9 proposes to use the Original Cost Rate Base to calculate Petitioner's rates. Therefore, I
10 have used the book depreciation to determine the net plant in service on December 31,
11 2021.

12 My third issue is the WACC, which is also affected by Fair Value. Petitioner
13 uses a Fair Value WACC of 8.426%. The OUCC recommends a Fair Value WACC of
14 5.65%. The OUCC recommends an Original Cost WACC of 7.94%. (Public's Exhibit
15 No. 5, Attachment LDC-2, page 1.) Petitioner also provided a WACC for the Original
16 Cost Rate Base of 9.066%. (Petitioner's Exhibit No. 2, Attachment CLJ-1.) I use
17 Petitioner's 9.066% original cost WACC in my COSS-1 along with Original Cost Rate
18 Base. In OUCC COSS-2, I use the OUCC's recommended WACC for Original Cost
19 Rate Base – 7.94%, along with the Original Cost Rate Base. (Public's Exhibit No. 5,
20 Attachment LDC-13.)

21 I do not change Petitioner's proposed revenue and expenses in the COS model,
22 but the OUCC does recommend increased revenue and reduced expenses. I do *not* have

1 any issues with Petitioner's COSS allocation process and the allocators *unrelated* to
2 Fair Value. Section III provides more detail, COS comparisons, and results of my
3 analysis.

III. COST OF SERVICE ANALYSIS

4 **Q: Have there been any material changes within Petitioner's customer classes that**
5 **require a COSS?**

6 A: Yes. Petitioner's prior COSS was presented in Cause No. 38778-U with its test year
7 ending September 30, 1988. In 1988, Petitioner had 630 residential customers, 90
8 commercial customers, and a single industrial customer. Petitioner's across-the-board
9 cost allocation has been approved by the Commission in various rate cases since 1988,
10 including the previous general rate case. (Order April 26, 2017, Cause No. 44731.) In
11 Cause No. 44731, Petitioner had approximately 3,500 residential, 410 commercial, 9
12 industrial, and 1 large volume interruptible customer. Presently, Westfield Gas has
13 approximately 5,650 residential, 485 commercial, 9 industrial, and 1 large volume
14 interruptible customer. (Petitioner's Exhibit No. 6, SAM-2, Schedule 1.) Petitioner's
15 residential rate class has experienced the greatest customer count growth along with
16 associated infrastructure to serve the residential rate class.

17 **Q: Please describe the primary COSS allocation factors representing rate class**
18 **consumption characteristics.**

19 A: Petitioner's dominant customer classes are small users with winter peaking. The
20 Residential (D20) rate class represents 92% of the customer count, 52% of the annual
21 throughput, and 59% of the winter peak Design Day. The Commercial (D40) rate class

1 is almost 8% of Petitioner's customers, 37% of annual throughput, and 34% of the
2 winter peak Design Day.

3 The Large Volume Interruptible Service (D50) uses approximately 10% of the
4 annual throughput and approximately 6% of the design day throughput but is only
5 represented by one customer. The Industrial rate class (D30) represents the remainder
6 of consumption and is less than 2% of each consumption characteristic category.

7 I agree with Petitioner's determination of these rate class characteristics and
8 their use within the COSS for rate class allocation. The consumption allocators and
9 plant design indicate Petitioner's choice for main allocation (42.5% on annual
10 throughput and 42.5 % on design day throughput, peak demand, with the remainder on
11 number of customers) represents cost causation for the dominant rate classes, D20 and
12 D40.

13 Petitioner's choice of direct allocation also follows good cost causation
14 principles by assigning actual costs for meter, services, house regulators, and industrial
15 measuring and regulating equipment to the rate class responsible for costs. As an
16 example, Industrial Measuring and Regulating Equipment is 100% directly assigned to
17 the Industrial Class, D30. I have no issues with the allocation within Petitioner's COSS.
18 However, there are the "100 Series" of Internally Generated allocators that do change
19 within Petitioner's COSS according to the Gross Plant and Depreciation Reserve used
20 in the Model. The OUCC changes Gross Plant and Depreciation Reserve within the
21 COSS to represent Original Cost, using data provided by Petitioner. Changing to an

1 original cost Rate Base results in some of the "100 Series" allocators changing, which
2 changes the allocations to the classes of customers, as discussed below.

3 **Q: Please describe Petitioner's use and calculation of the Design Day Throughput.**

4 A: Petitioner uses allocator Design Day Throughput (4) to allocate 42.5% of distribution
5 mains to all rate classes. Petitioner's entire COSS is on Petitioner's Exhibit No., 6,
6 Attachment SAM-2, which includes the allocation of distribution mains and other plant
7 on Schedule 2. My analysis indicates this is an acceptable allocation of distribution
8 mains because natural gas mains need to be sized to carry enough natural gas to supply
9 all customers during peak demands and these peak demands are typically a function of
10 the coldest days of the year. The remaining distribution mains are allocated 42.5% on
11 Annual Throughput (1) and 15% on Number of Bills (3). My experience indicates use
12 of these allocators also follows cost causation principles because remaining main
13 allocation is predominantly based on annual use of the mains.

14 Petitioner did not provide its calculation of Design Day Throughput in
15 testimony, but the OUCC asked for the calculation in OUCC Data Request ("DR") No.
16 10.4. (Attachment BRK-2; Petitioner's Response to OUCC DR No. 10.4.) I reviewed
17 Petitioner's method provided in response to OUCC DR No. 10.4 to calculate the Design
18 Day Throughput for the COSS. Petitioner did not use any metered data for setting
19 baselines or a heating degree day method ("HDD"). (Attachment BRK-1; Petitioner's
20 Response to OUCC DR No. 14.2.)

21 Petitioner chose a peak demand, Design Day Throughput, per rate class, without
22 providing an explanation of its derivation, and then calculated the Design Day

1 Throughput as shown in Attachment BRK-2. Petitioner's method adjusts the peak day
2 allocator by each rate class percentage of annual throughput. The final rate class Design
3 Day Throughput as a percentage of system peak is acceptable based upon my
4 knowledge of similar rate classes with COSSs. However, I do recommend a more
5 thorough method using available metered data and heating degree days to determine
6 Design Day Throughput in Petitioner's next COSS.

7 **Q: Please briefly describe other primary allocation factors and the importance of**
8 **these 100 Series allocators.**

9 A: The other primary allocators are Gross Plant (101), Distribution Mains Plant (104),
10 Meters, Meter Installation and House Regulators (106), and Subtotal Gross Plant (108).
11 These are affected within Petitioner's COSS by the OUCC's proper use of Original
12 Cost. There are other allocators based upon Gas Cost and Expenses, however, I did not
13 change or affect these in my analysis for Attachment BRK-3, COSS-1 or Attachment
14 BRK-4, COSS-2.

15 These allocators are important because Westfield's Gross Plant is dominated by
16 Distribution Mains (65%) and Meters, Meter Installation, House Regulators and
17 Services (26%). Additionally, these two portions of Gross Plant, Allocator (104) and
18 Allocator (106), are used for the Depreciation Reserve and various expense allocation,
19 so it is evident using Fair Value distorts and increases allocated costs throughout the
20 COS model.

21 **Q: Please summarize the changes you make to Petitioner's COS model for OUCC**
22 **COSS-1 and COSS-2.**

23 A: For COSS-1, I revise Petitioner's COSS model by changing to Petitioner's Original
24 Cost for Gross Plant in service, Accumulated Depreciation, and Weighted Average

1 Cost of Capital to derive the OUCC's recommended revenue requirements, without
2 revenue and expense adjustments. In the OUCC's COS modeling, I do not change
3 Petitioner's proposed revenue or expenses. However, the OUCC does recommend
4 increased revenues and reduced expenses in other OUCC Exhibits and the final
5 determination of Commission approved revenue and expenses should be allocated in
6 an updated COSS.

7 For a simple comparison of reduced revenue requirements, Petitioner's data
8 indicates Petitioner's Fair Value Rate Base is approximately \$7,000,000 greater than
9 Historical Cost. Petitioner Fair Value proposal is approximately 36% more than
10 Original Cost. $((\$25,602,224 - \$18,793,675) / \$18,793,675)$. (Petitioner's Exhibit No. 6,
11 Attachment SAM-1, page 58.)

12 My first model run, OUCC COSS-1, uses Original Cost Rate Base and
13 Petitioner's proposed WACC based upon Original Cost Rate Base. Petitioner's WACC
14 based upon Original Cost is found in Petitioner's Exhibit No. 2, Attachment CLJ-1. My
15 second COSS run, OUCC COSS-2, uses Petitioner's Original Cost Rate Base, like in
16 COSS-1, but changes to the OUCC's recommended WACC for Original Cost. In the
17 next section, I present the OUCC's COSS results for COSS-1 and COSS-2.

18 **Q: What are the results for the revenue requirements and associated margin increase**
19 **for Petitioner's proposed COSS, OUCC COSS-1, and OUCC COSS-2?**

20 A: Petitioner's COSS is contained in Petitioner's Exhibit No. 6, Attachment SAM-2. This
21 same model, with the OUCC's previously discussed changes, are in Attachment BRK-
22 3, OUCC COSS-1 and Attachment BRK-4, OUCC COSS-2. For comparison, I present
23 the following tables that are part of the COSS output contained on the Excel

1 spreadsheets as Tab Rev Comp, Schedule 10 Comparison of Gas Sales Revenues at
 2 Present and Proposed Rates.

3 The results indicate the OUCC's proposal to use Original Cost Rate Base
 4 reduces the costs to the Residential (D20) rate class by \$403,092 as found by comparing
 5 the Margin at Proposed Rates in Table 1 to Table 2. (\$3,123,136 - \$2,720,044 =
 6 \$403,092.) The Residential (D20) margin increase percentage is reduced from 41.65%
 7 to 23.37%. This reduction is the result of changing data from Petitioner's Fair Value
 8 WACC and Rate Base to Original Cost WACC and Rate Base. These were the only
 9 two components that changed. My comparison, with Petitioner's data, indicates Fair
 10 Value WACC and Rate Base inflates the residential revenue requirement by \$403,092.

Table 1 Petitioner's Proposal: WACC 8.426% and Fair Value

| | Present Revenue Levels | | | Proposed Revenue Levels | | | Increase or (Decrease) | | |
|------------------------------------|------------------------|-------------|------------------------|-------------------------|-------------|-------------------------|------------------------|--------|----------|
| | Margins at Present | Gas Cost | Revenues at Present | Margins at Proposed | Gas Cost | Revenues at Proposed | | | |
| Rate Schedule | Rates | Revenue | Rates | Rates | Revenue | Rates | Amount | Rev. % | Margin % |
| Residential | \$2,204,835 | \$2,697,629 | \$4,902,464 | \$3,123,136 | \$2,697,629 | \$5,820,765 | \$918,301 | 18.73% | 41.65% |
| Industrial | 34,812 | 56,511 | 91,323 | 48,528 | 56,511 | 105,039 | 13,716 | 15.02% | 39.40% |
| Commercial | 838,355 | 1,069,776 | 1,908,131 | 1,161,955 | 1,069,776 | 2,231,731 | 323,600 | 16.96% | 38.60% |
| Large Volume Interruptible Service | 153,061 | - | 153,061 | 193,305 | - | 193,305 | 40,244 | 26.29% | 26.29% |
| Total | \$3,231,063 | \$3,823,916 | \$7,054,979 | \$4,526,924 | \$3,823,916 | \$8,350,840 | \$1,295,861 | 18.37% | 40.11% |

Table 2 Petitioner's Data: WACC of 9.066% and Original Cost

| Rate Schedule | Present Revenue Levels | | | Proposed Revenue Levels | | | Increase or (Decrease) | | |
|------------------------------------|------------------------|-------------|-------------|-------------------------|-------------|-------------|------------------------|--------|----------|
| | Margins | | Revenues | Margins | | Revenues | | | |
| | at Present | Gas Cost | at Present | at Proposed | Gas Cost | at Proposed | | | |
| | Rates | Revenue | Rates | Rates | Revenue | Rates | Amount | Rev. % | Margin % |
| Residential | \$2,204,835 | \$2,697,629 | \$4,902,464 | \$2,720,044 | \$2,697,629 | \$5,417,673 | \$515,209 | 10.51% | 23.37% |
| Industrial | 34,812 | 56,511 | 91,323 | 40,543 | 56,511 | 97,054 | 5,731 | 6.28% | 16.46% |
| Commercial | 838,355 | 1,069,776 | 1,908,131 | 1,007,124 | 1,069,776 | 2,076,900 | 168,769 | 8.84% | 20.13% |
| Large Volume Interruptible Service | 153,061 | - | 153,061 | 165,023 | - | 165,023 | 11,962 | 7.82% | 7.82% |
| Total | \$3,231,063 | \$3,823,916 | \$7,054,979 | \$3,932,734 | \$3,823,916 | \$7,756,650 | \$701,671 | 9.95% | 21.72% |

Table 3 OUCC Proposal: WACC of 7.94% and Original Cost

| Rate Schedule | Present Revenue Levels | | | Proposed Revenue Levels | | | Increase or (Decrease) | | |
|------------------------------------|------------------------|-------------|-------------|-------------------------|-------------|-------------|------------------------|--------|----------|
| | Margins | | Revenues | Margins | | Revenues | | | |
| | at Present | Gas Cost | at Present | at Proposed | Gas Cost | at Proposed | | | |
| | Rates | Revenue | Rates | Rates | Revenue | Rates | Amount | Rev. % | Margin % |
| Residential | \$2,204,835 | \$2,697,629 | \$4,902,464 | \$2,616,843 | \$2,697,629 | \$5,314,472 | \$412,008 | 8.40% | 18.69% |
| Industrial | 34,812 | 56,511 | 91,323 | 38,894 | 56,511 | 95,405 | 4,082 | 4.47% | 11.73% |
| Commercial | 838,355 | 1,069,776 | 1,908,131 | 963,591 | 1,069,776 | 2,033,367 | 125,236 | 6.56% | 14.94% |
| Large Volume Interruptible Service | 153,061 | - | 153,061 | 156,204 | - | 156,204 | 3,143 | 2.05% | 2.05% |
| Total | \$3,231,063 | \$3,823,916 | \$7,054,979 | \$3,775,532 | \$3,823,916 | \$7,599,448 | \$544,469 | 7.72% | 16.85% |

1 Table 3 indicates reducing the WACC from Petitioner's Original Cost WACC
2 (9.066%) to the OUCC's recommended Original Cost WACC (7.94%), without any
3 other revenue requirement variables, decreases the revenue requirement to residential
4 customers an additional \$100,000.

**IV. RATE DESIGN: SUBSIDIES, REVENUE SHIFTING, MONTHLY
CUSTOMER CHARGES, AND TARIFF CHANGES**

A. Subsidies

1 **Q: Does Petitioner propose to mitigate subsidies for all rate classes through its**
2 **proposed rate design?**

3 A: Yes. Petitioner mitigates subsidies to all rate classes. The subsidy received by the
4 Residential rate class is reduced 25% and subsidies paid by all remaining rate classes
5 are reduced approximately 25%. (Petitioner's Exhibit No. 6, Attachment SAM-2,
6 Schedule 9, page 1.) Rates D30 and D40 each continue to pay approximately 5% of
7 their revenue requirements as subsidy to the Residential rate class, D20. The Large
8 Volume Interruptible Service (D50) pays less than 1% of its revenue requirement to the
9 Residential rate class.

10 **Q: What changes do you recommend to Petitioner's subsidy proposal?**

11 A: I have no changes to Petitioner's proposed subsidy for the rate classes. Petitioner's
12 proposed subsidies are gradual and move rate classes closer to the COSS results.

13 **Q: Are there any other subsidies embedded in the proposed class revenue**
14 **requirement?**

15 A: Yes. There is an LVI discount all rate classes contribute to the Large Volume
16 Interruptible Service rate class. This LVI discount is separate from embedded rate
17 design subsidies and remains in place from the Commission's Order in Cause No.
18 43592. Westfield Gas intends to continue the existing discounted rate for Large Volume
19 Interruptible Service customers previously approved by the Commission. (Petitioner's
20 Exhibit No. 6, page 19, lines 11-12.) I do not oppose Petitioner's position concerning
21 the LVI subsidy.

B. Monthly Customer Charges

1. Rate D20 – Residential

1 **Q: What monthly customer charge does Petitioner propose for Rate 20 – Residential**
2 **Service?**

3 A: Petitioner proposes to increase the residential customer charge from \$11.83 to \$16.76.

4 **Q: How does Petitioner's proposed residential monthly customer charge compare to**
5 **Petitioner's proposed margin increase?**

6 A: The percentage increases are approximately equal. The proposed Residential (D20)
7 monthly customer charge increase equals Petitioner's proposed Residential (D20)
8 margin increase and is approximately equal to the total margin increase for all rate
9 classes, 40.11%. The proposed monthly customer charge of \$16.76 represents
10 approximately 36.4% of the total margin revenue requirement for Rate D20, calculated
11 as the customer charge margin at proposed rates of \$1,137,099 divided by the total
12 margins at proposed rates of \$3,123,189. (Petitioner's Exhibit No. 6, Attachment SAM-
13 2, Schedule 11, Comparison of Margins at Present and Proposed Rates.)

14 **Q: Does Petitioner provide reasons for the customer charge increase equal to the**
15 **margin increase?**

16 A: No. Petitioner does not provide FERC account analysis to attribute specific FERC costs
17 to a proposed monthly customer charge. Petitioner says:

18 The COSS resulted in an increase in monthly fixed customer charges
19 for each customer class. These increases were simply the outcome of
20 the COSS study and were arrived at by applying the same overall margin
21 increase to the existing rates for each class without making any changes
22 to the rate structure.
23 (Petitioner's Exhibit No. 7, page 17, line 20 to page 18, line 2.)

1 In this method, Petitioner presumes the customer charge increase should equal the
2 volumetric rate block increase. As discussed below, the monthly customer charges
3 would then represent a cost greater than the cost of being connected and would include
4 portions of Petitioner's distribution system, operation of the system, and Petitioner's
5 expenses.

6 **Q: Please provide a brief explanation on why the percentage margin increase should**
7 **not be equally applied to both the monthly customer charge and the rate blocks.**

8 A: Petitioner's requested margin increase uses the Fair Value of plant for some
9 components (mains, meters, services, and regulators) to calculate its Monthly Customer
10 Charge. The OUCC does not agree with Petitioner's Fair Value proposal and therefore
11 the Fair Value margin percentage increase should not be applied to the existing monthly
12 customer charge.

13 Additionally, setting the monthly customer charge percent increase equal to the
14 total margin percent increase is a direct pass-through regardless of reliability or usage.
15 Monthly charges should only represent costs of the connected service and some
16 operations and maintenance expenses related to meter reading, meter replacements,
17 services and service maintenance, billing, and revenue taxes.

18 Other margin costs are not dependent upon a connected service, and include
19 various expenses, and do not represent the cost of each connected meter. One example
20 is the distribution main. Petitioner can add more customers, and thus collect more
21 monthly customer charges, for this asset by using excess and available capacity within
22 pipelines. Additionally, Petitioner may be able to increase pressure to get more flow
23 within a pipeline. Other costs are cyclical and dependent on Petitioner choices. Some

1 examples of variable or cyclical cost include Petitioner's controlled expenses, such as
2 staffing levels, administrative and general salary increases, employee pensions and
3 benefits, outside construction services, and some office supplies.

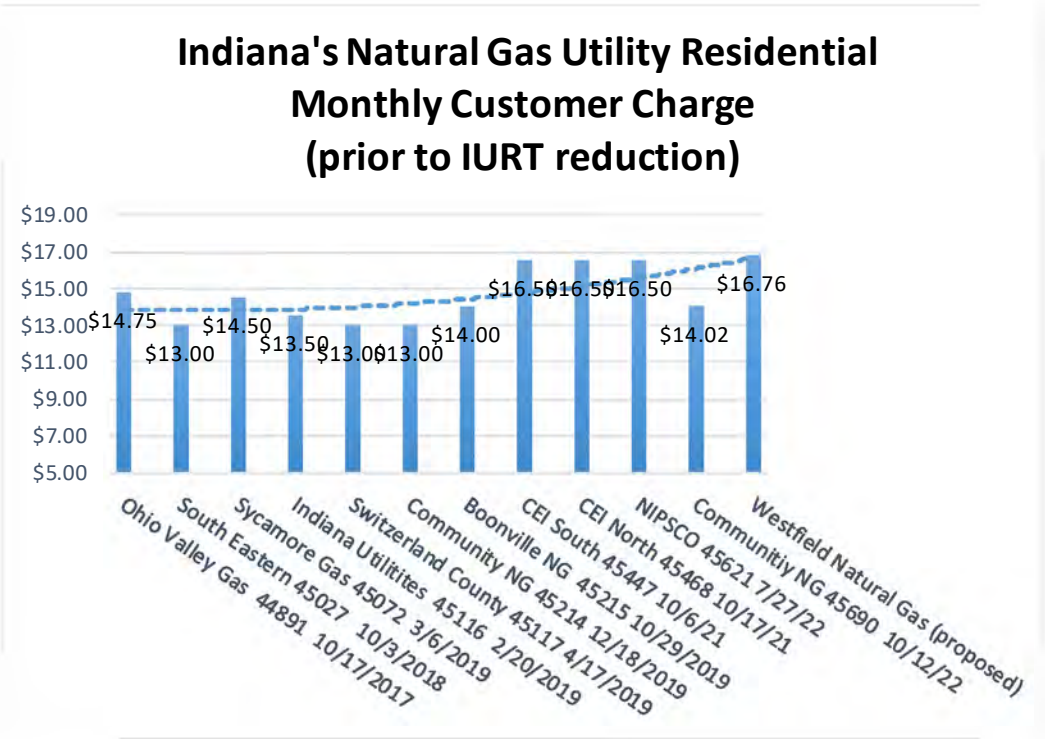
4 **Q: Please provide a brief explanation on how the proposed monthly customer charge**
5 **affects customers during low monthly consumption.**

6 A: Petitioner's proposed monthly customer charge for any residential customer using 30
7 therms per month or less is approximately 50% of the customer's margin cost and 36%
8 of the customer's total bill including the GCA. (Petitioner's Exhibit No. 6, Attachment
9 SAM-2, Schedule 13, page 1 of 4, Typical Bill Comparison Residential – D20.) My
10 analysis indicates the residential customers would lose the ability to control some costs
11 based upon their usage, while Petitioner's risk of not meeting the Rate D20 revenue
12 requirement would be substantially reduced with a higher customer charge and a lower
13 volumetric rate.

14 **Q: How does Petitioner's proposed residential monthly customer charge compare to**
15 **other Indiana natural gas utilities?**

16 A: Petitioner's current residential monthly customer charge is \$11.83. (Petitioner's
17 Exhibit No. 6, page 22, line 7.) The proposed residential monthly charge of \$16.76
18 would be the highest of Indiana natural gas utilities, as I have illustrated in Chart A.
19 (Please note monthly service charges presented in Chart A are those approved by the
20 Commission before reduction for the Utility Receipts Tax ("URT") repeal in HEA 1002
21 on July 1, 2022.)

Chart A – Indiana Natural Gas Utility Residential Customer Charges



1 **Q: What monthly residential customer charge is appropriate in this Cause?**
2 A: I recommend Westfield Gas' monthly residential customer charge (Rate D20) be set at
3 \$14.00, which more closely aligns with the average of Commission-approved
4 residential customer charges for other small Indiana natural gas utilities before URT
5 reductions. Also, an increase from \$11.83 to \$14.00 represents a portion of the percent
6 margin increase (18.3%), but not the entirety of the proposed residential margin
7 increase (41.7%). Additionally, my recommendation helps address the affordability
8 issue of natural gas by placing more costs controlled by customer consumption into the
9 volumetric rate portion of the block rate design.

2. Remaining Rates: Rates D30 Industrial, D40 Commercial, and D50 Large Volume Interruptible

1 **Q: What Monthly Service Charge do you recommend for the remaining rates?**

2 A: I do not oppose Petitioner's proposed increases to the remaining rate classes: D30
3 Industrial, D40 Commercial, and D50 Large Volume Interruptible. These proposed
4 Monthly Service Charges increases are all less than the proposed total margin increase,
5 40.11%.

C. Rate Design and Tariff Changes

6 **Q: Does Petitioner have any Rate Changes or Tariff language changes other than the**
7 **monthly customer charges you do not agree with?**

8 A: No. I reviewed Petitioner's testimony and attached redline tariff contained in
9 Petitioner's Exhibit No. 7, Direct Testimony of Debi Bardhan-Akala, and have no
10 objections to Petitioner's proposed tariff language changes. My analysis indicates
11 Petitioner is more closely defining nominated consumption to enable the Economic
12 Operational Flow Order to "warn" transportation customers of the potential for higher
13 daily commodity gas prices to prepare/avoid curtailment if such circumstances required
14 curtailment. (Petitioner's Exhibit No.7, page 24, lines 9 – 12.) Other transportation
15 tariff changes include modifying some transportation enrollment criteria to be more
16 accommodating to customers. (Petitioner's Exhibit No. 7, page 23, lines 12 – 15.)
17 Petitioner does not propose any changes to Appendix C Non-Recurring Charges, which
18 includes charges for bad checks, delinquent account trip charges, and reconnect
19 charges. I have no recommended changes to the rate block structure or the tariff
20 language.

Petitioner proposes the following other changes the OUCC does not oppose:

- 1 • Updated Table of Contents.
- 2 • Updated language in Rules 14.1 and 14.2.
- 3 • Updated language in 14.4: Non-Economic Operational Flow Order.
- 4 • Updated language in Appendix B and Appendix D.
- 5 • Updated and Clarifying language in Gas Rate Nos. A1, A3, A4, and S2.

6 **Q: Please explain the OUCC's understanding of how Petitioner will apply the**
7 **approved revenue requirement in the Commission's Final Order to the volumetric**
8 **portion within rate design.**

9 A: Petitioner applied approximately equal percentage revenue increases to the volumetric
10 portion of rates through each rate block of each rate class. (Petitioner's Exhibit No. 6,
11 Attachment SAM-2, Schedule 11.) The slight variation of percentage increase to the
12 volumetric rate blocks is necessary to accommodate the customer service charge
13 revenue contribution. I have no issues with Petitioner's volumetric rate design when
14 applying the Commission approved revenue requirements.

V. RECOMMENDATIONS

15 **Q: What are your recommendations?**

16 A: I recommend the Commission require Petitioner to rerun the COSS model using
17 Original Cost data for Gross Plant and Depreciation Reserve. Additionally, the COSS
18 should include Commission approved revenue, expenses, and the Weighted Cost of
19 Capital for Original Cost. Incorporating these parameters will reduce the total revenue
20 requirement but will also change the allocation per rate class. Additionally, the
21 Commission should not accept Petitioner's proposed Residential (D20) monthly

1 customer charge but instead set the residential monthly customer charge to \$14.00. I
2 have no issues with the other rate classes customer charge increases being equal to rate
3 class margin increase based upon the Commission's final Order.

4 Petitioner should rerun the COS model and provide the OUCC and the
5 Commission with the revenue proof and updated, red-lined tariff sheets using the
6 Commission's Final Order. The OUCC agrees with Petitioner's proposed rate design,
7 which assigns COSS margin increases equally throughout each individual rate class
8 volumetric rate block. I recommend Commission approval of Petitioner's tariff
9 changes. Finally, I recommend Petitioner provide detailed analysis and incorporate
10 actual metered data in its Design Day Throughput calculation in its next base rate case.
11 This calculation should be used to assess whether a new COSS will be necessary in a
12 future rate case.

13 **Q: Does this conclude your testimony?**

14 A: Yes.

**APPENDIX BRK-1 TO THE TESTIMONY OF
OUCC WITNESS BRIEN R. KRIEGER**

I. PROFESSIONAL EXPERIENCE

1 **Q: Please describe your educational background and experience.**

2 A: I graduated from Purdue University in West Lafayette, Indiana with a Bachelor of Science
3 Degree in Mechanical Engineering in May 1986, and a Master of Science Degree in
4 Mechanical Engineering in August 2001 from Purdue University at the IUPUI campus.

5 From 1986 through mid-1997, I worked for PSI Energy and Cinergy progressing to
6 a Senior Engineer. After the initial four years as a field engineer and industrial
7 representative in Terre Haute, Indiana, I accepted a transfer to corporate offices in
8 Plainfield, Indiana where my focus changed to industrial energy efficiency implementation
9 and power quality. Early Demand Side Management (“DSM”) projects included ice storage
10 for Indiana State University, Time of Use rates for industrials, and DSM Verification and
11 Validation reporting to the IURC. I was an Electric Power Research Institute committee
12 member on forums concerning electric vehicle batteries/charging, municipal
13 water/wastewater, and adjustable speed drives. I left Cinergy and worked approximately
14 two years for the energy consultant, ESG, and then worked for the OUCC from mid-1999
15 to mid-2001.

16 I completed my Master’s in Engineering in 2001, with a focus on power generation,
17 including aerospace turbines, and left the OUCC to gain experience and practice in
18 turbines. I was employed by Rolls-Royce (2001-2008) in Indianapolis working in an
19 engineering capacity for military engines. This work included: fuel-flight regime

1 performance, component failure mode analysis, and military program control account
2 management.

3 From 2008 to 2016 my employment included substitute teaching in the Plainfield,
4 Indiana school district, grades 3 through 12. I passed the math Praxis exam requirement for
5 teaching secondary school. During this period, I also performed contract engineering work
6 for Duke Energy and Air Analysis. I started working again with the OUCC in 2016.

7 Over my career I have attended various continuing education workshops at the
8 University of Wisconsin and written technical papers. While previously employed at the
9 OUCC, I completed Week 1 of NARUC's Utility Rate School hosted by the Institute of
10 Public Utilities at Michigan State University. In 2016, I attended two cost-of-service/rate-
11 making courses: Ratemaking Workshop (ISBA Utility Law Section) and Financial
12 Management: Cost of Service Ratemaking (AWWA).

13 In 2017, I attended the AGA Rate School sponsored by the Center for Business and
14 Regulation in the College of Business & Management at the University of Illinois
15 Springfield and attended Camp NARUC Week 2, Intermediate Course held at Michigan
16 State University. I completed the Fundamentals of Gas Distribution on-line course
17 developed and administered by Gas Technology Institute in 2018. In October 2019, I
18 attended Camp NARUC Week 3, Advanced Regulatory Studies Program held at Michigan
19 State University by the Institute of Public Utilities.

20 My current responsibilities include reviewing and analyzing Cost of Service
21 Studies ("COSS") relating to cases filed with the Commission by natural gas, electric and
22 water utilities. Additionally, I have taken on engineering responsibilities within the

1 OUCC's Natural Gas Division, including participation in "Call Before You Dig-811"
2 incident review, commenting on proposed IAC rules for natural gas gathering lines and
3 UPPAC/811 issues, along with attending natural gas emergency response training. I
4 regularly attend UPPAC "811" monthly penalty assignment advisory meetings.

5 **Q: Have you previously filed testimony with the Commission?**

6 A: Yes. I have provided written testimony concerning COSS in more than thirteen base rate
7 cases filed with the Indiana Utility Regulatory Commission. Additionally, I have provided
8 written testimony for Targeted Economic Development ("TED") projects in
9 2017/2018/2020 and various Federal Mandate Cost Adjustment ("FMCA") and
10 Transmission, Distribution, and Storage System Improvement Charges ("TDSIC")
11 petitions. I filed testimony or provided analysis in over thirteen FMCA or TDSIC 7-Year
12 Plan or Tracker petitions in Indiana.

13 While previously employed by the OUCC, I wrote testimony concerning the
14 Commission's investigation into merchant power plants, power quality, Midwest
15 Independent System Operator and other procedures. Additionally, I prepared testimony and
16 position papers supporting the OUCC's position on various electric and water rate cases
17 during those same years.

II. BACKGROUND OF TESTIMONY ANALYSIS

18 **Q: Please describe the review you conducted to prepare this testimony.**

19 A: I reviewed Westfield Gas' Petition, Testimony, and Attachments for this Cause. I also
20 reviewed Petitioner's prior base rate case, Cause No. 44731. I participated in OUCC case
21 team meetings concerning Petitioner's case. I reviewed Petitioner's direct testimony of J.

1 P. Ghio, Adrien M. McKenzie, Sabine E. Karner, Scott A. Miller, and Debi Bardhan-Akala.

2 I reviewed Petitioner's responses to OUCC DRs.

3 **Q: Have you reviewed Westfield Gas' COSS?**

4 A: Yes. I reviewed Westfield Gas' COSS model and results presented in Petitioner's Exhibit
5 No. 6, Attachment SAM-2, Accounting Report on Cost of Service Study. I asked questions
6 of Petitioner to better understand Petitioner's theory, data derivations, and process for
7 developing the COSS model. I participated in informal discussions with Petitioner on
8 August 9, 2022. My analysis focused on testimony provided by Petitioner's COSS witness
9 Scott A. Miller, Petitioner's Exhibit No. 6, Attachment SAM-2, and Petitioner's responses
10 to OUCC DRs.

Responses of Westfield Gas LLC
Office of Utility Consumer Counselor's
Fourteenth Set of Data Requests

DATA REQUEST NO. 2:

OUCR DR10.6 asked if any Westfield Gas metered peak daily consumption was used to determine Allocator (4) Design Day Throughput and Petitioner answered: "No."

- a. Please explain whether any of Petitioner's meters have the capabilities to measure daily consumption.
- b. If the answer to subpart a. is affirmative, please provide the names of the rate classes that have these metering capabilities, the number of meters in each rate class that can measure daily consumption, and explain why metered data was not used for Design Day Throughput Allocator (4).

RESPONSE:

- a. Petitioner has eleven meters in its system with the capability to provide daily consumption. These meters are Automated Meter Reading ("AMR") meters.
- b. Petitioner's AMR meters are installed among the following rate classes as shown below:
 - a. Commercial Delivery Service – seven meters
 - b. Industrial Delivery Service – two meters
 - c. Large Volume Interruptible Delivery Service – two meters

There was insufficient AMR daily meter data to determine a system Design Day Throughput Allocator.

WITNESS:

Scott A. Miller

Responses of Westfield Gas, LLC
Office of Utility Consumer Counselor's
Tenth Set of Data Requests

DATA REQUEST NO. 4:

Please explain how COSS Allocator (4) – Design Day Throughput was derived and calculated which is located on Petitioner's Attachment SAM-2, Schedule 1, Page 1 of 1.

RESPONSE:

See attached workpaper identified as OUCC DR 10.4 for the calculation of design day throughput. Projected peak day demand for retail and transportation customers was provided by Petitioner's management. The retail peak day demand was allocated to the customer classes pro rata based on pro forma annual sales (retail). Transportation peak day demand was allocated pro rata by pro forma transportation therms. The sum of these two allocations for each customer class is the calculated design day throughput.

WITNESS:

Scott A. Miller

CITIZENS GAS OF WESTFIELD

CALCULATION OF DESIGN DAY THROUGHPUT

Cause No 45761
OUCC DR 10.4
Page 1 of 1

| | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 | Total | |
|--|--------------------|-------------------|-------------------|---|------------------|---|
| Pro Forma Annual Throughput (Therms) | 4,149,092 | 93,991 | 2,890,777 | 784,297 | 7,918,157 | - |
| | 52.3998% | 1.1870% | 36.5082% | 9.9050% | 100.0000% | - |
| Pro Forma Annual Sales (Retail Therms) | 4,149,092 | 81,119 | 1,668,673 | - | 5,898,884 | - |
| | 70.3369% | 1.3752% | 28.2879% | 0.0000% | 100.0000% | - |
| Pro Forma Transportation Therms | 0 | 12,872 | 1,222,104 | 784,297 | 2,019,273 | - |
| | 0.0000% | 0.6375% | 60.5219% | 38.8406% | 100.0000% | - |
| Projected Peak Day Demand - Retail (dth) | 8,405 | 8,405 | 8,405 | 8,405 | | |
| Times percentage Retail Therms | <u>70.3369%</u> | <u>1.3752%</u> | <u>28.2879%</u> | <u>0.0000%</u> | | |
| Retail portion of Design Day throughput | <u>5,911.82</u> | <u>115.59</u> | <u>2,377.60</u> | <u>-</u> | <u>8,405.01</u> | - |
| Projected Peak Day Demand - Transportation (dth) | 1,605 | 1,605 | 1,605 | 1,605 | | |
| Times percentage Transportation Therms | <u>0.0000%</u> | <u>0.6375%</u> | <u>60.5219%</u> | <u>38.8406%</u> | | |
| Transportation portion of Design Day throughput | <u>-</u> | <u>10.23</u> | <u>971.38</u> | <u>623.39</u> | <u>1,605.00</u> | - |
| Design Day Throughput | <u>5,911.82</u> | <u>125.82</u> | <u>3,348.97</u> | <u>623.39</u> | <u>10,010.00</u> | - |
| Design Day Throughput Percentages | <u>59.0592%</u> | <u>1.2569%</u> | <u>33.4562%</u> | <u>6.2277%</u> | <u>100.0000%</u> | - |

CITIZENS GAS OF WESTFIELD

SCHEDULE OF ALLOCATION FACTORS

**Attachment BRK-3
Schedule 1
Page 1 of 1**

| <u>Allocator Name</u> | <u>Allocator No.</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> | <u>Total</u> |
|--|----------------------|------------------------|-----------------------|-----------------------|---|--------------|
| <u>Input Allocators</u> | | | | | | |
| Pro Forma Annual Throughput | (1) | 4,149,092 | 93,991 | 2,890,777 | 784,297 | 7,918,157 |
| | (1) | 52.3998% | 1.1870% | 36.5082% | 9.9050% | 100.0000% |
| Pro Forma Annual Sales | (2) | 4,149,092 | 81,119 | 1,668,673 | - | 5,898,884 |
| | (2) | 70.3369% | 1.3752% | 28.2879% | 0.0000% | 100.0000% |
| Pro Forma Number of Bills | (3) | 67,846 | 107 | 5,815 | 24 | 73,792 |
| | (3) | 91.9422% | 0.1450% | 7.8803% | 0.0325% | 100.0000% |
| Design Day Throughput | (4) | 5,911.82 | 125.82 | 3,348.97 | 623.39 | 10,010.00 |
| | (4) | 59.0592% | 1.2569% | 33.4562% | 6.2277% | 100.0000% |
| Meters Weighting Factor | (7) | 1.0 | 15.4 | 4.1 | 42.5 | |
| Pro Forma Meters | (7) | 67,846 | 1,648 | 23,842 | 1,020 | 94,355 |
| | (7) | 71.9048% | 1.7464% | 25.2678% | 1.0810% | 100.0000% |
| Services Weighting Factor | (8) | 1.0 | 6.0 | 1.9 | 15.0 | |
| Pro Forma Services | (8) | 67,846 | 642 | 11,049 | 360 | 79,897 |
| | (8) | 84.9174% | 0.8035% | 13.8285% | 0.4506% | 100.0000% |
| 95% Rate RS / 5% Rate CS | (9) | | | | | |
| | (9) | 95.0000% | 0.0000% | 5.0000% | 0.0000% | 100.0000% |
| 100% Industrial | (10) | | | | | |
| | (10) | 0.0000% | 100.0000% | 0.0000% | 0.0000% | 100.0000% |
| Pro Forma Transportation Bills | (11) | 0 | 24 | 538 | 24 | 586 |
| | (11) | 0.0000% | 4.0956% | 91.8089% | 4.0955% | 100.0000% |
| <u>Internally-Generated Allocators</u> | | | | | | |
| Gross Plant | (101) | \$13,445,959 | \$245,387 | \$5,465,897 | \$1,069,748 | \$20,226,991 |
| | (101) | 66.4752% | 1.2132% | 27.0228% | 5.2887% | 99.9999% |
| Distribution Mains Plant | (104) | \$7,530,186 | \$130,558 | \$3,806,488 | \$844,759 | 12,311,991 |
| | (104) | 61.1614% | 1.0604% | 30.9169% | 6.8613% | 100.0000% |
| Mains and Services Plant | (105) | \$11,165,502 | \$164,956 | \$4,398,486 | \$864,049 | 16,592,993 |
| | (105) | 67.2905% | 0.9941% | 26.5081% | 5.2073% | 100.0000% |
| Meters, Meter Installations and House Regulators | (106) | \$642,864 | \$15,613 | \$225,907 | \$9,665 | 894,049 |
| | (106) | 71.9048% | 1.7463% | 25.2679% | 1.0810% | 100.0000% |
| Subtotal Gross Plant | (108) | \$12,493,160 | \$227,998 | \$5,078,575 | \$993,944 | 18,793,677 |
| | (108) | 66.4752% | 1.2132% | 27.0228% | 5.2887% | 99.9999% |
| O&M Without Gas Costs | (109) | \$577,013 | \$5,098 | \$144,465 | \$23,146 | \$749,722 |
| | (109) | 76.9636% | 0.6800% | 19.2691% | 3.0873% | 100.0000% |
| Distribution O&M | (110) | \$276,764 | \$4,077 | \$106,748 | \$20,454 | \$408,043 |
| | (110) | 67.8272% | 0.9992% | 26.1610% | 5.0127% | 100.0001% |
| Gas Costs | (111) | \$2,697,629 | \$56,511 | \$1,069,776 | \$0 | \$3,823,916 |
| | (111) | 70.5463% | 1.4778% | 27.9759% | 0.0000% | 100.0000% |

CITIZENS GAS OF WESTFIELD

ALLOCATION OF FAIR VALUE RATE BASE

**Attachment BRK-3
SCHEDULE 2
PAGE 1 OF 1**

| | Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|---------------|---------------------------|---------------|-----------------|----------------|----------------|--|
| <u>GROSS PLANT</u> | | | | | | | |
| <u>Distribution:</u> | | | | | | | |
| Mains: | | | | | | | |
| Customer | (3) | Number of Bills | \$ 1,846,799 | \$1,697,987 | \$2,678 | \$145,533 | \$600 |
| Commodity | (1) | Annual Throughput | \$ 5,232,596 | \$2,741,870 | 62,111 | 1,910,327 | 518,289 |
| Demand | (4) | Design Day Throughput | \$ 5,232,596 | 3,090,329 | 65,769 | 1,750,628 | 325,870 |
| Land and Land Rights | (104) | Distributions Mains Plant | \$46,086 | 28,187 | 489 | 14,248 | 3,162 |
| Structures and Improvements | (104) | Distributions Mains Plant | 39,942 | 24,429 | 424 | 12,349 | 2,741 |
| Measuring and Regulating Equipment | (104) | Distributions Mains Plant | 110,036 | 67,300 | 1,167 | 34,020 | 7,550 |
| Industrial Measuring and Regulating Equipment | (10) | 100% industrial | 32,553 | - | 32,553 | - | - |
| Services | (8) | Direct | 4,281,001 | 3,635,316 | 34,398 | 591,998 | 19,290 |
| Meters | (7) | Direct | 791,240 | 568,940 | 13,818 | 199,929 | 8,553 |
| Meter Installations | (7) | Direct | 16,147 | 11,609 | 282 | 4,080 | 175 |
| House Regulators | (7) | Direct | 86,663 | 62,315 | 1,513 | 21,898 | 937 |
| <u>Transmission:</u> | | | | | | | |
| Structures and Improvements | (1) | Annual Throughput | 83,079 | 43,533 | 986 | 30,331 | 8,229 |
| Mains | (1) | Annual Throughput | 277,307 | 145,308 | 3,292 | 101,240 | 27,467 |
| Measuring and Regulating Equipment | (1) | Annual Throughput | 717,630 | 376,037 | 8,518 | 261,994 | 71,081 |
| General and Intangible Plant | (108) | Subtotal Gross Plant | 1,433,315 | 952,799 | 17,389 | 387,322 | 75,804 |
| Total Gross Plant | | | \$20,226,990 | \$13,445,959 | \$245,387 | \$5,465,897 | \$1,069,748 |
| <u>DEPRECIATION RESERVE (Accumulated Depreciation MSFR1, page 203)</u> | | | | | | | |
| <u>Distribution:</u> | | | | | | | |
| Mains | (104) | Distributions Mains Plant | (3,724,346) | (\$2,277,862) | (\$39,493) | (\$1,151,452) | (\$255,539) |
| Structures and Improvements | (104) | Distributions Mains Plant | (3,852) | (2,356) | (41) | (1,191) | (264) |
| Measuring and Regulating Equipment | (104) | Distributions Mains Plant | (36,694) | (22,443) | (389) | (11,345) | (2,518) |
| Industrial Measuring and Regulating Equipment | (10) | 100% industrial | (33,356) | - | (33,356) | - | - |
| Services | (8) | Direct | (1,687,229) | (1,432,751) | (13,557) | (233,318) | (7,603) |
| Meters | (7) | Direct | (416,155) | (299,236) | (7,268) | (105,153) | (4,499) |
| Meter Installations | (7) | Direct | (14,069) | (10,116) | (246) | (3,555) | (152) |
| House Regulators | (7) | Direct | (65,413) | (47,035) | (1,142) | (16,528) | (707) |
| <u>Transmission:</u> | | | | | | | |
| Structures and Improvements | (1) | Annual Throughput | (129) | (68) | (2) | (47) | (13) |
| Mains | (1) | Annual Throughput | (1,470) | (770) | (17) | (537) | (146) |
| Measuring and Regulating Equipment | (1) | Annual Throughput | (1,531) | (802) | (18) | (559) | (152) |
| General and Intangible Plant | (108) | Subtotal Gross Plant | (682,827) | (453,911) | (8,284) | (184,519) | (36,113) |
| Total Depreciation Reserve | | | (\$6,667,071) | (\$4,547,350) | (\$103,813) | (\$1,708,204) | (\$307,706) |
| <u>OTHER BASE RATE COMPONENTS</u> | | | | | | | |
| Materials and Supplies | (101) | Gross Plant | \$401,124 | 266,648 | 4,866 | 108,395 | 21,214 |
| Total Other Base Rate Components | | | \$401,124 | \$266,648 | \$4,866 | \$108,395 | \$21,214 |
| Total HISTORICAL Value Rate Base | | | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |

CITIZENS GAS OF WESTFIELD

ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSES

**Attachment BRK-3
SCHEDULE 3
PAGE 1 OF 1**

| | <u>Allocator No.</u> | <u>Allocation Method</u> | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|----------------------|--------------------------|------------------|------------------------|-----------------------|-----------------------|---|
| <u>Distribution:</u> | | | | | | | |
| Mains | (104) | Distribution Mains Plant | \$241,315 | \$147,592 | \$2,559 | \$74,607 | \$16,557 |
| Structures and Improvements | (104) | Distribution Mains Plant | 935 | 572 | 10 | 289 | 64 |
| Measuring and Regulating Equipment | (104) | Distribution Mains Plant | 3,395 | 2,076 | 36 | 1,050 | 233 |
| Industrial Measuring and Regulating Equipment | (10) | 100% industrial | 339 | 0 | 339 | 0 | 0 |
| Services | (8) | Direct | 118,584 | 100,699 | 953 | 16,398 | 534 |
| Meters | (7) | Direct | 21,363 | 15,361 | 373 | 5,398 | 231 |
| Meter Installations | (7) | Direct | 281 | 202 | 5 | 71 | 3 |
| House Regulators | (7) | Direct | 1,855 | 1,334 | 32 | 469 | 20 |
| <u>Transmission:</u> | | | | | | | |
| Structures and Improvements | (1) | Annual Throughput | 1,554 | 815 | 18 | 567 | 154 |
| Mains | (1) | Annual Throughput | 5,879 | 3,081 | 70 | 2,146 | 582 |
| Measuring and Regulating Equipment | (1) | Annual Throughput | 18,371 | 9,626 | 218 | 6,707 | 1,820 |
| General and Intangible Plant | (108) | Subtotal Gross Plant | 92,771 | 61,669 | 1,125 | 25,069 | 4,906 |
| Total Depreciation and Amortization Expenses | | | <u>\$506,642</u> | <u>\$343,027</u> | <u>\$5,738</u> | <u>\$132,771</u> | <u>\$25,104</u> |

CITIZENS GAS OF WESTFIELD

**ALLOCATION OF PRO FORMA OPERATION AND MAINTENANCE EXPENSES
AT PRESENT REVENUE LEVELS**

**Attachment BRK-3
SCHEDULE 4
PAGE 1 OF 2**

| | <u>Allocator No.</u> | <u>Allocation Method</u> | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|----------------------|--|--------------------|------------------------|-----------------------|-----------------------|---|
| <u>PRO FORMA COST OF GAS</u> | | | | | | | |
| Commodity Cost of Purchased Gas | | | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Transmission: | | | | | | | |
| Operation Supervision and engineering | (2) | Annual Sales | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution: | | | | | | | |
| Mains and Services | (105) | Mains and Services Plant | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | (106) | Meters, Meter Installations and House Regulators | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | (3) | Number of Bills | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | (110) | Distribution O&M | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | (3) | Number of Bills | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | (9) | 95% rate RS / 5% Rate CS | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expenses | (3) | Number of Bills | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | (109) | O&M Without Gas Costs | 1,250,580 | 962,490 | 8,504 | 240,976 | 38,609 |
| Total Pro Forma Operating Costs at Present Revenue Levels | | | <u>\$5,824,220</u> | <u>\$4,237,132</u> | <u>\$70,113</u> | <u>\$1,455,217</u> | <u>\$61,755</u> |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**ALLOCATION OF PRO FORMA OPERATION AND MAINTENANCE EXPENSES
AT PROPOSED REVENUE LEVELS**

**Attachment BRK-3
SCHEDULE 4
PAGE 2 OF 2**

| | Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|--|---------------|--|--------------------|--------------------|-----------------|--------------------|--|
| <u>PRO FORMA COST OF GAS</u> | | | | | | | |
| Commodity Cost of Purchased Gas | | | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Transmission: | | | | | | | |
| Operation Supervision and engineering | (2) | Annual Sales | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution: | | | | | | | |
| Mains and Services | (105) | Mains and Services Plant | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | (106) | Meters, Meter Installations and House Regulators | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | (3) | Number of Bills | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | (110) | Distribution O&M | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | (3) | Number of Bills | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | (9) | 95% rate RS / 5% Rate CS | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expenses | (3) | Number of Bills | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | (109) | O&M Without Gas Costs | 1,255,716 | 966,444 | 8,539 | 241,965 | 38,768 |
| Total Pro Forma Operating Costs at Proposed Revenue Levels | | | <u>\$5,829,356</u> | <u>\$4,241,086</u> | <u>\$70,148</u> | <u>\$1,456,206</u> | <u>\$61,914</u> |

CITIZENS GAS OF WESTFIELD

ALLOCATION OF MISCELLANEOUS REVENUES

**Attachment BRK-3
SCHEDULE 5
PAGE 1 OF 1**

| | <u>Allocator No.</u> | <u>Allocation Method</u> | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---------------------------------------|----------------------|--------------------------------|-----------------|------------------------|-----------------------|-----------------------|---|
| <u>MISCELLANEOUS REVENUES</u> | | | | | | | |
| Miscellaneous Revenue | (3) | Number of bills | (\$3,850) | (\$3,540) | \$ (6) | (\$303) | \$ (1) |
| Miscellaneous Supplier Revenues | (11) | Pro Forma Transportation Bills | 8,523 | - | 349 | 7,825 | 349 |
| Return Check Fee | (3) | Number of bills | 503 | 462 | 1 | 40 | - |
| Collection fees | (3) | Number of bills | 3,518 | 3,235 | 5 | 277 | 1 |
| Late payment charges | (3) | Number of bills | 12,697 | 11,674 | 18 | 1,001 | 4 |
| Total Proforma Miscellaneous Revenues | | | <u>\$21,391</u> | <u>\$11,831</u> | <u>\$367</u> | <u>\$8,840</u> | <u>\$353</u> |

CITIZENS GAS OF WESTFIELD

CALCULATION OF PRO FORMA NET OPERATING INCOME AND REVENUES
NORMALIZED AT PRESENT RATES

Attachment BRK-3
SCHEDULE 6
PAGE 1 OF 5

| | Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|---------------|-------------------|--------------------|--------------------|-----------------|--------------------|--|
| Pro Forma Normalized Revenues. w/o Misc. Rev | | | \$3,231,063 | \$2,204,835 | \$34,812 | \$838,355 | \$153,061 |
| Pro Forma Normalized Miscellaneous Revenues | | | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Gas Cost revenue | | | <u>3,823,916</u> | <u>2,697,629</u> | <u>56,511</u> | <u>1,069,776</u> | <u>-</u> |
| Pro Forma Normalized Rev. w/ Misc. Revenues | | | <u>\$7,076,370</u> | <u>\$4,914,295</u> | <u>\$91,690</u> | <u>\$1,916,971</u> | <u>\$153,414</u> |
| <u>Net Operating Income</u> | | | | | | | |
| Total Pro Forma Normalized Revenues | | | \$7,076,370 | \$4,914,295 | \$91,690 | \$1,916,971 | \$153,414 |
| Less: Operation and Maintenance Expenses | | | (2,000,304) | (1,539,503) | (13,602) | (385,441) | (61,755) |
| Less: Gas Costs | | | (3,823,916) | (2,697,629) | (56,511) | (1,069,776) | - |
| Less: Depreciation and Amortization Expenses | | | (506,642) | (343,027) | (5,738) | (132,771) | (25,104) |
| Less: Property Taxes | (101) | Gross Plant | (148,887) | (98,974) | (1,806) | (40,233) | (7,874) |
| Less: Large Volume Interruptible Service Discount | | | <u>(27,450)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(27,450)</u> |
| Net Operating Income | | | <u>\$569,171</u> | <u>\$235,162</u> | <u>\$14,033</u> | <u>\$288,750</u> | <u>\$31,231</u> |
| Total HISTORICAL Rate Base | | | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | | | 4.077% | 2.566% | 9.583% | 7.469% | 3.987% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

CALCULATION OF PRO FORMA NET OPERATING INCOME AND REVENUES
EQUALIZED AT PRESENT RATES

Attachment BRK-3
SCHEDULE 6
PAGE 2 OF 5

| Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|--|---|--------------------|--------------------|-----------------|--------------------|--|
| | Historical Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| | Allowed Rate of Return | 4.077% | 4.077% | 4.077% | 4.077% | 4.077% |
| | Allowed Net Operating Income | <u>\$569,171</u> | <u>\$373,654</u> | <u>\$5,970</u> | <u>\$157,615</u> | <u>\$31,932</u> |
| <u>Derivation of Pro Forma Equalized Revenues</u> | | | | | | |
| | Net Operating Income | \$569,171 | \$373,654 | \$5,970 | \$157,615 | \$31,932 |
| | Plus: Operating & Maintenance Expenses | 2,000,304 | 1,539,503 | 13,602 | 385,441 | 61,755 |
| | Plus: Gas Costs | 3,823,916 | 2,697,629 | 56,511 | 1,069,776 | - |
| | Plus: Depreciation and Amortization Expenses | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| (101) | Plus: Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| | Plus: Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| | Pro Forma Equalized Revenues w/Misc. Rev. | <u>\$7,076,370</u> | <u>\$5,052,787</u> | <u>\$83,627</u> | <u>\$1,785,836</u> | <u>\$154,115</u> |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**CALCULATION OF PRO FORMA NET OPERATING INCOME AND REVENUES
EQUALIZED AT PROPOSED REVENUE LEVELS**

**Attachment BRK-3
SCHEDULE 6
PAGE 3 OF 5**

| Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|---|--|--------------------|-----------------|--------------------|--|
| | HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| | Allowed Rate of Return | changed K15 to Petitioner's WACC (CLJ-1) 9.066% | 9.066% | 9.066% | 9.066% | 9.066% |
| | Allowed Net Operating Income | <u>\$1,265,708</u> | <u>\$830,921</u> | <u>\$13,276</u> | <u>\$350,500</u> | <u>\$71,010</u> |
| <u>Derivation of Pro Forma Equalized Revenues</u> | | | | | | |
| | Net Operating Income | \$1,265,708 | \$830,921 | \$13,276 | \$350,500 | \$71,010 |
| | Plus: Operating & Maintenance Expenses | 2,005,440 | 1,543,457 | 13,637 | 386,430 | 61,914 |
| | Plus: Gas Costs | 3,823,916 | 2,697,629 | 56,511 | 1,069,776 | - |
| | Plus: Depreciation and Amortization Expenses | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| (101) | Plus: Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| | Plus: Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| | Pro Forma Equalized Revenues w/Misc. Rev. | <u>\$7,778,043</u> | <u>\$5,514,008</u> | <u>\$90,968</u> | <u>\$1,979,710</u> | <u>\$193,352</u> |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

CALCULATION OF PRO FORMA NET OPERATING INCOME AND REVENUES
NORMALIZED AT PROPOSED REVENUE LEVELS

Attachment BRK-3
 SCHEDULE 6
 PAGE 4 OF 5

| | Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|---------------|-------------------|---------------------------|---------------------------|------------------------|---------------------------|--|
| Subsidy Reduction | | | | | | | |
| Pro Forma Normalized Revenues w/Misc. Rev at Present Rates | | | \$7,076,370 | \$4,914,295 | \$91,690 | \$1,916,971 | \$153,414 |
| Less: Pro Forma Equalized Revenues w/Misc. Rev. at Present Rates | | | <u>7,076,370</u> | <u>5,052,787</u> | <u>83,627</u> | <u>1,785,836</u> | <u>154,115</u> |
| Pro Forma Subsidy at Present Rates | | | - | (138,492) | 8,063 | 131,135 | (701) |
| Proposed Subsidy Reduction Percentage | | | | 25% | 25% | 25% | 25% |
| Pro Forma Subsidy at Proposed Revenue Levels | | | - | (103,869) | 6,047 | 98,351 | (526) |
| Pro Forma Contractual Discount | (111) | Gas Costs | - | 19,365 | 406 | 7,679 | (27,450) |
| Pro Forma Equalized Revenues w/Misc. Rev at Proposed Revenue Levels | | | <u>7,778,043</u> | <u>5,514,008</u> | <u>90,968</u> | <u>1,979,710</u> | <u>193,352</u> |
| Pro Forma Normalized Revenues w/Misc Rev. at Proposed Revenue Levels | | | <u><u>\$7,778,043</u></u> | <u><u>\$5,429,504</u></u> | <u><u>\$97,421</u></u> | <u><u>\$2,085,740</u></u> | <u><u>\$165,376</u></u> |
| Net Operating Income | | | | | | | |
| Total Pro Forma Normalized Revenues w/Misc. Rev. at Proposed Revenue Levels | | | \$7,778,043 | \$5,429,504 | \$97,421 | \$2,085,740 | \$165,376 |
| Less: Operating & Maintenance Expenses | | | (2,005,440) | (1,543,457) | (13,637) | (386,430) | (61,914) |
| Less: Gas Costs | | | (3,823,916) | (2,697,629) | (56,511) | (1,069,776) | - |
| Less: Depreciation and Amortization Expenses | | | (506,642) | (343,027) | (5,738) | (132,771) | (25,104) |
| Less: Property Taxes | (101) | Gross Plant | (148,887) | (98,974) | (1,806) | (40,233) | (7,874) |
| Less: Large Volume Interruptible Service Discount | | | <u>(27,450)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(27,450)</u> |
| Net Operating Income | | | <u><u>\$1,265,708</u></u> | <u><u>\$746,417</u></u> | <u><u>\$19,729</u></u> | <u><u>\$456,530</u></u> | <u><u>\$43,034</u></u> |
| Total HISTORICAL Rate Base | | | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | | | 9.066% | 8.144% | 13.472% | 11.809% | 5.494% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

SUMMARY OF PRO FORMA REVENUES

**Attachment BRK-3
SCHEDULE 6
PAGE 5 OF 5**

| | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|--|--------------------|----------------------------|---------------------------|---------------------------|---|
| <u>Pro Forma Normalized Revenues at Present Rates</u> | | | | | |
| Pro Forma Normalized Revenues w/o Misc. Rev | \$7,054,979 | \$4,902,464 | \$91,323 | \$1,908,131 | \$153,061 |
| Pro Forma Normalized Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Pro Forma Normalized Revenues w/Misc. Rev. | <u>\$7,076,370</u> | <u>\$4,914,295</u> | <u>\$91,690</u> | <u>\$1,916,971</u> | <u>\$153,414</u> |
| <u>Pro Forma Equalized Revenues at Present Rates</u> | | | | | |
| Pro Forma Equalized Revenues w/o Misc. Rev | \$7,054,979 | \$5,040,956 | \$83,260 | \$1,776,996 | \$153,762 |
| Pro Forma Equalized Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Pro Forma Equalized Revenues w/Misc. Rev. | <u>\$7,076,370</u> | <u>\$5,052,787</u> | <u>\$83,627</u> | <u>\$1,785,836</u> | <u>\$154,115</u> |
| <u>Pro Forma Normalized Revenues at Proposed Revenue Levels</u> | | | | | |
| Pro Forma Normalized Revenues w/o Misc. Rev | \$7,756,652 | \$5,417,673 | \$97,054 | \$2,076,900 | \$165,023 |
| Pro Forma Normalized Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Pro Forma Normalized Revenues w/Misc. Rev. | <u>\$7,778,043</u> | <u>\$5,429,504</u> | <u>\$97,421</u> | <u>\$2,085,740</u> | <u>\$165,376</u> |
| <u>Pro Forma Equalized Revenues at Proposed Revenue Levels</u> | | | | | |
| Pro Forma Equalized Revenues w/o Misc. Rev | \$7,756,652 | \$5,502,177 | \$90,601 | \$1,970,870 | \$192,999 |
| Pro Forma Equalized Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Pro Forma Equalized Revenues w/Misc. Rev. | <u>\$7,778,043</u> | <u>\$5,514,008</u> | <u>\$90,968</u> | <u>\$1,979,710</u> | <u>\$193,352</u> |

CITIZENS GAS OF WESTFIELD

NORMALIZED COST OF SERVICE AT PRESENT RATES

**Attachment BRK-3
SCHEDULE 7
PAGE 1 OF 4**

| | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|--------------------|----------------------------|---------------------------|---------------------------|---|
| <u>OPERATING REVENUES</u> | | | | | |
| Revenues from Gas Sales | \$7,054,979 | \$4,902,464 | \$91,323 | \$1,908,131 | \$153,061 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | \$7,076,370 | \$4,914,295 | \$91,690 | \$1,916,971 | \$153,414 |
| <u>Operating Expenses</u> | | | | | |
| Commodity Cost of Purchased Gas | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| Transmission Expenses: | | | | | |
| Operation Supervision and engineering | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution Expenses: | | | | | |
| Mains and Services | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expense | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | 1,250,580 | 962,490 | 8,504 | 240,976 | 38,609 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total Operating Expenses | 6,507,199 | 4,679,133 | 77,657 | 1,628,221 | 122,183 |
| Net Operating Income | \$569,171 | \$235,162 | \$14,033 | \$288,750 | \$31,231 |
| | | | | | |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 4.08% | 2.57% | 9.58% | 7.47% | 3.99% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

EQUALIZED COST OF SERVICE AT PRESENT RATES

Attachment BRK-3
SCHEDULE 7
PAGE 2 OF 4

Large Volume
Interruptible
Service
D50

OPERATING REVENUES

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---------------------------------|--------------------|--------------------|-------------------|--------------------|---|
| Revenues from Gas Sales | \$7,054,979 | \$5,040,956 | \$83,260 | \$1,776,996 | \$153,762 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | \$7,076,370 | \$5,052,787 | \$83,627 | \$1,785,836 | \$154,115 |

Operating Expenses

| | | | | | |
|---|------------------|------------------|----------------|------------------|-----------------|
| Commodity Cost of Purchased Gas | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| Transmission Expenses: | | | | | |
| Operation Supervision and engineering | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution Expenses: | | | | | |
| Mains and Services | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expense | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | 1,250,580 | 962,490 | 8,504 | 240,976 | 38,609 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total Operating Expenses | 6,507,199 | 4,679,133 | 77,657 | 1,628,221 | 122,183 |
| Net Operating Income | \$569,171 | \$373,654 | \$5,970 | \$157,615 | \$31,932 |

| | | | | | |
|----------------------|--------------|-------------|-----------|-------------|-----------|
| Historical Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 4.08% | 4.08% | 4.08% | 4.08% | 4.08% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

EQUALIZED COST OF SERVICE AT PROPOSED RATES

Attachment BRK-3
SCHEDULE 7
PAGE 3 OF 4

Large Volume
Interruptible
Service
D50

OPERATING REVENUES

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---------------------------------|--------------------|--------------------|-------------------|--------------------|---|
| Revenues from Gas Sales | \$7,756,652 | \$5,502,177 | \$90,601 | \$1,970,870 | \$192,999 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | \$7,778,043 | \$5,514,008 | \$90,968 | \$1,979,710 | \$193,352 |

Operating Expenses

| | | | | | |
|---|--------------------|------------------|-----------------|------------------|-----------------|
| Commodity Cost of Purchased Gas | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| Transmission Expenses: | | | | | |
| Operation Supervision and engineering | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution Expenses: | | | | | |
| Mains and Services | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expense | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | 1,255,716 | 966,444 | 8,539 | 241,965 | 38,768 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total Operating Expenses | 6,512,335 | 4,683,087 | 77,692 | 1,629,210 | 122,342 |
| Net Operating Income | \$1,265,708 | \$830,921 | \$13,276 | \$350,500 | \$71,010 |

| | | | | | |
|----------------------------|--------------|-------------|-----------|-------------|-----------|
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 9.066% | 9.066% | 9.066% | 9.066% | 9.066% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

NORMALIZED COST OF SERVICE AT PROPOSED RATES

**Attachment BRK-3
SCHEDULE 7
PAGE 4 OF 4**

| | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|--------------------|----------------------------|---------------------------|---------------------------|---|
| <u>OPERATING REVENUES</u> | | | | | |
| Revenues from Gas Sales | \$7,756,652 | \$5,417,673 | \$97,054 | \$2,076,900 | \$165,023 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | \$7,778,043 | \$5,429,504 | \$97,421 | \$2,085,740 | \$165,376 |
| <u>Operating Expenses</u> | | | | | |
| Commodity Cost of Purchased Gas | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| Transmission Expenses: | | | | | |
| Operation Supervision and engineering | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution Expenses: | | | | | |
| Mains and Services | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expense | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | 1,255,716 | 966,444 | 8,539 | 241,965 | 38,768 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total Operating Expenses | 6,512,335 | 4,683,087 | 77,692 | 1,629,210 | 122,342 |
| Net Operating Income | \$1,265,708 | \$746,417 | \$19,729 | \$456,530 | \$43,034 |
| | | | | | |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 9.066% | 8.144% | 13.472% | 11.809% | 5.494% |

CITIZENS GAS OF WESTFIELD

**STATEMENT OF OPERATING INCOME BASED UPON PRO FORMA REVENUES
AT NORMALIZED RATES OF RETURN
(Present Rates)**

Attachment BRK-3
SCHEDULE 8
PAGE 1 OF 4

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|--------------------|--------------------|-------------------|--------------------|---|
| OPERATING REVENUES | | | | | |
| Revenues from Gas Sales | \$7,054,979 | \$4,902,464 | \$91,323 | \$1,908,131 | \$153,061 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,076,370</u> | <u>\$4,914,295</u> | <u>\$91,690</u> | <u>\$1,916,971</u> | <u>\$153,414</u> |
| Operating Expenses | | | | | |
| Operation and Maintenance | \$5,824,220 | \$4,237,132 | \$70,113 | \$1,455,217 | \$61,755 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Taxes Other Than Income Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total | <u>6,507,199</u> | <u>4,679,133</u> | <u>77,657</u> | <u>1,628,221</u> | <u>122,183</u> |
| Net Operating Income | <u>\$569,171</u> | <u>\$235,162</u> | <u>\$14,033</u> | <u>\$288,750</u> | <u>\$31,231</u> |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 4.077% | 2.566% | 9.583% | 7.469% | 3.987% |
| Earnings Index | 100.00% | 62.94% | 235.05% | 183.20% | 97.80% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**STATEMENT OF OPERATING INCOME BASED UPON PRO FORMA REVENUES
AT EQUALIZED RATES OF RETURN
(Present Rates)**

**Attachment BRK-3
SCHEDULE 8
PAGE 2 OF 4**

| | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|--------------------|----------------------------|---------------------------|---------------------------|---|
| <u>OPERATING REVENUES</u> | | | | | |
| Revenues from Gas Sales | \$7,054,979 | \$5,040,956 | \$83,260 | \$1,776,996 | \$153,762 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,076,370</u> | <u>\$5,052,787</u> | <u>\$83,627</u> | <u>\$1,785,836</u> | <u>\$154,115</u> |
| <u>Operating Expenses</u> | | | | | |
| Operation and Maintenance | \$5,824,220 | \$4,237,132 | \$70,113 | \$1,455,217 | \$61,755 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Taxes Other Than Income Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total | <u>6,507,199</u> | <u>4,679,133</u> | <u>77,657</u> | <u>1,628,221</u> | <u>122,183</u> |
| Net Operating Income | <u>\$569,171</u> | <u>\$373,654</u> | <u>\$5,970</u> | <u>\$157,615</u> | <u>\$31,932</u> |
| Historical Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 4.08% | 4.08% | 4.08% | 4.08% | 4.08% |
| Earnings Index | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**STATEMENT OF OPERATING INCOME BASED UPON PRO FORMA REVENUES
AT EQUALIZED RATES OF RETURN
(Proposed Revenue Levels)**

Attachment BRK-3
SCHEDULE 8
PAGE 3 OF 4

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|--------------------|--------------------|-------------------|--------------------|---|
| OPERATING REVENUES | | | | | |
| Revenues from Gas Sales | \$7,756,652 | \$5,502,177 | \$90,601 | \$1,970,870 | \$192,999 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,778,043</u> | <u>\$5,514,008</u> | <u>\$90,968</u> | <u>\$1,979,710</u> | <u>\$193,352</u> |
| Operating Expenses | | | | | |
| Operation and Maintenance | \$5,829,356 | \$4,241,086 | \$70,148 | \$1,456,206 | \$61,914 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Taxes Other Than Income Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total | <u>6,512,335</u> | <u>4,683,087</u> | <u>77,692</u> | <u>1,629,210</u> | <u>122,342</u> |
| Net Operating Income | <u>\$1,265,708</u> | <u>\$830,921</u> | <u>\$13,276</u> | <u>\$350,500</u> | <u>\$71,010</u> |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 9.07% | 9.07% | 9.07% | 9.07% | 9.07% |
| Earnings Index | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**STATEMENT OF OPERATING INCOME BASED UPON PRO FORMA REVENUES
AT NORMALIZED RATES OF RETURN
(Proposed Revenue Levels)**

Attachment BRK-3
SCHEDULE 8
PAGE 4 OF 4

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|--------------------|--------------------|-------------------|--------------------|---|
| <u>OPERATING REVENUES</u> | | | | | |
| Revenues from Gas Sales | \$7,756,652 | \$5,417,673 | \$97,054 | \$2,076,900 | \$165,023 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,778,043</u> | <u>\$5,429,504</u> | <u>\$97,421</u> | <u>\$2,085,740</u> | <u>\$165,376</u> |
| <u>Operating Expenses</u> | | | | | |
| Operation and Maintenance | \$5,829,356 | \$4,241,086 | \$70,148 | \$1,456,206 | \$61,914 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Taxes Other Than Income Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total | <u>6,512,335</u> | <u>4,683,087</u> | <u>77,692</u> | <u>1,629,210</u> | <u>122,342</u> |
| Net Operating Income | <u>\$1,265,708</u> | <u>\$746,417</u> | <u>\$19,729</u> | <u>\$456,530</u> | <u>\$43,034</u> |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 9.07% | 8.14% | 13.47% | 11.81% | 5.49% |
| Earnings Index | 100.00% | 89.83% | 148.60% | 130.25% | 60.60% |

CITIZENS GAS OF WESTFIELD

**COMPARISON OF PRO FORMA OPERATING REVENUES AND RESULTING DOLLAR SUBSIDY
LEVELS AT PRESENT AND PROPOSED RATES**

**Attachment BRK-3
SCHEDULE 9
PAGE 1 OF 1**

| Rate Schedule | Pro Forma Revenues - Present Rates | | | Pro Forma Revenues - Proposed Rates | | | | Calculated Subsidy Reduction | |
|------------------------------------|------------------------------------|---|-----------------|---|----------------------------|-----------------------------|-------------------------------|------------------------------|------------|
| | Revenues at Present Rates | Revenues Required for Equalized Returns | Present Subsidy | Revenues Required for Equalized Returns | Revenues at Proposed Rates | Proposed Calculated Subsidy | Proposed Contractual Discount | Amount | Percentage |
| Residential | \$4,914,295 | \$5,052,787 | (\$138,492) | \$5,514,008 | \$5,429,504 | (\$103,869) | \$19,365 | (\$34,623) | 25% |
| Industrial | 91,690 | 83,627 | 8,063 | 90,968 | 97,421 | 6,047 | 406 | 2,016 | 25% |
| Commercial | 1,916,971 | 1,785,836 | 131,135 | 1,979,710 | 2,085,740 | 98,351 | 7,679 | 32,784 | 25% |
| Large Volume Interruptible Service | 153,414 | 154,115 | (701) | 193,352 | 165,376 | (526) | (27,450) | (175) | 25% |
| Total | \$7,076,370 | \$7,076,365 | \$5 | \$7,778,038 | \$7,778,041 | \$3 | \$0 | \$2 | |

CITIZENS GAS OF WESTFIELD

COMPARISON OF GAS SALES REVENUES AT PRESENT AND PROPOSED RATES

**Attachment BRK-3
SCHEDULE 10
PAGE 1 OF 1**

| <u>Rate Schedule</u> | <u>Present Revenue Levels</u> | | | <u>Proposed Revenue Levels</u> | | | <u>Increase or (Decrease)</u> | | |
|------------------------------------|---|-----------------------------|--|--|-----------------------------|---|-------------------------------|---------------|-----------------|
| | <u>Margins at Present Rates</u> | <u>Gas Cost Revenue</u> | <u>Revenues at Present Rates</u> | <u>Margins at Proposed Rates</u> | <u>Gas Cost Revenue</u> | <u>Revenues at Proposed Rates</u> | <u>Amount</u> | <u>Rev. %</u> | <u>Margin %</u> |
| Residential | \$2,204,835 | \$2,697,629 | \$4,902,464 | \$2,720,044 | \$2,697,629 | \$5,417,673 | \$515,209 | 10.51% | 23.37% |
| Industrial | 34,812 | 56,511 | 91,323 | 40,543 | 56,511 | 97,054 | 5,731 | 6.28% | 16.46% |
| Commercial | 838,355 | 1,069,776 | 1,908,131 | 1,007,124 | 1,069,776 | 2,076,900 | 168,769 | 8.84% | 20.13% |
| Large Volume Interruptible Service | 153,061 | - | 153,061 | 165,023 | - | 165,023 | 11,962 | 7.82% | 7.82% |
| Total | \$3,231,063 | \$3,823,916 | \$7,054,979 | \$3,932,734 | \$3,823,916 | \$7,756,650 | \$701,671 | 9.95% | 21.72% |

CITIZENS GAS OF WESTFIELD

COMPARISON OF MARGINS AT PRESENT AND PROPOSED RATES

**Attachment BRK-3
SCHEDULE 11
PAGE 1 OF 1**

| Description | Number of Bills | Billing Quantities (therms) | Present Rates (\$/therm) | Pro Forma GCA (\$/therm) | Effective Present Rates (\$/therm) | Margin at Present Rates | Proposed Rates (\$/therm) | Pro Forma Base Cost of Gas (\$/therm) | Proposed Effective Rates (\$/therm) | Margin at Proposed Rates | Increase in Margins | |
|--|-----------------|-----------------------------|--------------------------|--------------------------|------------------------------------|-------------------------|---------------------------|---------------------------------------|-------------------------------------|--------------------------|---------------------|---------------|
| | | | | | | | | | | | Amount | Percent |
| Residential: | | | | | | | | | | | | |
| Customer Charge | 67,846 | | \$11.83 | | | \$802,618 | \$14.59 | | \$14.59 | \$989,873 | \$187,255 | 23.33% |
| First 120 Therms | | 3,500,706 | 0.3590 | \$0.0000 | \$0.3590 | 1,256,753 | 0.4429 | \$0.0000 | 0.4429 | 1,550,463 | 293,710 | 23.37% |
| Next 380 Therms | | 642,284 | 0.2245 | 0.0000 | 0.2245 | 144,193 | 0.2769 | 0.0000 | 0.2769 | 177,848 | 33,655 | 23.34% |
| Over 500 Therms | | <u>6,102</u> | 0.2082 | 0.0000 | 0.2082 | <u>1,270</u> | 0.2569 | 0.0000 | 0.2569 | <u>1,568</u> | <u>298</u> | <u>23.46%</u> |
| Total Therms and Margins | | <u>4,149,092</u> | | | | <u>\$2,204,834</u> | | | | <u>\$2,719,752</u> | <u>\$514,918</u> | <u>23.35%</u> |
| Industrial: | | | | | | | | | | | | |
| Customer Charge | 107 | | \$109.18 | | | \$11,682 | \$127.15 | | \$127.15 | \$13,605 | \$1,923 | 16.46% |
| First 500 Therms | | 28,952 | 0.3869 | \$0.0000 | \$0.3869 | 11,202 | 0.4506 | \$0.0000 | 0.4506 | 13,046 | 1,844 | 16.46% |
| Over 500 Therms | | <u>65,039</u> | 0.1834 | 0.0000 | 0.1834 | <u>11,928</u> | 0.2136 | 0.0000 | 0.2136 | <u>13,892</u> | <u>1,964</u> | <u>16.47%</u> |
| Total Therms and Margins | | <u>93,991</u> | | | | <u>\$34,812</u> | | | | <u>\$40,543</u> | <u>\$5,731</u> | <u>16.46%</u> |
| Commercial: | | | | | | | | | | | | |
| Customer Charge | 5,815 | | \$36.48 | | | \$212,131 | \$43.82 | | \$43.82 | \$254,813 | \$42,682 | 20.12% |
| First 120 Therms | | 381,804 | 0.2940 | \$0.0000 | \$0.2940 | 112,250 | 0.3531 | \$0.0000 | 0.3531 | 134,815 | 22,565 | 20.10% |
| Next 380 Therms | | 639,403 | 0.2132 | 0.0000 | 0.2132 | 136,321 | 0.2561 | 0.0000 | 0.2561 | 163,751 | 27,430 | 20.12% |
| Over 500 Therms | | <u>1,869,571</u> | 0.2020 | 0.0000 | 0.2020 | <u>377,653</u> | 0.2427 | 0.0000 | 0.2427 | <u>453,745</u> | <u>76,092</u> | <u>20.15%</u> |
| Total Therms and Margins | | <u>2,890,778</u> | | | | <u>\$838,355</u> | | | | <u>\$1,007,124</u> | <u>\$168,769</u> | <u>20.13%</u> |
| Large Volume Interruptible Service: | | | | | | | | | | | | |
| Customer Charge | 24 | | \$1,142.34 | | | \$27,416 | \$1,231.62 | | \$1,231.62 | \$29,559 | \$2,143 | 7.82% |
| All Therms | | <u>784,297</u> | 0.1602 | \$0.0000 | \$0.1602 | <u>125,644</u> | 0.1727 | \$0.0000 | 0.1727 | <u>135,448</u> | <u>9,804</u> | <u>7.80%</u> |
| Total Therms and Margins | | <u>784,297</u> | | | | <u>\$153,060</u> | | | | <u>\$165,007</u> | <u>\$11,947</u> | <u>7.81%</u> |
| Total Therms and Margin from Rates | <u>73,792</u> | <u>7,918,158</u> | | | | <u>\$3,231,061</u> | | | | <u>\$3,932,426</u> | <u>\$701,365</u> | <u>21.71%</u> |
| Miscellaneous Revenues | | | | | | <u>\$21,391</u> | | | | <u>\$21,391</u> | <u>\$0</u> | |
| Total Margin Including Misc. Revenue | | | | | | <u>\$3,252,452</u> | | | | <u>\$3,953,817</u> | <u>\$701,365</u> | <u>21.56%</u> |

CITIZENS GAS OF WESTFIELD

REVENUE PROOF AT PROPOSED RATES

**Attachment BRK-3
SCHEDULE 12
PAGE 1 OF 1**

| <u>Description</u> | <u>Number of Bills</u> | <u>Billing Quantities (therms)</u> | <u>Proposed Rates (\$/therm)</u> | <u>Pro Forma Base Cost of Gas (\$/therm)</u> | <u>Proposed Effective Rates (\$/therm)</u> | <u>Margin at Proposed Rates</u> | <u>Misc. Revenues</u> | <u>Total Revenues</u> | <u>Cost-of-Service</u> | <u>(Over)/Under Recovery</u> | <u>(Over)/Under Recovery Percentage</u> |
|---|------------------------|------------------------------------|----------------------------------|--|--|---------------------------------|-----------------------|-----------------------|------------------------|------------------------------|---|
| <u>Residential:</u> | | | | | | | | | | | |
| Customer Charge | 67,846 | | \$14.59 | | \$14.59 | \$989,873 | | | | | |
| First 120 Therms | | 3,500,706 | 0.4429 | \$0.0000 | 0.4429 | 1,550,463 | | | | | |
| Next 380 Therms | | 642,284 | 0.2769 | 0.0000 | 0.2769 | 177,848 | | | | | |
| Over 500 Therms | | <u>6,102</u> | 0.2569 | 0.0000 | 0.2569 | <u>1,568</u> | | | | | |
| Total Therms and Margins | | <u>4,149,092</u> | | | | <u>\$2,719,752</u> | \$11,831 | \$2,731,583 | \$2,731,875 | \$292 | 0.0107% |
| <u>Industrial:</u> | | | | | | | | | | | |
| Customer Charge | 107 | | \$127.15 | | \$127.15 | \$13,605 | | | | | |
| First 500 Therms | | 28,952 | 0.4506 | \$0.0000 | 0.4506 | 13,046 | | | | | |
| Over 500 Therms | | <u>65,039</u> | 0.2136 | 0.0000 | 0.2136 | <u>13,892</u> | | | | | |
| Total Therms and Margins | | <u>93,991</u> | | | | <u>\$40,543</u> | \$367 | \$40,910 | \$40,910 | \$0 | 0.0000% |
| <u>Commercial:</u> | | | | | | | | | | | |
| Customer Charge | 5,815 | | \$43.82 | | \$43.82 | \$254,813 | | | | | |
| First 120 Therms | | 381,804 | 0.3531 | \$0.0000 | 0.3531 | 134,815 | | | | | |
| Next 380 Therms | | 639,403 | 0.2561 | 0.0000 | 0.2561 | 163,751 | | | | | |
| Over 500 Therms | | <u>1,869,571</u> | 0.2427 | 0.0000 | 0.2427 | <u>453,745</u> | | | | | |
| Total Therms and Margins | | <u>2,890,778</u> | | | | <u>\$1,007,124</u> | \$8,840 | \$1,015,964 | \$1,015,964 | \$0 | 0.0000% |
| <u>Large Volume Interruptible Service:</u> | | | | | | | | | | | |
| Customer Charge | 24 | | \$1,231.62 | | \$1,231.62 | \$29,559 | | | | | |
| All Therms | | <u>784,297</u> | 0.1727 | \$0.0000 | 0.1727 | <u>135,448</u> | | | | | |
| Total Therms and Margins | | <u>784,297</u> | | | | <u>\$165,007</u> | <u>\$353</u> | <u>\$165,360</u> | <u>\$165,376</u> | <u>\$16</u> | 0.0097% |
| Total Therms and Revenue | <u>73,792</u> | <u>7,918,158</u> | | | | <u>\$3,932,426</u> | <u>\$21,391</u> | <u>\$3,953,817</u> | <u>\$3,954,125</u> | <u>\$308</u> | <u>0.0078%</u> |

CITIZENS GAS OF WESTFIELD

TYPICAL BILL COMPARISON
RESIDENTIAL - D20

Attachment BRK-3
SCHEDULE 13
PAGE 1 OF 4

| <u>Level of Usage</u> (therms) | <u>Current Bill</u> (\$) | <u>Proposed Bill</u> (\$) | <u>Dollar Increase</u> (\$) | <u>Percent Increase</u> (%) | <u>Gas Cost Recovery</u> (\$) | <u>Total Current Bill</u> (\$) | <u>Total Proposed Bill</u> (\$) | <u>Percent Increase</u> (%) |
|-----------------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| 0 | \$11.83 | \$14.59 | \$2.76 | 23.33% | \$0.00 | \$11.83 | \$14.59 | 23.33% |
| 10 | 15.42 | 19.02 | 3.60 | 23.35% | 4.83 | 20.25 | 23.85 | 17.78% |
| 20 | 19.01 | 23.45 | 4.44 | 23.36% | 9.66 | 28.67 | 33.11 | 15.49% |
| 30 | 22.60 | 27.88 | 5.28 | 23.36% | 14.49 | 37.09 | 42.37 | 14.24% |
| 40 | 26.19 | 32.31 | 6.12 | 23.37% | 19.32 | 45.51 | 51.63 | 13.45% |
| 50 | 29.78 | 36.74 | 6.96 | 23.37% | 24.15 | 53.93 | 60.89 | 12.91% |
| 60 | 33.37 | 41.16 | 7.79 | 23.34% | 28.97 | 62.34 | 70.13 | 12.50% |
| 70 | 36.96 | 45.59 | 8.63 | 23.35% | 33.80 | 70.76 | 79.39 | 12.20% |
| 80 | 40.55 | 50.02 | 9.47 | 23.35% | 38.63 | 79.18 | 88.65 | 11.96% |
| 90 | 44.14 | 54.45 | 10.31 | 23.36% | 43.46 | 87.60 | 97.91 | 11.77% |
| 100 | 47.73 | 58.88 | 11.15 | 23.36% | 48.29 | 96.02 | 107.17 | 11.61% |
| 125 | 56.03 | 69.12 | 13.09 | 23.36% | 60.36 | 116.39 | 129.48 | 11.25% |
| 150 | 61.65 | 76.05 | 14.40 | 23.36% | 72.44 | 134.09 | 148.49 | 10.74% |
| 175 | 67.26 | 82.97 | 15.71 | 23.36% | 84.51 | 151.77 | 167.48 | 10.35% |
| 200 | 72.87 | 89.89 | 17.02 | 23.36% | 96.58 | 169.45 | 186.47 | 10.04% |
| 250 | 84.10 | 103.74 | 19.64 | 23.35% | 120.73 | 204.83 | 224.47 | 9.59% |
| 300 | 95.32 | 117.58 | 22.26 | 23.35% | 144.87 | 240.19 | 262.45 | 9.27% |
| 400 | 117.77 | 145.27 | 27.50 | 23.35% | 193.16 | 310.93 | 338.43 | 8.84% |
| 500 | 140.22 | 172.96 | 32.74 | 23.35% | 241.45 | 381.67 | 414.41 | 8.58% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

TYPICAL BILL COMPARISON
INDUSTRIAL - D30

Attachment BRK-3
SCHEDULE 13
PAGE 2 OF 4

| <u>Level of Usage</u> (therms) | <u>Current Bill</u> (\$) | <u>Proposed Bill</u> (\$) | <u>Dollar Increase</u> (\$) | <u>Percent Increase</u> (%) | <u>Gas Cost Recovery</u> (\$) | <u>Total Current Bill</u> (\$) | <u>Total Proposed Bill</u> (\$) | <u>Percent Increase</u> (%) |
|-----------------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| 0 | \$109.18 | \$127.15 | \$17.97 | 16.46% | \$0.00 | \$109.18 | \$127.15 | 16.46% |
| 100 | 147.87 | 172.21 | 24.34 | 16.46% | 48.29 | 196.16 | 220.50 | 12.41% |
| 200 | 186.56 | 217.27 | 30.71 | 16.46% | 96.58 | 283.14 | 313.85 | 10.85% |
| 300 | 225.25 | 262.33 | 37.08 | 16.46% | 144.87 | 370.12 | 407.20 | 10.02% |
| 400 | 263.94 | 307.39 | 43.45 | 16.46% | 193.16 | 457.10 | 500.55 | 9.51% |
| 500 | 302.63 | 352.45 | 49.82 | 16.46% | 241.45 | 544.08 | 593.90 | 9.16% |
| 600 | 320.97 | 373.81 | 52.84 | 16.46% | 289.74 | 610.71 | 663.55 | 8.65% |
| 700 | 339.31 | 395.17 | 55.86 | 16.46% | 338.03 | 677.34 | 733.20 | 8.25% |
| 800 | 357.65 | 416.53 | 58.88 | 16.46% | 386.32 | 743.97 | 802.85 | 7.91% |
| 900 | 375.99 | 437.89 | 61.90 | 16.46% | 434.61 | 810.60 | 872.50 | 7.64% |
| 1,000 | 394.33 | 459.25 | 64.92 | 16.46% | 482.90 | 877.23 | 942.15 | 7.40% |
| 1,500 | 486.03 | 566.05 | 80.02 | 16.46% | 724.35 | 1,210.38 | 1,290.40 | 6.61% |
| 2,000 | 577.73 | 672.85 | 95.12 | 16.46% | 965.80 | 1,543.53 | 1,638.65 | 6.16% |
| 2,500 | 669.43 | 779.65 | 110.22 | 16.46% | 1,207.25 | 1,876.68 | 1,986.90 | 5.87% |
| 3,000 | 761.13 | 886.45 | 125.32 | 16.46% | 1,448.70 | 2,209.83 | 2,335.15 | 5.67% |
| 3,500 | 852.83 | 993.25 | 140.42 | 16.47% | 1,690.15 | 2,542.98 | 2,683.40 | 5.52% |
| 4,000 | 944.53 | 1,100.05 | 155.52 | 16.47% | 1,931.60 | 2,876.13 | 3,031.65 | 5.41% |
| 4,500 | 1,036.23 | 1,206.85 | 170.62 | 16.47% | 2,173.05 | 3,209.28 | 3,379.90 | 5.32% |
| 5,000 | 1,127.93 | 1,313.65 | 185.72 | 16.47% | 2,414.50 | 3,542.43 | 3,728.15 | 5.24% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

TYPICAL BILL COMPARISON
COMMERCIAL - D40

Attachment BRK-3
SCHEDULE 13
PAGE 3 OF 4

| <u>Level of Usage</u> (therms) | <u>Current Bill</u> (\$) | <u>Proposed Bill</u> (\$) | <u>Dollar Increase</u> (\$) | <u>Percent Increase</u> (%) | <u>Gas Cost Recovery</u> (\$) | <u>Total Current Bill</u> (\$) | <u>Total Proposed Bill</u> (\$) | <u>Percent Increase</u> (%) |
|-----------------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| 0 | \$36.48 | \$43.82 | \$7.34 | 20.12% | \$0.00 | \$36.48 | \$43.82 | 20.12% |
| 25 | 43.83 | 52.65 | 8.82 | 20.12% | 12.07 | 55.90 | 64.72 | 15.78% |
| 50 | 51.18 | 61.48 | 10.30 | 20.13% | 24.15 | 75.33 | 85.63 | 13.67% |
| 100 | 65.88 | 79.13 | 13.25 | 20.11% | 48.29 | 114.17 | 127.42 | 11.61% |
| 150 | 78.16 | 93.88 | 15.72 | 20.11% | 72.44 | 150.60 | 166.32 | 10.44% |
| 200 | 88.82 | 106.68 | 17.86 | 20.11% | 96.58 | 185.40 | 203.26 | 9.63% |
| 250 | 99.48 | 119.49 | 20.01 | 20.11% | 120.73 | 220.21 | 240.22 | 9.09% |
| 300 | 110.14 | 132.29 | 22.15 | 20.11% | 144.87 | 255.01 | 277.16 | 8.69% |
| 350 | 120.80 | 145.10 | 24.30 | 20.12% | 169.02 | 289.82 | 314.12 | 8.38% |
| 400 | 131.46 | 157.90 | 26.44 | 20.11% | 193.16 | 324.62 | 351.06 | 8.14% |
| 450 | 142.12 | 170.71 | 28.59 | 20.12% | 217.31 | 359.43 | 388.02 | 7.95% |
| 500 | 152.78 | 183.51 | 30.73 | 20.11% | 241.45 | 394.23 | 424.96 | 7.79% |
| 600 | 172.98 | 207.78 | 34.80 | 20.12% | 289.74 | 462.72 | 497.52 | 7.52% |
| 700 | 193.18 | 232.05 | 38.87 | 20.12% | 338.03 | 531.21 | 570.08 | 7.32% |
| 800 | 213.38 | 256.32 | 42.94 | 20.12% | 386.32 | 599.70 | 642.64 | 7.16% |
| 900 | 233.58 | 280.59 | 47.01 | 20.13% | 434.61 | 668.19 | 715.20 | 7.04% |
| 1,000 | 253.78 | 304.86 | 51.08 | 20.13% | 482.90 | 736.68 | 787.76 | 6.93% |
| 1,500 | 354.78 | 426.21 | 71.43 | 20.13% | 724.35 | 1,079.13 | 1,150.56 | 6.62% |
| 2,000 | 455.78 | 547.56 | 91.78 | 20.14% | 965.80 | 1,421.58 | 1,513.36 | 6.46% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

TYPICAL BILL COMPARISON
LARGE VOLUME INTERRUPTIBLE SERVICE - D50

Attachment BRK-3
SCHEDULE 13
PAGE 4 OF 4

| <u>Level of Usage</u> (therms) | <u>Current Bill</u> (\$) | <u>Proposed Bill</u> (\$) | <u>Dollar Increase</u> (\$) | <u>Percent Increase</u> (%) | <u>Gas Cost Recovery</u> (\$) | <u>Total Current Bill</u> (\$) | <u>Total Proposed Bill</u> (\$) | <u>Percent Increase</u> (%) |
|-----------------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| 0 | \$1,142.34 | \$1,231.62 | \$89.28 | 7.82% | \$0.00 | \$1,142.34 | \$1,231.62 | 7.82% |
| 1,000 | 1,302.54 | 1,404.32 | 101.78 | 7.81% | 482.90 | 1,785.44 | 1,887.22 | 5.70% |
| 5,000 | 1,943.34 | 2,095.12 | 151.78 | 7.81% | 2,414.50 | 4,357.84 | 4,509.62 | 3.48% |
| 10,000 | 2,744.34 | 2,958.62 | 214.28 | 7.81% | 4,829.00 | 7,573.34 | 7,787.62 | 2.83% |
| 15,000 | 3,545.34 | 3,822.12 | 276.78 | 7.81% | 7,243.50 | 10,788.84 | 11,065.62 | 2.57% |
| 20,000 | 4,346.34 | 4,685.62 | 339.28 | 7.81% | 9,658.00 | 14,004.34 | 14,343.62 | 2.42% |
| 25,000 | 5,147.34 | 5,549.12 | 401.78 | 7.81% | 12,072.50 | 17,219.84 | 17,621.62 | 2.33% |
| 30,000 | 5,948.34 | 6,412.62 | 464.28 | 7.81% | 14,487.00 | 20,435.34 | 20,899.62 | 2.27% |
| 35,000 | 6,749.34 | 7,276.12 | 526.78 | 7.80% | 16,901.50 | 23,650.84 | 24,177.62 | 2.23% |
| 40,000 | 7,550.34 | 8,139.62 | 589.28 | 7.80% | 19,316.00 | 26,866.34 | 27,455.62 | 2.19% |
| 45,000 | 8,351.34 | 9,003.12 | 651.78 | 7.80% | 21,730.50 | 30,081.84 | 30,733.62 | 2.17% |
| 50,000 | 9,152.34 | 9,866.62 | 714.28 | 7.80% | 24,145.00 | 33,297.34 | 34,011.62 | 2.15% |
| 60,000 | 10,754.34 | 11,593.62 | 839.28 | 7.80% | 28,974.00 | 39,728.34 | 40,567.62 | 2.11% |
| 70,000 | 12,356.34 | 13,320.62 | 964.28 | 7.80% | 33,803.00 | 46,159.34 | 47,123.62 | 2.09% |
| 80,000 | 13,958.34 | 15,047.62 | 1,089.28 | 7.80% | 38,632.00 | 52,590.34 | 53,679.62 | 2.07% |
| 90,000 | 15,560.34 | 16,774.62 | 1,214.28 | 7.80% | 43,461.00 | 59,021.34 | 60,235.62 | 2.06% |
| 100,000 | 17,162.34 | 18,501.62 | 1,339.28 | 7.80% | 48,290.00 | 65,452.34 | 66,791.62 | 2.05% |
| 110,000 | 18,764.34 | 20,228.62 | 1,464.28 | 7.80% | 53,119.00 | 71,883.34 | 73,347.62 | 2.04% |
| 120,000 | 20,366.34 | 21,955.62 | 1,589.28 | 7.80% | 57,948.00 | 78,314.34 | 79,903.62 | 2.03% |

CITIZENS GAS OF WESTFIELD

SCHEDULE OF ALLOCATION FACTORS

**Attachment BRK-4
Schedule 1
Page 1 of 1**

| Allocator Name | Allocator No. | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 | Total |
|--|---------------|-----------------|----------------|----------------|--|--------------|
| <u>Input Allocators</u> | | | | | | |
| Pro Forma Annual Throughput | (1) | 4,149,092 | 93,991 | 2,890,777 | 784,297 | 7,918,157 |
| | (1) | 52.3998% | 1.1870% | 36.5082% | 9.9050% | 100.0000% |
| Pro Forma Annual Sales | (2) | 4,149,092 | 81,119 | 1,668,673 | - | 5,898,884 |
| | (2) | 70.3369% | 1.3752% | 28.2879% | 0.0000% | 100.0000% |
| Pro Forma Number of Bills | (3) | 67,846 | 107 | 5,815 | 24 | 73,792 |
| | (3) | 91.9422% | 0.1450% | 7.8803% | 0.0325% | 100.0000% |
| Design Day Throughput | (4) | 5,911.82 | 125.82 | 3,348.97 | 623.39 | 10,010.00 |
| | (4) | 59.0592% | 1.2569% | 33.4562% | 6.2277% | 100.0000% |
| Meters Weighting Factor | (7) | 1.0 | 15.4 | 4.1 | 42.5 | |
| Pro Forma Meters | (7) | 67,846 | 1,648 | 23,842 | 1,020 | 94,355 |
| | (7) | 71.9048% | 1.7464% | 25.2678% | 1.0810% | 100.0000% |
| Services Weighting Factor | (8) | 1.0 | 6.0 | 1.9 | 15.0 | |
| Pro Forma Services | (8) | 67,846 | 642 | 11,049 | 360 | 79,897 |
| | (8) | 84.9174% | 0.8035% | 13.8285% | 0.4506% | 100.0000% |
| 95% Rate RS / 5% Rate CS | (9) | | | | | |
| | (9) | 95.0000% | 0.0000% | 5.0000% | 0.0000% | 100.0000% |
| 100% Industrial | (10) | | | | | |
| | (10) | 0.0000% | 100.0000% | 0.0000% | 0.0000% | 100.0000% |
| Pro Forma Transportation Bills | (11) | 0 | 24 | 538 | 24 | 586 |
| | (11) | 0.0000% | 4.0956% | 91.8089% | 4.0955% | 100.0000% |
| <u>Internally-Generated Allocators</u> | | | | | | |
| Gross Plant | (101) | \$13,445,959 | \$245,387 | \$5,465,897 | \$1,069,748 | \$20,226,991 |
| | (101) | 66.4752% | 1.2132% | 27.0228% | 5.2887% | 99.9999% |
| Distribution Mains Plant | (104) | \$7,530,186 | \$130,558 | \$3,806,488 | \$844,759 | 12,311,991 |
| | (104) | 61.1614% | 1.0604% | 30.9169% | 6.8613% | 100.0000% |
| Mains and Services Plant | (105) | \$11,165,502 | \$164,956 | \$4,398,486 | \$864,049 | 16,592,993 |
| | (105) | 67.2905% | 0.9941% | 26.5081% | 5.2073% | 100.0000% |
| Meters, Meter Installations and House Regulators | (106) | \$642,864 | \$15,613 | \$225,907 | \$9,665 | 894,049 |
| | (106) | 71.9048% | 1.7463% | 25.2679% | 1.0810% | 100.0000% |
| Subtotal Gross Plant | (108) | \$12,493,160 | \$227,998 | \$5,078,575 | \$993,944 | 18,793,677 |
| | (108) | 66.4752% | 1.2132% | 27.0228% | 5.2887% | 99.9999% |
| O&M Without Gas Costs | (109) | \$577,013 | \$5,098 | \$144,465 | \$23,146 | \$749,722 |
| | (109) | 76.9636% | 0.6800% | 19.2691% | 3.0873% | 100.0000% |
| Distribution O&M | (110) | \$276,764 | \$4,077 | \$106,748 | \$20,454 | \$408,043 |
| | (110) | 67.8272% | 0.9992% | 26.1610% | 5.0127% | 100.0001% |
| Gas Costs | (111) | \$2,697,629 | \$56,511 | \$1,069,776 | \$0 | \$3,823,916 |
| | (111) | 70.5463% | 1.4778% | 27.9759% | 0.0000% | 100.0000% |

CITIZENS GAS OF WESTFIELD

ALLOCATION OF FAIR VALUE RATE BASE

**Attachment BRK-4
SCHEDULE 2
PAGE 1 OF 1**

| | Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|---------------|---------------------------|---------------|-----------------|----------------|----------------|--|
| <u>GROSS PLANT</u> | | | | | | | |
| <u>Distribution:</u> | | | | | | | |
| Mains: | | | | | | | |
| Customer | (3) | Number of Bills | \$ 1,846,799 | \$1,697,987 | \$2,678 | \$145,533 | \$600 |
| Commodity | (1) | Annual Throughput | \$ 5,232,596 | \$2,741,870 | 62,111 | 1,910,327 | 518,289 |
| Demand | (4) | Design Day Throughput | \$ 5,232,596 | 3,090,329 | 65,769 | 1,750,628 | 325,870 |
| Land and Land Rights | (104) | Distributions Mains Plant | \$46,086 | 28,187 | 489 | 14,248 | 3,162 |
| Structures and Improvements | (104) | Distributions Mains Plant | 39,942 | 24,429 | 424 | 12,349 | 2,741 |
| Measuring and Regulating Equipment | (104) | Distributions Mains Plant | 110,036 | 67,300 | 1,167 | 34,020 | 7,550 |
| Industrial Measuring and Regulating Equipment | (10) | 100% industrial | 32,553 | - | 32,553 | - | - |
| Services | (8) | Direct | 4,281,001 | 3,635,316 | 34,398 | 591,998 | 19,290 |
| Meters | (7) | Direct | 791,240 | 568,940 | 13,818 | 199,929 | 8,553 |
| Meter Installations | (7) | Direct | 16,147 | 11,609 | 282 | 4,080 | 175 |
| House Regulators | (7) | Direct | 86,663 | 62,315 | 1,513 | 21,898 | 937 |
| <u>Transmission:</u> | | | | | | | |
| Structures and Improvements | (1) | Annual Throughput | 83,079 | 43,533 | 986 | 30,331 | 8,229 |
| Mains | (1) | Annual Throughput | 277,307 | 145,308 | 3,292 | 101,240 | 27,467 |
| Measuring and Regulating Equipment | (1) | Annual Throughput | 717,630 | 376,037 | 8,518 | 261,994 | 71,081 |
| General and Intangible Plant | (108) | Subtotal Gross Plant | 1,433,315 | 952,799 | 17,389 | 387,322 | 75,804 |
| Total Gross Plant | | | \$20,226,990 | \$13,445,959 | \$245,387 | \$5,465,897 | \$1,069,748 |
| <u>DEPRECIATION RESERVE (Accumulated Depreciation MSFR1, page 203)</u> | | | | | | | |
| <u>Distribution:</u> | | | | | | | |
| Mains | (104) | Distributions Mains Plant | (3,724,346) | (\$2,277,862) | (\$39,493) | (\$1,151,452) | (\$255,539) |
| Structures and Improvements | (104) | Distributions Mains Plant | (3,852) | (2,356) | (41) | (1,191) | (264) |
| Measuring and Regulating Equipment | (104) | Distributions Mains Plant | (36,694) | (22,443) | (389) | (11,345) | (2,518) |
| Industrial Measuring and Regulating Equipment | (10) | 100% industrial | (33,356) | - | (33,356) | - | - |
| Services | (8) | Direct | (1,687,229) | (1,432,751) | (13,557) | (233,318) | (7,603) |
| Meters | (7) | Direct | (416,155) | (299,236) | (7,268) | (105,153) | (4,499) |
| Meter Installations | (7) | Direct | (14,069) | (10,116) | (246) | (3,555) | (152) |
| House Regulators | (7) | Direct | (65,413) | (47,035) | (1,142) | (16,528) | (707) |
| <u>Transmission:</u> | | | | | | | |
| Structures and Improvements | (1) | Annual Throughput | (129) | (68) | (2) | (47) | (13) |
| Mains | (1) | Annual Throughput | (1,470) | (770) | (17) | (537) | (146) |
| Measuring and Regulating Equipment | (1) | Annual Throughput | (1,531) | (802) | (18) | (559) | (152) |
| General and Intangible Plant | (108) | Subtotal Gross Plant | (682,827) | (453,911) | (8,284) | (184,519) | (36,113) |
| Total Depreciation Reserve | | | (\$6,667,071) | (\$4,547,350) | (\$103,813) | (\$1,708,204) | (\$307,706) |
| <u>OTHER BASE RATE COMPONENTS</u> | | | | | | | |
| Materials and Supplies | (101) | Gross Plant | \$401,124 | 266,648 | 4,866 | 108,395 | 21,214 |
| Total Other Base Rate Components | | | \$401,124 | \$266,648 | \$4,866 | \$108,395 | \$21,214 |
| Total HISTORICAL Value Rate Base | | | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |

CITIZENS GAS OF WESTFIELD

ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSES

**Attachment BRK-4
SCHEDULE 3
PAGE 1 OF 1**

| | <u>Allocator No.</u> | <u>Allocation Method</u> | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|----------------------|--------------------------|------------------|------------------------|-----------------------|-----------------------|---|
| <u>Distribution:</u> | | | | | | | |
| Mains | (104) | Distribution Mains Plant | \$241,315 | \$147,592 | \$2,559 | \$74,607 | \$16,557 |
| Structures and Improvements | (104) | Distribution Mains Plant | 935 | 572 | 10 | 289 | 64 |
| Measuring and Regulating Equipment | (104) | Distribution Mains Plant | 3,395 | 2,076 | 36 | 1,050 | 233 |
| Industrial Measuring and Regulating Equipment | (10) | 100% industrial | 339 | 0 | 339 | 0 | 0 |
| Services | (8) | Direct | 118,584 | 100,699 | 953 | 16,398 | 534 |
| Meters | (7) | Direct | 21,363 | 15,361 | 373 | 5,398 | 231 |
| Meter Installations | (7) | Direct | 281 | 202 | 5 | 71 | 3 |
| House Regulators | (7) | Direct | 1,855 | 1,334 | 32 | 469 | 20 |
| <u>Transmission:</u> | | | | | | | |
| Structures and Improvements | (1) | Annual Throughput | 1,554 | 815 | 18 | 567 | 154 |
| Mains | (1) | Annual Throughput | 5,879 | 3,081 | 70 | 2,146 | 582 |
| Measuring and Regulating Equipment | (1) | Annual Throughput | 18,371 | 9,626 | 218 | 6,707 | 1,820 |
| General and Intangible Plant | (108) | Subtotal Gross Plant | 92,771 | 61,669 | 1,125 | 25,069 | 4,906 |
| Total Depreciation and Amortization Expenses | | | <u>\$506,642</u> | <u>\$343,027</u> | <u>\$5,738</u> | <u>\$132,771</u> | <u>\$25,104</u> |

CITIZENS GAS OF WESTFIELD

**ALLOCATION OF PRO FORMA OPERATION AND MAINTENANCE EXPENSES
AT PRESENT REVENUE LEVELS**

**Attachment BRK-4
SCHEDULE 4
PAGE 1 OF 2**

| | <u>Allocator No.</u> | <u>Allocation Method</u> | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|----------------------|--|--------------------|------------------------|-----------------------|-----------------------|---|
| <u>PRO FORMA COST OF GAS</u> | | | | | | | |
| Commodity Cost of Purchased Gas | | | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Transmission: | | | | | | | |
| Operation Supervision and engineering | (2) | Annual Sales | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution: | | | | | | | |
| Mains and Services | (105) | Mains and Services Plant | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | (106) | Meters, Meter Installations and House Regulators | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | (3) | Number of Bills | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | (110) | Distribution O&M | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | (3) | Number of Bills | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | (9) | 95% rate RS / 5% Rate CS | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expenses | (3) | Number of Bills | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | (109) | O&M Without Gas Costs | 1,250,580 | 962,490 | 8,504 | 240,976 | 38,609 |
| Total Pro Forma Operating Costs at Present Revenue Levels | | | <u>\$5,824,220</u> | <u>\$4,237,132</u> | <u>\$70,113</u> | <u>\$1,455,217</u> | <u>\$61,755</u> |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**ALLOCATION OF PRO FORMA OPERATION AND MAINTENANCE EXPENSES
AT PROPOSED REVENUE LEVELS**

**Attachment BRK-4
SCHEDULE 4
PAGE 2 OF 2**

| | <u>Allocator No.</u> | <u>Allocation Method</u> | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|----------------------|--|--------------------|------------------------|-----------------------|-----------------------|---|
| <u>PRO FORMA COST OF GAS</u> | | | | | | | |
| Commodity Cost of Purchased Gas | | | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| <u>OPERATING EXPENSES</u> | | | | | | | |
| Transmission: | | | | | | | |
| Operation Supervision and engineering | (2) | Annual Sales | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution: | | | | | | | |
| Mains and Services | (105) | Mains and Services Plant | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | (106) | Meters, Meter Installations and House Regulators | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | (3) | Number of Bills | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | (110) | Distribution O&M | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | (3) | Number of Bills | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | (9) | 95% rate RS / 5% Rate CS | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expenses | (3) | Number of Bills | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | (109) | O&M Without Gas Costs | 1,255,716 | 966,444 | 8,539 | 241,965 | 38,768 |
| Total Pro Forma Operating Costs at Proposed Revenue Levels | | | \$5,829,356 | \$4,241,086 | \$70,148 | \$1,456,206 | \$61,914 |

CITIZENS GAS OF WESTFIELD

ALLOCATION OF MISCELLANEOUS REVENUES

**Attachment BRK-4
SCHEDULE 5
PAGE 1 OF 1**

| | | | | | | | Large Volume Interruptible Service |
|---------------------------------------|----------------------|--------------------------------|-----------------|----------------------------|---------------------------|---------------------------|--|
| <u>MISCELLANEOUS REVENUES</u> | <u>Allocator No.</u> | <u>Allocation Method</u> | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>D50</u> |
| Miscellaneous Revenue | (3) | Number of bills | (\$3,850) | (\$3,540) | \$ (6) | (\$303) | \$ (1) |
| Miscellaneous Supplier Revenues | (11) | Pro Forma Transportation Bills | 8,523 | - | 349 | 7,825 | 349 |
| Return Check Fee | (3) | Number of bills | 503 | 462 | 1 | 40 | - |
| Collection fees | (3) | Number of bills | 3,518 | 3,235 | 5 | 277 | 1 |
| Late payment charges | (3) | Number of bills | 12,697 | 11,674 | 18 | 1,001 | 4 |
| Total Proforma Miscellaneous Revenues | | | <u>\$21,391</u> | <u>\$11,831</u> | <u>\$367</u> | <u>\$8,840</u> | <u>\$353</u> |

CITIZENS GAS OF WESTFIELD

CALCULATION OF PRO FORMA NET OPERATING INCOME AND REVENUES
NORMALIZED AT PRESENT RATES

Attachment BRK-4
 SCHEDULE 6
 PAGE 1 OF 5

| | Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|---------------|-------------------|--------------------|--------------------|-----------------|--------------------|--|
| Pro Forma Normalized Revenues. w/o Misc. Rev | | | \$3,231,063 | \$2,204,835 | \$34,812 | \$838,355 | \$153,061 |
| Pro Forma Normalized Miscellaneous Revenues | | | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Gas Cost revenue | | | <u>3,823,916</u> | <u>2,697,629</u> | <u>56,511</u> | <u>1,069,776</u> | <u>-</u> |
| Pro Forma Normalized Rev. w/ Misc. Revenues | | | <u>\$7,076,370</u> | <u>\$4,914,295</u> | <u>\$91,690</u> | <u>\$1,916,971</u> | <u>\$153,414</u> |
| <u>Net Operating Income</u> | | | | | | | |
| Total Pro Forma Normalized Revenues | | | \$7,076,370 | \$4,914,295 | \$91,690 | \$1,916,971 | \$153,414 |
| Less: Operation and Maintenance Expenses | | | (2,000,304) | (1,539,503) | (13,602) | (385,441) | (61,755) |
| Less: Gas Costs | | | (3,823,916) | (2,697,629) | (56,511) | (1,069,776) | - |
| Less: Depreciation and Amortization Expenses | | | (506,642) | (343,027) | (5,738) | (132,771) | (25,104) |
| Less: Property Taxes | (101) | Gross Plant | (148,887) | (98,974) | (1,806) | (40,233) | (7,874) |
| Less: Large Volume Interruptible Service Discount | | | <u>(27,450)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(27,450)</u> |
| Net Operating Income | | | <u>\$569,171</u> | <u>\$235,162</u> | <u>\$14,033</u> | <u>\$288,750</u> | <u>\$31,231</u> |
| Total HISTORICAL Rate Base | | | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | | | 4.077% | 2.566% | 9.583% | 7.469% | 3.987% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

CALCULATION OF PRO FORMA NET OPERATING INCOME AND REVENUES
EQUALIZED AT PRESENT RATES

Attachment BRK-4
SCHEDULE 6
PAGE 2 OF 5

| Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|--|---|--------------------|--------------------|-----------------|--------------------|--|
| | Historical Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| | Allowed Rate of Return | 4.077% | 4.077% | 4.077% | 4.077% | 4.077% |
| | Allowed Net Operating Income | <u>\$569,171</u> | <u>\$373,654</u> | <u>\$5,970</u> | <u>\$157,615</u> | <u>\$31,932</u> |
| <u>Derivation of Pro Forma Equalized Revenues</u> | | | | | | |
| | Net Operating Income | \$569,171 | \$373,654 | \$5,970 | \$157,615 | \$31,932 |
| | Plus: Operating & Maintenance Expenses | 2,000,304 | 1,539,503 | 13,602 | 385,441 | 61,755 |
| | Plus: Gas Costs | 3,823,916 | 2,697,629 | 56,511 | 1,069,776 | - |
| | Plus: Depreciation and Amortization Expenses | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| (101) | Plus: Property Taxes Gross Plant | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| | Plus: Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| | Pro Forma Equalized Revenues w/Misc. Rev. | <u>\$7,076,370</u> | <u>\$5,052,787</u> | <u>\$83,627</u> | <u>\$1,785,836</u> | <u>\$154,115</u> |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**CALCULATION OF PRO FORMA NET OPERATING INCOME AND REVENUES
EQUALIZED AT PROPOSED REVENUE LEVELS**

**Attachment BRK-4
SCHEDULE 6
PAGE 3 OF 5**

| Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|---|--|--------------------|-----------------|--------------------|--|
| | HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| | Allowed Rate of Return | changed K15 to OUCC's WACC (LDC-5) 7.940% | 7.940% | 7.940% | 7.940% | 7.940% |
| | Allowed Net Operating Income | <u>\$1,108,507</u> | <u>\$727,720</u> | <u>\$11,627</u> | <u>\$306,967</u> | <u>\$62,191</u> |
| <u>Derivation of Pro Forma Equalized Revenues</u> | | | | | | |
| | Net Operating Income | \$1,108,507 | \$727,720 | \$11,627 | \$306,967 | \$62,191 |
| | Plus: Operating & Maintenance Expenses | 2,005,440 | 1,543,457 | 13,637 | 386,430 | 61,914 |
| | Plus: Gas Costs | 3,823,916 | 2,697,629 | 56,511 | 1,069,776 | - |
| | Plus: Depreciation and Amortization Expenses | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| (101) | Gross Plant | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| | Plus: Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| | Pro Forma Equalized Revenues w/Misc. Rev. | <u>\$7,620,842</u> | <u>\$5,410,807</u> | <u>\$89,319</u> | <u>\$1,936,177</u> | <u>\$184,533</u> |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

CALCULATION OF PRO FORMA NET OPERATING INCOME AND REVENUES
NORMALIZED AT PROPOSED REVENUE LEVELS

Attachment BRK-4
 SCHEDULE 6
 PAGE 4 OF 5

| | Allocator No. | Allocation Method | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|---------------|-------------------|--------------------|--------------------|-----------------|--------------------|--|
| Subsidy Reduction | | | | | | | |
| Pro Forma Normalized Revenues w/Misc. Rev at Present Rates | | | \$7,076,370 | \$4,914,295 | \$91,690 | \$1,916,971 | \$153,414 |
| Less: Pro Forma Equalized Revenues w/Misc. Rev. at Present Rates | | | <u>7,076,370</u> | <u>5,052,787</u> | <u>83,627</u> | <u>1,785,836</u> | <u>154,115</u> |
| Pro Forma Subsidy at Present Rates | | | - | (138,492) | 8,063 | 131,135 | (701) |
| Proposed Subsidy Reduction Percentage | | | | 25% | 25% | 25% | 25% |
| Pro Forma Subsidy at Proposed Revenue Levels | | | - | (103,869) | 6,047 | 98,351 | (526) |
| Pro Forma Contractual Discount | (111) | Gas Costs | - | 19,365 | 406 | 7,679 | (27,450) |
| Pro Forma Equalized Revenues w/Misc. Rev at Proposed Revenue Levels | | | <u>7,620,842</u> | <u>5,410,807</u> | <u>89,319</u> | <u>1,936,177</u> | <u>184,533</u> |
| Pro Forma Normalized Revenues w/Misc Rev. at Proposed Revenue Levels | | | <u>\$7,620,842</u> | <u>\$5,326,303</u> | <u>\$95,772</u> | <u>\$2,042,207</u> | <u>\$156,557</u> |
| Net Operating Income | | | | | | | |
| Total Pro Forma Normalized Revenues w/Misc. Rev. at Proposed Revenue Levels | | | \$7,620,842 | \$5,326,303 | \$95,772 | \$2,042,207 | \$156,557 |
| Less: Operating & Maintenance Expenses | | | (2,005,440) | (1,543,457) | (13,637) | (386,430) | (61,914) |
| Less: Gas Costs | | | (3,823,916) | (2,697,629) | (56,511) | (1,069,776) | - |
| Less: Depreciation and Amortization Expenses | | | (506,642) | (343,027) | (5,738) | (132,771) | (25,104) |
| Less: Property Taxes | (101) | Gross Plant | (148,887) | (98,974) | (1,806) | (40,233) | (7,874) |
| Less: Large Volume Interruptible Service Discount | | | <u>(27,450)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(27,450)</u> |
| Net Operating Income | | | <u>\$1,108,507</u> | <u>\$643,216</u> | <u>\$18,080</u> | <u>\$412,997</u> | <u>\$34,215</u> |
| Total HISTORICAL Rate Base | | | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | | | 7.940% | 7.018% | 12.346% | 10.683% | 4.368% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

SUMMARY OF PRO FORMA REVENUES

**Attachment BRK-4
SCHEDULE 6
PAGE 5 OF 5**

| | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|--|--------------------|----------------------------|---------------------------|---------------------------|---|
| <u>Pro Forma Normalized Revenues at Present Rates</u> | | | | | |
| Pro Forma Normalized Revenues w/o Misc. Rev | \$7,054,979 | \$4,902,464 | \$91,323 | \$1,908,131 | \$153,061 |
| Pro Forma Normalized Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Pro Forma Normalized Revenues w/Misc. Rev. | <u>\$7,076,370</u> | <u>\$4,914,295</u> | <u>\$91,690</u> | <u>\$1,916,971</u> | <u>\$153,414</u> |
| <u>Pro Forma Equalized Revenues at Present Rates</u> | | | | | |
| Pro Forma Equalized Revenues w/o Misc. Rev | \$7,054,979 | \$5,040,956 | \$83,260 | \$1,776,996 | \$153,762 |
| Pro Forma Equalized Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Pro Forma Equalized Revenues w/Misc. Rev. | <u>\$7,076,370</u> | <u>\$5,052,787</u> | <u>\$83,627</u> | <u>\$1,785,836</u> | <u>\$154,115</u> |
| <u>Pro Forma Normalized Revenues at Proposed Revenue Levels</u> | | | | | |
| Pro Forma Normalized Revenues w/o Misc. Rev | \$7,599,451 | \$5,314,472 | \$95,405 | \$2,033,367 | \$156,204 |
| Pro Forma Normalized Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Pro Forma Normalized Revenues w/Misc. Rev. | <u>\$7,620,842</u> | <u>\$5,326,303</u> | <u>\$95,772</u> | <u>\$2,042,207</u> | <u>\$156,557</u> |
| <u>Pro Forma Equalized Revenues at Proposed Revenue Levels</u> | | | | | |
| Pro Forma Equalized Revenues w/o Misc. Rev | \$7,599,451 | \$5,398,976 | \$88,952 | \$1,927,337 | \$184,180 |
| Pro Forma Equalized Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Pro Forma Equalized Revenues w/Misc. Rev. | <u>\$7,620,842</u> | <u>\$5,410,807</u> | <u>\$89,319</u> | <u>\$1,936,177</u> | <u>\$184,533</u> |

CITIZENS GAS OF WESTFIELD

NORMALIZED COST OF SERVICE AT PRESENT RATES

**Attachment BRK-4
SCHEDULE 7
PAGE 1 OF 4**

| | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|--------------------|----------------------------|---------------------------|---------------------------|---|
| <u>OPERATING REVENUES</u> | | | | | |
| Revenues from Gas Sales | \$7,054,979 | \$4,902,464 | \$91,323 | \$1,908,131 | \$153,061 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | \$7,076,370 | \$4,914,295 | \$91,690 | \$1,916,971 | \$153,414 |
| <u>Operating Expenses</u> | | | | | |
| Commodity Cost of Purchased Gas | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| Transmission Expenses: | | | | | |
| Operation Supervision and engineering | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution Expenses: | | | | | |
| Mains and Services | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expense | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | 1,250,580 | 962,490 | 8,504 | 240,976 | 38,609 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total Operating Expenses | 6,507,199 | 4,679,133 | 77,657 | 1,628,221 | 122,183 |
| Net Operating Income | \$569,171 | \$235,162 | \$14,033 | \$288,750 | \$31,231 |
| | | | | | |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 4.08% | 2.57% | 9.58% | 7.47% | 3.99% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

EQUALIZED COST OF SERVICE AT PRESENT RATES

Attachment BRK-4
SCHEDULE 7
PAGE 2 OF 4

Large Volume
Interruptible
Service
D50

OPERATING REVENUES

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---------------------------------|--------------------|--------------------|-------------------|--------------------|---|
| Revenues from Gas Sales | \$7,054,979 | \$5,040,956 | \$83,260 | \$1,776,996 | \$153,762 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | \$7,076,370 | \$5,052,787 | \$83,627 | \$1,785,836 | \$154,115 |

Operating Expenses

| | | | | | |
|---|------------------|------------------|----------------|------------------|-----------------|
| Commodity Cost of Purchased Gas | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| Transmission Expenses: | | | | | |
| Operation Supervision and engineering | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution Expenses: | | | | | |
| Mains and Services | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expense | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | 1,250,580 | 962,490 | 8,504 | 240,976 | 38,609 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total Operating Expenses | 6,507,199 | 4,679,133 | 77,657 | 1,628,221 | 122,183 |
| Net Operating Income | \$569,171 | \$373,654 | \$5,970 | \$157,615 | \$31,932 |

| | | | | | |
|----------------------|--------------|-------------|-----------|-------------|-----------|
| Historical Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 4.08% | 4.08% | 4.08% | 4.08% | 4.08% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

EQUALIZED COST OF SERVICE AT PROPOSED RATES

Attachment BRK-4
SCHEDULE 7
PAGE 3 OF 4

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|--------------------|--------------------|-------------------|--------------------|---|
| <u>OPERATING REVENUES</u> | | | | | |
| Revenues from Gas Sales | \$7,599,451 | \$5,398,976 | \$88,952 | \$1,927,337 | \$184,180 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,620,842</u> | <u>\$5,410,807</u> | <u>\$89,319</u> | <u>\$1,936,177</u> | <u>\$184,533</u> |
| <u>Operating Expenses</u> | | | | | |
| Commodity Cost of Purchased Gas | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| Transmission Expenses: | | | | | |
| Operation Supervision and engineering | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution Expenses: | | | | | |
| Mains and Services | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expense | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | 1,255,716 | 966,444 | 8,539 | 241,965 | 38,768 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total Operating Expenses | <u>6,512,335</u> | <u>4,683,087</u> | <u>77,692</u> | <u>1,629,210</u> | <u>122,342</u> |
| Net Operating Income | <u>\$1,108,507</u> | <u>\$727,720</u> | <u>\$11,627</u> | <u>\$306,967</u> | <u>\$62,191</u> |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 7.940% | 7.940% | 7.940% | 7.940% | 7.940% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

NORMALIZED COST OF SERVICE AT PROPOSED RATES

**Attachment BRK-4
SCHEDULE 7
PAGE 4 OF 4**

| | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|--------------------|----------------------------|---------------------------|---------------------------|---|
| <u>OPERATING REVENUES</u> | | | | | |
| Revenues from Gas Sales | \$7,599,451 | \$5,314,472 | \$95,405 | \$2,033,367 | \$156,204 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | \$7,620,842 | \$5,326,303 | \$95,772 | \$2,042,207 | \$156,557 |
| <u>Operating Expenses</u> | | | | | |
| Commodity Cost of Purchased Gas | \$3,823,916 | \$2,697,629 | \$56,511 | \$1,069,776 | \$ - |
| Transmission Expenses: | | | | | |
| Operation Supervision and engineering | 8,109 | 5,703 | 112 | 2,294 | - |
| Distribution Expenses: | | | | | |
| Mains and Services | 390,549 | 262,801 | 3,882 | 103,527 | 20,337 |
| Meter, Meter Installation and House Regulator | 10,594 | 7,617 | 185 | 2,677 | 115 |
| Customer Installation Expenses | 6,902 | 6,346 | 10 | 544 | 2 |
| Other Distribution | 51,966 | 35,247 | 519 | 13,595 | 2,605 |
| Customer Accounts Expense | 88,990 | 81,819 | 129 | 7,013 | 29 |
| Uncollectible | 12,639 | 12,007 | - | 632 | - |
| Customer Service Expense | 179,975 | 165,473 | 261 | 14,183 | 58 |
| Administrative and General | 1,255,716 | 966,444 | 8,539 | 241,965 | 38,768 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Property Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total Operating Expenses | 6,512,335 | 4,683,087 | 77,692 | 1,629,210 | 122,342 |
| Net Operating Income | \$1,108,507 | \$643,216 | \$18,080 | \$412,997 | \$34,215 |
| | | | | | |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 7.940% | 7.018% | 12.346% | 10.683% | 4.368% |

CITIZENS GAS OF WESTFIELD

**STATEMENT OF OPERATING INCOME BASED UPON PRO FORMA REVENUES
AT NORMALIZED RATES OF RETURN
(Present Rates)**

Attachment BRK-4
SCHEDULE 8
PAGE 1 OF 4

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|--------------------|--------------------|-------------------|--------------------|---|
| OPERATING REVENUES | | | | | |
| Revenues from Gas Sales | \$7,054,979 | \$4,902,464 | \$91,323 | \$1,908,131 | \$153,061 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,076,370</u> | <u>\$4,914,295</u> | <u>\$91,690</u> | <u>\$1,916,971</u> | <u>\$153,414</u> |
| Operating Expenses | | | | | |
| Operation and Maintenance | \$5,824,220 | \$4,237,132 | \$70,113 | \$1,455,217 | \$61,755 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Taxes Other Than Income Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total | <u>6,507,199</u> | <u>4,679,133</u> | <u>77,657</u> | <u>1,628,221</u> | <u>122,183</u> |
| Net Operating Income | <u>\$569,171</u> | <u>\$235,162</u> | <u>\$14,033</u> | <u>\$288,750</u> | <u>\$31,231</u> |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 4.077% | 2.566% | 9.583% | 7.469% | 3.987% |
| Earnings Index | 100.00% | 62.94% | 235.05% | 183.20% | 97.80% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**STATEMENT OF OPERATING INCOME BASED UPON PRO FORMA REVENUES
AT EQUALIZED RATES OF RETURN
(Present Rates)**

**Attachment BRK-4
SCHEDULE 8
PAGE 2 OF 4**

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|--------------------|--------------------|-------------------|--------------------|---|
| OPERATING REVENUES | | | | | |
| Revenues from Gas Sales | \$7,054,979 | \$5,040,956 | \$83,260 | \$1,776,996 | \$153,762 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,076,370</u> | <u>\$5,052,787</u> | <u>\$83,627</u> | <u>\$1,785,836</u> | <u>\$154,115</u> |
| Operating Expenses | | | | | |
| Operation and Maintenance | \$5,824,220 | \$4,237,132 | \$70,113 | \$1,455,217 | \$61,755 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Taxes Other Than Income Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total | <u>6,507,199</u> | <u>4,679,133</u> | <u>77,657</u> | <u>1,628,221</u> | <u>122,183</u> |
| Net Operating Income | <u>\$569,171</u> | <u>\$373,654</u> | <u>\$5,970</u> | <u>\$157,615</u> | <u>\$31,932</u> |
| Historical Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 4.08% | 4.08% | 4.08% | 4.08% | 4.08% |
| Earnings Index | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**STATEMENT OF OPERATING INCOME BASED UPON PRO FORMA REVENUES
AT EQUALIZED RATES OF RETURN
(Proposed Revenue Levels)**

Attachment BRK-4
SCHEDULE 8
PAGE 3 OF 4

| | Total | Residential D20 | Industrial D30 | Commercial D40 | Large Volume Interruptible Service D50 |
|---|--------------------|--------------------|-------------------|--------------------|---|
| OPERATING REVENUES | | | | | |
| Revenues from Gas Sales | \$7,599,451 | \$5,398,976 | \$88,952 | \$1,927,337 | \$184,180 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,620,842</u> | <u>\$5,410,807</u> | <u>\$89,319</u> | <u>\$1,936,177</u> | <u>\$184,533</u> |
| Operating Expenses | | | | | |
| Operation and Maintenance | \$5,829,356 | \$4,241,086 | \$70,148 | \$1,456,206 | \$61,914 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Taxes Other Than Income Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total | <u>6,512,335</u> | <u>4,683,087</u> | <u>77,692</u> | <u>1,629,210</u> | <u>122,342</u> |
| Net Operating Income | <u>\$1,108,507</u> | <u>\$727,720</u> | <u>\$11,627</u> | <u>\$306,967</u> | <u>\$62,191</u> |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 7.94% | 7.94% | 7.94% | 7.94% | 7.94% |
| Earnings Index | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

**STATEMENT OF OPERATING INCOME BASED UPON PRO FORMA REVENUES
AT NORMALIZED RATES OF RETURN
(Proposed Revenue Levels)**

Attachment BRK-4
SCHEDULE 8
PAGE 4 OF 4

| | <u>Total</u> | <u>Residential D20</u> | <u>Industrial D30</u> | <u>Commercial D40</u> | <u>Large Volume Interruptible Service D50</u> |
|---|--------------------|----------------------------|---------------------------|---------------------------|---|
| <u>OPERATING REVENUES</u> | | | | | |
| Revenues from Gas Sales | \$7,599,451 | \$5,314,472 | \$95,405 | \$2,033,367 | \$156,204 |
| Miscellaneous Revenues | 21,391 | 11,831 | 367 | 8,840 | 353 |
| Total Operating Revenues | <u>\$7,620,842</u> | <u>\$5,326,303</u> | <u>\$95,772</u> | <u>\$2,042,207</u> | <u>\$156,557</u> |
| <u>Operating Expenses</u> | | | | | |
| Operation and Maintenance | \$5,829,356 | \$4,241,086 | \$70,148 | \$1,456,206 | \$61,914 |
| Depreciation and Amortization Expense | 506,642 | 343,027 | 5,738 | 132,771 | 25,104 |
| Taxes Other Than Income Taxes | 148,887 | 98,974 | 1,806 | 40,233 | 7,874 |
| Large Volume Interruptible Service Discount | 27,450 | - | - | - | 27,450 |
| Total | <u>6,512,335</u> | <u>4,683,087</u> | <u>77,692</u> | <u>1,629,210</u> | <u>122,342</u> |
| Net Operating Income | <u>\$1,108,507</u> | <u>\$643,216</u> | <u>\$18,080</u> | <u>\$412,997</u> | <u>\$34,215</u> |
| Total HISTORICAL Rate Base | \$13,961,043 | \$9,165,257 | \$146,440 | \$3,866,088 | \$783,256 |
| Rate of Return | 7.94% | 7.02% | 12.35% | 10.68% | 4.37% |
| Earnings Index | 100.00% | 88.39% | 155.50% | 134.54% | 55.02% |

CITIZENS GAS OF WESTFIELD

**COMPARISON OF PRO FORMA OPERATING REVENUES AND RESULTING DOLLAR SUBSIDY
LEVELS AT PRESENT AND PROPOSED RATES**

**Attachment BRK-4
SCHEDULE 9
PAGE 1 OF 1**

| Rate Schedule | Pro Forma Revenues - Present Rates | | | Pro Forma Revenues - Proposed Rates | | | | Calculated Subsidy Reduction | |
|------------------------------------|------------------------------------|---|-----------------|---|----------------------------|-----------------------------|-------------------------------|------------------------------|------------|
| | Revenues at Present Rates | Revenues Required for Equalized Returns | Present Subsidy | Revenues Required for Equalized Returns | Revenues at Proposed Rates | Proposed Calculated Subsidy | Proposed Contractual Discount | Amount | Percentage |
| Residential | \$4,914,295 | \$5,052,787 | (\$138,492) | \$5,410,807 | \$5,326,303 | (\$103,869) | \$19,365 | (\$34,623) | 25% |
| Industrial | 91,690 | 83,627 | 8,063 | 89,319 | 95,772 | 6,047 | 406 | 2,016 | 25% |
| Commercial | 1,916,971 | 1,785,836 | 131,135 | 1,936,177 | 2,042,207 | 98,351 | 7,679 | 32,784 | 25% |
| Large Volume Interruptible Service | 153,414 | 154,115 | (701) | 184,533 | 156,557 | (526) | (27,450) | (175) | 25% |
| Total | \$7,076,370 | \$7,076,365 | \$5 | \$7,620,836 | \$7,620,839 | \$3 | \$0 | \$2 | |

CITIZENS GAS OF WESTFIELD

COMPARISON OF GAS SALES REVENUES AT PRESENT AND PROPOSED RATES

**Attachment BRK-4
SCHEDULE 10
PAGE 1 OF 1**

| <u>Rate Schedule</u> | <u>Present Revenue Levels</u> | | | <u>Proposed Revenue Levels</u> | | | <u>Increase or (Decrease)</u> | | |
|------------------------------------|---|-----------------------------|--|--|-----------------------------|---|-------------------------------|---------------|-----------------|
| | <u>Margins at Present Rates</u> | <u>Gas Cost Revenue</u> | <u>Revenues at Present Rates</u> | <u>Margins at Proposed Rates</u> | <u>Gas Cost Revenue</u> | <u>Revenues at Proposed Rates</u> | <u>Amount</u> | <u>Rev. %</u> | <u>Margin %</u> |
| Residential | \$2,204,835 | \$2,697,629 | \$4,902,464 | \$2,616,843 | \$2,697,629 | \$5,314,472 | \$412,008 | 8.40% | 18.69% |
| Industrial | 34,812 | 56,511 | 91,323 | 38,894 | 56,511 | 95,405 | 4,082 | 4.47% | 11.73% |
| Commercial | 838,355 | 1,069,776 | 1,908,131 | 963,591 | 1,069,776 | 2,033,367 | 125,236 | 6.56% | 14.94% |
| Large Volume Interruptible Service | 153,061 | - | 153,061 | 156,204 | - | 156,204 | 3,143 | 2.05% | 2.05% |
| Total | \$3,231,063 | \$3,823,916 | \$7,054,979 | \$3,775,532 | \$3,823,916 | \$7,599,448 | \$544,469 | 7.72% | 16.85% |

CITIZENS GAS OF WESTFIELD

COMPARISON OF MARGINS AT PRESENT AND PROPOSED RATES

**Attachment BRK-4
SCHEDULE 11
PAGE 1 OF 1**

| Description | Number of Bills | Billing Quantities (therms) | Present Rates (\$/therm) | Pro Forma GCA (\$/therm) | Effective Present Rates (\$/therm) | Margin at Present Rates | Proposed Rates (\$/therm) | Pro Forma Base Cost of Gas (\$/therm) | Proposed Effective Rates (\$/therm) | Margin at Proposed Rates | Increase in Margins | |
|---|-----------------|-----------------------------|--------------------------|--------------------------|------------------------------------|-------------------------|---------------------------|---------------------------------------|-------------------------------------|--------------------------|---------------------|---------------|
| | | | | | | | | | | | Amount | Percent |
| Residential: | | | | | | | | | | | | |
| Customer Charge | 67,846 | | \$11.83 | | | \$802,618 | \$14.04 | | \$14.04 | \$952,558 | \$149,940 | 18.68% |
| First 120 Therms | | 3,500,706 | 0.3590 | \$0.0000 | \$0.3590 | 1,256,753 | 0.4261 | \$0.0000 | 0.4261 | 1,491,651 | 234,898 | 18.69% |
| Next 380 Therms | | 642,284 | 0.2245 | 0.0000 | 0.2245 | 144,193 | 0.2664 | 0.0000 | 0.2664 | 171,104 | 26,911 | 18.66% |
| Over 500 Therms | | 6,102 | 0.2082 | 0.0000 | 0.2082 | 1,270 | 0.2471 | 0.0000 | 0.2471 | 1,508 | 238 | 18.74% |
| Total Therms and Margins | | 4,149,092 | | | | \$2,204,834 | | | | \$2,616,821 | \$411,987 | 18.69% |
| Industrial: | | | | | | | | | | | | |
| Customer Charge | 107 | | \$109.18 | | | \$11,682 | \$121.98 | | \$121.98 | \$13,052 | \$1,370 | 11.73% |
| First 500 Therms | | 28,952 | 0.3869 | \$0.0000 | \$0.3869 | 11,202 | 0.4323 | \$0.0000 | 0.4323 | 12,516 | 1,314 | 11.73% |
| Over 500 Therms | | 65,039 | 0.1834 | 0.0000 | 0.1834 | 11,928 | 0.2049 | 0.0000 | 0.2049 | 13,326 | 1,398 | 11.72% |
| Total Therms and Margins | | 93,991 | | | | \$34,812 | | | | \$38,894 | \$4,082 | 11.73% |
| Commercial: | | | | | | | | | | | | |
| Customer Charge | 5,815 | | \$36.48 | | | \$212,131 | \$41.93 | | \$41.93 | \$243,823 | \$31,692 | 14.94% |
| First 120 Therms | | 381,804 | 0.2940 | \$0.0000 | \$0.2940 | 112,250 | 0.3378 | \$0.0000 | 0.3378 | 128,973 | 16,723 | 14.90% |
| Next 380 Therms | | 639,403 | 0.2132 | 0.0000 | 0.2132 | 136,321 | 0.2450 | 0.0000 | 0.2450 | 156,654 | 20,333 | 14.92% |
| Over 500 Therms | | 1,869,571 | 0.2020 | 0.0000 | 0.2020 | 377,653 | 0.2322 | 0.0000 | 0.2322 | 434,114 | 56,461 | 14.95% |
| Total Therms and Margins | | 2,890,778 | | | | \$838,355 | | | | \$963,564 | \$125,209 | 14.94% |
| Large Volume Interruptible Service: | | | | | | | | | | | | |
| Customer Charge | 24 | | \$1,142.34 | | | \$27,416 | \$1,165.80 | | \$1,165.80 | \$27,979 | \$563 | 2.05% |
| All Therms | | 784,297 | 0.1602 | \$0.0000 | \$0.1602 | 125,644 | 0.1635 | \$0.0000 | 0.1635 | 128,233 | 2,589 | 2.06% |
| Total Therms and Margins | | 784,297 | | | | \$153,060 | | | | \$156,212 | \$3,152 | 2.06% |
| Total Therms and Margin from Rates | 73,792 | 7,918,158 | | | | \$3,231,061 | | | | \$3,775,491 | \$544,430 | 16.85% |
| Miscellaneous Revenues | | | | | | \$21,391 | | | | \$21,391 | \$0 | |
| Total Margin Including Misc. Revenue | | | | | | \$3,252,452 | | | | \$3,796,882 | \$544,430 | 16.74% |

CITIZENS GAS OF WESTFIELD

REVENUE PROOF AT PROPOSED RATES

**Attachment BRK-4
SCHEDULE 12
PAGE 1 OF 1**

| <u>Description</u> | <u>Number of Bills</u> | <u>Billing Quantities (therms)</u> | <u>Proposed Rates (\$/therm)</u> | <u>Pro Forma Base Cost of Gas (\$/therm)</u> | <u>Proposed Effective Rates (\$/therm)</u> | <u>Margin at Proposed Rates</u> | <u>Misc. Revenues</u> | <u>Total Revenues</u> | <u>Cost-of-Service</u> | <u>(Over)/Under Recovery</u> | <u>(Over)/Under Recovery Percentage</u> |
|---|------------------------|------------------------------------|----------------------------------|--|--|---------------------------------|-----------------------|-----------------------|------------------------|------------------------------|---|
| <u>Residential:</u> | | | | | | | | | | | |
| Customer Charge | 67,846 | | \$14.04 | | \$14.04 | \$952,558 | | | | | |
| First 120 Therms | | 3,500,706 | 0.4261 | \$0.0000 | 0.4261 | 1,491,651 | | | | | |
| Next 380 Therms | | 642,284 | 0.2664 | 0.0000 | 0.2664 | 171,104 | | | | | |
| Over 500 Therms | | <u>6,102</u> | <u>0.2471</u> | <u>0.0000</u> | <u>0.2471</u> | <u>1,508</u> | | | | | |
| Total Therms and Margins | | <u>4,149,092</u> | | | | <u>\$2,616,821</u> | \$11,831 | \$2,628,652 | \$2,628,674 | \$22 | 0.0008% |
| <u>Industrial:</u> | | | | | | | | | | | |
| Customer Charge | 107 | | \$121.98 | | \$121.98 | \$13,052 | | | | | |
| First 500 Therms | | 28,952 | 0.4323 | \$0.0000 | 0.4323 | 12,516 | | | | | |
| Over 500 Therms | | <u>65,039</u> | <u>0.2049</u> | <u>0.0000</u> | <u>0.2049</u> | <u>13,326</u> | | | | | |
| Total Therms and Margins | | <u>93,991</u> | | | | <u>\$38,894</u> | \$367 | \$39,261 | \$39,261 | \$0 | 0.0000% |
| <u>Commercial:</u> | | | | | | | | | | | |
| Customer Charge | 5,815 | | \$41.93 | | \$41.93 | \$243,823 | | | | | |
| First 120 Therms | | 381,804 | 0.3378 | \$0.0000 | 0.3378 | 128,973 | | | | | |
| Next 380 Therms | | 639,403 | 0.2450 | 0.0000 | 0.2450 | 156,654 | | | | | |
| Over 500 Therms | | <u>1,869,571</u> | <u>0.2322</u> | <u>0.0000</u> | <u>0.2322</u> | <u>434,114</u> | | | | | |
| Total Therms and Margins | | <u>2,890,778</u> | | | | <u>\$963,564</u> | \$8,840 | \$972,404 | \$972,431 | \$27 | 0.0028% |
| <u>Large Volume Interruptible Service:</u> | | | | | | | | | | | |
| Customer Charge | 24 | | \$1,165.80 | | \$1,165.80 | \$27,979 | | | | | |
| All Therms | | <u>784,297</u> | <u>0.1635</u> | <u>\$0.0000</u> | <u>0.1635</u> | <u>128,233</u> | | | | | |
| Total Therms and Margins | | <u>784,297</u> | | | | <u>\$156,212</u> | <u>\$353</u> | <u>\$156,565</u> | <u>\$156,557</u> | <u>(\$8)</u> | -0.0051% |
| Total Therms and Revenue | <u>73,792</u> | <u>7,918,158</u> | | | | <u>\$3,775,491</u> | <u>\$21,391</u> | <u>\$3,796,882</u> | <u>\$3,796,923</u> | <u>\$41</u> | <u>0.0011%</u> |

CITIZENS GAS OF WESTFIELD

TYPICAL BILL COMPARISON
RESIDENTIAL - D20

Attachment BRK-4
SCHEDULE 13
PAGE 1 OF 4

| <u>Level of Usage</u> (therms) | <u>Current Bill</u> (\$) | <u>Proposed Bill</u> (\$) | <u>Dollar Increase</u> (\$) | <u>Percent Increase</u> (%) | <u>Gas Cost Recovery</u> (\$) | <u>Total Current Bill</u> (\$) | <u>Total Proposed Bill</u> (\$) | <u>Percent Increase</u> (%) |
|-----------------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| 0 | \$11.83 | \$14.04 | \$2.21 | 18.68% | \$0.00 | \$11.83 | \$14.04 | 18.68% |
| 10 | 15.42 | 18.30 | 2.88 | 18.68% | 4.83 | 20.25 | 23.13 | 14.22% |
| 20 | 19.01 | 22.56 | 3.55 | 18.67% | 9.66 | 28.67 | 32.22 | 12.38% |
| 30 | 22.60 | 26.82 | 4.22 | 18.67% | 14.49 | 37.09 | 41.31 | 11.38% |
| 40 | 26.19 | 31.08 | 4.89 | 18.67% | 19.32 | 45.51 | 50.40 | 10.75% |
| 50 | 29.78 | 35.35 | 5.57 | 18.70% | 24.15 | 53.93 | 59.50 | 10.33% |
| 60 | 33.37 | 39.61 | 6.24 | 18.70% | 28.97 | 62.34 | 68.58 | 10.01% |
| 70 | 36.96 | 43.87 | 6.91 | 18.70% | 33.80 | 70.76 | 77.67 | 9.76% |
| 80 | 40.55 | 48.13 | 7.58 | 18.69% | 38.63 | 79.18 | 86.76 | 9.57% |
| 90 | 44.14 | 52.39 | 8.25 | 18.69% | 43.46 | 87.60 | 95.85 | 9.42% |
| 100 | 47.73 | 56.65 | 8.92 | 18.69% | 48.29 | 96.02 | 104.94 | 9.29% |
| 125 | 56.03 | 66.50 | 10.47 | 18.69% | 60.36 | 116.39 | 126.86 | 9.00% |
| 150 | 61.65 | 73.16 | 11.51 | 18.67% | 72.44 | 134.09 | 145.60 | 8.58% |
| 175 | 67.26 | 79.82 | 12.56 | 18.67% | 84.51 | 151.77 | 164.33 | 8.28% |
| 200 | 72.87 | 86.48 | 13.61 | 18.68% | 96.58 | 169.45 | 183.06 | 8.03% |
| 250 | 84.10 | 99.80 | 15.70 | 18.67% | 120.73 | 204.83 | 220.53 | 7.67% |
| 300 | 95.32 | 113.12 | 17.80 | 18.67% | 144.87 | 240.19 | 257.99 | 7.41% |
| 400 | 117.77 | 139.76 | 21.99 | 18.67% | 193.16 | 310.93 | 332.92 | 7.07% |
| 500 | 140.22 | 166.40 | 26.18 | 18.67% | 241.45 | 381.67 | 407.85 | 6.86% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

TYPICAL BILL COMPARISON
INDUSTRIAL - D30

Attachment BRK-4
SCHEDULE 13
PAGE 2 OF 4

| <u>Level of Usage</u> <u>(therms)</u> | <u>Current Bill</u> <u>(\$)</u> | <u>Proposed Bill</u> <u>(\$)</u> | <u>Dollar Increase</u> <u>(\$)</u> | <u>Percent Increase</u> <u>(%)</u> | <u>Gas Cost Recovery</u> <u>(\$)</u> | <u>Total Current Bill</u> <u>(\$)</u> | <u>Total Proposed Bill</u> <u>(\$)</u> | <u>Percent Increase</u> <u>(%)</u> |
|--|------------------------------------|-------------------------------------|---------------------------------------|---------------------------------------|---|--|---|---------------------------------------|
| 0 | \$109.18 | \$121.98 | \$12.80 | 11.72% | \$0.00 | \$109.18 | \$121.98 | 11.72% |
| 100 | 147.87 | 165.21 | 17.34 | 11.73% | 48.29 | 196.16 | 213.50 | 8.84% |
| 200 | 186.56 | 208.44 | 21.88 | 11.73% | 96.58 | 283.14 | 305.02 | 7.73% |
| 300 | 225.25 | 251.67 | 26.42 | 11.73% | 144.87 | 370.12 | 396.54 | 7.14% |
| 400 | 263.94 | 294.90 | 30.96 | 11.73% | 193.16 | 457.10 | 488.06 | 6.77% |
| 500 | 302.63 | 338.13 | 35.50 | 11.73% | 241.45 | 544.08 | 579.58 | 6.52% |
| 600 | 320.97 | 358.62 | 37.65 | 11.73% | 289.74 | 610.71 | 648.36 | 6.16% |
| 700 | 339.31 | 379.11 | 39.80 | 11.73% | 338.03 | 677.34 | 717.14 | 5.88% |
| 800 | 357.65 | 399.60 | 41.95 | 11.73% | 386.32 | 743.97 | 785.92 | 5.64% |
| 900 | 375.99 | 420.09 | 44.10 | 11.73% | 434.61 | 810.60 | 854.70 | 5.44% |
| 1,000 | 394.33 | 440.58 | 46.25 | 11.73% | 482.90 | 877.23 | 923.48 | 5.27% |
| 1,500 | 486.03 | 543.03 | 57.00 | 11.73% | 724.35 | 1,210.38 | 1,267.38 | 4.71% |
| 2,000 | 577.73 | 645.48 | 67.75 | 11.73% | 965.80 | 1,543.53 | 1,611.28 | 4.39% |
| 2,500 | 669.43 | 747.93 | 78.50 | 11.73% | 1,207.25 | 1,876.68 | 1,955.18 | 4.18% |
| 3,000 | 761.13 | 850.38 | 89.25 | 11.73% | 1,448.70 | 2,209.83 | 2,299.08 | 4.04% |
| 3,500 | 852.83 | 952.83 | 100.00 | 11.73% | 1,690.15 | 2,542.98 | 2,642.98 | 3.93% |
| 4,000 | 944.53 | 1,055.28 | 110.75 | 11.73% | 1,931.60 | 2,876.13 | 2,986.88 | 3.85% |
| 4,500 | 1,036.23 | 1,157.73 | 121.50 | 11.73% | 2,173.05 | 3,209.28 | 3,330.78 | 3.79% |
| 5,000 | 1,127.93 | 1,260.18 | 132.25 | 11.73% | 2,414.50 | 3,542.43 | 3,674.68 | 3.73% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

TYPICAL BILL COMPARISON
COMMERCIAL - D40

Attachment BRK-4
SCHEDULE 13
PAGE 3 OF 4

| <u>Level of Usage</u> (therms) | <u>Current Bill</u> (\$) | <u>Proposed Bill</u> (\$) | <u>Dollar Increase</u> (\$) | <u>Percent Increase</u> (%) | <u>Gas Cost Recovery</u> (\$) | <u>Total Current Bill</u> (\$) | <u>Total Proposed Bill</u> (\$) | <u>Percent Increase</u> (%) |
|-----------------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| 0 | \$36.48 | \$41.93 | \$5.45 | 14.94% | \$0.00 | \$36.48 | \$41.93 | 14.94% |
| 25 | 43.83 | 50.38 | 6.55 | 14.94% | 12.07 | 55.90 | 62.45 | 11.72% |
| 50 | 51.18 | 58.82 | 7.64 | 14.93% | 24.15 | 75.33 | 82.97 | 10.14% |
| 100 | 65.88 | 75.71 | 9.83 | 14.92% | 48.29 | 114.17 | 124.00 | 8.61% |
| 150 | 78.16 | 89.82 | 11.66 | 14.92% | 72.44 | 150.60 | 162.26 | 7.74% |
| 200 | 88.82 | 102.07 | 13.25 | 14.92% | 96.58 | 185.40 | 198.65 | 7.15% |
| 250 | 99.48 | 114.32 | 14.84 | 14.92% | 120.73 | 220.21 | 235.05 | 6.74% |
| 300 | 110.14 | 126.57 | 16.43 | 14.92% | 144.87 | 255.01 | 271.44 | 6.44% |
| 350 | 120.80 | 138.82 | 18.02 | 14.92% | 169.02 | 289.82 | 307.84 | 6.22% |
| 400 | 131.46 | 151.07 | 19.61 | 14.92% | 193.16 | 324.62 | 344.23 | 6.04% |
| 450 | 142.12 | 163.32 | 21.20 | 14.92% | 217.31 | 359.43 | 380.63 | 5.90% |
| 500 | 152.78 | 175.57 | 22.79 | 14.92% | 241.45 | 394.23 | 417.02 | 5.78% |
| 600 | 172.98 | 198.79 | 25.81 | 14.92% | 289.74 | 462.72 | 488.53 | 5.58% |
| 700 | 193.18 | 222.01 | 28.83 | 14.92% | 338.03 | 531.21 | 560.04 | 5.43% |
| 800 | 213.38 | 245.23 | 31.85 | 14.93% | 386.32 | 599.70 | 631.55 | 5.31% |
| 900 | 233.58 | 268.45 | 34.87 | 14.93% | 434.61 | 668.19 | 703.06 | 5.22% |
| 1,000 | 253.78 | 291.67 | 37.89 | 14.93% | 482.90 | 736.68 | 774.57 | 5.14% |
| 1,500 | 354.78 | 407.77 | 52.99 | 14.94% | 724.35 | 1,079.13 | 1,132.12 | 4.91% |
| 2,000 | 455.78 | 523.87 | 68.09 | 14.94% | 965.80 | 1,421.58 | 1,489.67 | 4.79% |

(Continued on next page)

CITIZENS GAS OF WESTFIELD

(Cont'd)

TYPICAL BILL COMPARISON
LARGE VOLUME INTERRUPTIBLE SERVICE - D50

Attachment BRK-4
SCHEDULE 13
PAGE 4 OF 4

| <u>Level of Usage</u> (therms) | <u>Current Bill</u> (\$) | <u>Proposed Bill</u> (\$) | <u>Dollar Increase</u> (\$) | <u>Percent Increase</u> (%) | <u>Gas Cost Recovery</u> (\$) | <u>Total Current Bill</u> (\$) | <u>Total Proposed Bill</u> (\$) | <u>Percent Increase</u> (%) |
|-----------------------------------|-----------------------------|------------------------------|--------------------------------|--------------------------------|----------------------------------|-----------------------------------|------------------------------------|--------------------------------|
| 0 | \$1,142.34 | \$1,165.80 | \$23.46 | 2.05% | \$0.00 | \$1,142.34 | \$1,165.80 | 2.05% |
| 1,000 | 1,302.54 | 1,329.30 | 26.76 | 2.05% | 482.90 | 1,785.44 | 1,812.20 | 1.50% |
| 5,000 | 1,943.34 | 1,983.30 | 39.96 | 2.06% | 2,414.50 | 4,357.84 | 4,397.80 | 0.92% |
| 10,000 | 2,744.34 | 2,800.80 | 56.46 | 2.06% | 4,829.00 | 7,573.34 | 7,629.80 | 0.75% |
| 15,000 | 3,545.34 | 3,618.30 | 72.96 | 2.06% | 7,243.50 | 10,788.84 | 10,861.80 | 0.68% |
| 20,000 | 4,346.34 | 4,435.80 | 89.46 | 2.06% | 9,658.00 | 14,004.34 | 14,093.80 | 0.64% |
| 25,000 | 5,147.34 | 5,253.30 | 105.96 | 2.06% | 12,072.50 | 17,219.84 | 17,325.80 | 0.62% |
| 30,000 | 5,948.34 | 6,070.80 | 122.46 | 2.06% | 14,487.00 | 20,435.34 | 20,557.80 | 0.60% |
| 35,000 | 6,749.34 | 6,888.30 | 138.96 | 2.06% | 16,901.50 | 23,650.84 | 23,789.80 | 0.59% |
| 40,000 | 7,550.34 | 7,705.80 | 155.46 | 2.06% | 19,316.00 | 26,866.34 | 27,021.80 | 0.58% |
| 45,000 | 8,351.34 | 8,523.30 | 171.96 | 2.06% | 21,730.50 | 30,081.84 | 30,253.80 | 0.57% |
| 50,000 | 9,152.34 | 9,340.80 | 188.46 | 2.06% | 24,145.00 | 33,297.34 | 33,485.80 | 0.57% |
| 60,000 | 10,754.34 | 10,975.80 | 221.46 | 2.06% | 28,974.00 | 39,728.34 | 39,949.80 | 0.56% |
| 70,000 | 12,356.34 | 12,610.80 | 254.46 | 2.06% | 33,803.00 | 46,159.34 | 46,413.80 | 0.55% |
| 80,000 | 13,958.34 | 14,245.80 | 287.46 | 2.06% | 38,632.00 | 52,590.34 | 52,877.80 | 0.55% |
| 90,000 | 15,560.34 | 15,880.80 | 320.46 | 2.06% | 43,461.00 | 59,021.34 | 59,341.80 | 0.54% |
| 100,000 | 17,162.34 | 17,515.80 | 353.46 | 2.06% | 48,290.00 | 65,452.34 | 65,805.80 | 0.54% |
| 110,000 | 18,764.34 | 19,150.80 | 386.46 | 2.06% | 53,119.00 | 71,883.34 | 72,269.80 | 0.54% |
| 120,000 | 20,366.34 | 20,785.80 | 419.46 | 2.06% | 57,948.00 | 78,314.34 | 78,733.80 | 0.54% |

Westfield Gas, LLC

wp 470-S1

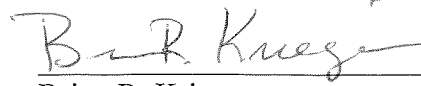
Depreciation on Utility Plant in Service

170 IAC 1-5-8 (2)

| Line | A | B | C | D | E | F | G | H | | |
|----------------------------------|------------------------|--------------------------------------|---|------------|--|--|------------------------|------------------------|--|-------|
| | | | | | | | Annual Depreciation | Annual Depreciation | | |
| | Test Year Depr Rate | Pro Forma Depr Rate | Balance December 31, 2021 Plant in Service | Accum Depr | Test Year Depr Rate (Col C * Col E) | Pro Forma Depr Rate (Col D * Col E) | | | | |
| Citizens Gas of Westfield | | | | | | | | | | |
| <u>Distribution</u> | | | | | | | | | | |
| 1 | 006-374-0 | Land & Land Rights | | | 46,086 | | | | | |
| 2 | 006-375-0 | Structures & Improvements | 1.45% | 2.34% | 39,942 | (3,852) | 579 | 935 | | |
| 3 | 006-376-0 | Mains | 2.94% | 1.96% | 12,311,991 | (3,724,346) | 361,973 | 241,315 | | |
| 4 | 006-378-0 | Measuring & Regulating Equip.-Genera | 3.31% | 2.14% | 17,912 | (9,490) | 593 | 383 | | |
| 5 | 006-379-0 | Measuring & Regulating Equip.-GCCS | 3.30% | 3.27% | 92,124 | (27,204) | 3,040 | 3,012 | | |
| 6 | 006-380-0 | Service | 3.98% | 2.77% | 4,281,001 | (1,687,229) | 170,384 | 118,584 | | |
| 7 | 006-381-0 | Meters | 3.74% | 2.70% | 791,240 | (416,155) | 29,592 | 21,363 | | |
| 8 | 006-382-0 | Meter Installations | 3.40% | 1.74% | 16,147 | (14,069) | 549 | 281 | | |
| 9 | 006-383-0 | House Regulators | 3.95% | 2.14% | 86,663 | (65,413) | 3,423 | 1,855 | | |
| 10 | 006-384-0 | House Regulator Installations | | | - | (589) | - | - | | |
| 11 | 006-385-0 | Ind Meas & Reg Station Equip | 3.55% | 1.04% | 32,553 | (33,356) | 1,156 | 339 | | |
| <u>Transmission</u> | | | | | | | | | | |
| 12 | 065-366-0 | Structures & Improvements | 1.87% | 1.87% | 83,079 | (129) | 1,554 | 1,554 | | |
| 13 | 065-367-0 | Mains | 2.12% | 2.12% | 277,307 | (1,470) | 5,879 | 5,879 | | |
| 14 | 065-369-0 | Measuring & Regulating Equipment | 2.56% | 2.56% | 717,630 | (1,531) | 18,371 | 18,371 | | |
| 15 | | Total | | | 18,793,675 | (5,984,833) | 597,093 | 413,871 | | 2.20% |
| <u>CSS</u> | | | | | | | | | | |
| 16 | 007-389-0 | Land | | | 1,581,974 | | | | | |
| 17 | 007-390-0 | Structures & Improvements | 2.73% | 2.73% | 51,285,161 | (31,440,673) | 1,400,085 | 1,400,085 | | |
| 18 | 007-391-1 | Office Furniture | 2.69% | 2.69% | 3,735,376 | (2,353,930) | 100,482 | 100,482 | | |
| 19 | 007-391-2 | Office Machines | 6.50% | 6.50% | 2,388,128 | (750,420) | 155,228 | 155,228 | | |
| 20 | 007-391-3 | Computer Equipment | 21.22% | 21.22% | 6,069,126 | (418,827) | 1,287,869 | 1,287,869 | | |
| 21 | 007-391-4 | Software | 8.84% | 8.84% | 29,564,384 | (25,489,840) | 2,613,492 | 2,613,492 | | |
| 22 | 007-391-C | Software - CIS | 8.84% | 8.84% | 24,130,620 | (3,180,324) | 2,133,147 | 2,133,147 | | |
| 23 | 007-392-0 | Transportation Equipment | 10.49% | 10.49% | 75,108 | (46,398) | 7,879 | 7,879 | | |
| 24 | 007-394-1 | Tool Equipment | 5.03% | 5.03% | 19,606 | (6,948) | 986 | 986 | | |
| 25 | 007-394-2 | Garage Equipment | 5.03% | 5.03% | 21,259 | (4,396) | 1,069 | 1,069 | | |
| 26 | 007-397-0 | Communication Equipment | 6.56% | 6.56% | 3,980,926 | (2,079,346) | 261,149 | 261,149 | | |
| 27 | 007-398-0 | Other Equipment | 5.09% | 5.09% | 709,948 | (245,744) | 36,136 | 36,136 | | |
| 28 | | Total | | | 123,561,616 | (66,016,845) | 7,997,521 | 7,997,521 | | |

AFFIRMATION

I affirm, under the penalties for perjury, that the foregoing representations are true.



Brien R. Krieger
Utility Analyst II
Indiana Office of
Utility Consumer Counselor
Cause No. 45761
Citizens Gas of Westfield, LLC

December 2nd, 2022

Date

CERTIFICATE OF SERVICE

This is to certify that a copy of the foregoing has been served upon the following parties of record in the captioned proceeding by electronic service on December 2, 2022.

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