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June 16, 2006

Mary Jo Kunkle
Executive Secretary
Michigan Public Service Commission
6545 Mercantile Way, Suite 7
Lansing, MI 48911

Re: SEMCO Energy Gas Company
2006 Rate Case
MPSC Case No. U-14893 (Paperless)

Dear Ms. Kunkle:

Attached for filing are an Amended Application and the following revised supporting exhibits: Exh. A-6, Sch. F-2 and F-6; Exh. A-7, Sch. A-1, A-2 and A-3; Exh. A-9, Sch. C-1, C-2 and C-10; Exh. A-11, Sch. F-1, F-2, F-2-2, F-2-3, F-2-4, F-3, F-4, F-5 and F-6. Also attached is a revised proposed Notice of Hearing which reflects the Company's amended Application. The proposed Notice of Hearing describes the annual incremental and percentage increase of the Company's rate request for residential customers on a total bill basis, and the incremental annual amount associated with the Company's proposed conservation program and participation in the Michigan Low-Income and Energy Efficiency Fund.

If you have any questions regarding this filing, please do not hesitate to call me.

Sincerely,

DYKEMA GOSSETT PLLC

Stewart A. Binke

Digitally signed by Stewart A. Binke
DN: cn=Stewart A. Binke, c=US, o=Dykema Gossett, email=sbinke@dykema.com
Date: 2006.06.16 15:40:49 -04'00'

Stewart A. Binke

cc: Annette Gardiner
Peter Clark
Albert Ernst

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ID\SB

S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

****

In the matter of the application of	)	
SEMCO ENERGY GAS COMPANY	)	
for authority to redesign and increase	)	Case No. U-14893
its rates for sale and transportation of	)	[e-file]
natural gas in its MPSC Division and	)	
other relief.	)	

AMENDED APPLICATION

Now comes SEMCO ENERGY GAS COMPANY ("SEMCO Gas" or the "Company"), a division of SEMCO Energy, Inc., and hereby requests authority to (i) change, or redesign, the way in which the Company charges customers for natural gas service, and (ii) increase rates for the sale, transportation and distribution of natural gas in its service territory currently subject to the ratemaking jurisdiction of the Michigan Public Service Commission (the "MPSC Division") and for other related approvals and relief. In support of this Application, the Company respectfully represents to the Michigan Public Service Commission (the "Commission" or "MPSC") as follows:

I. INTRODUCTION

1. SEMCO Gas is a division of SEMCO Energy, Inc., with its principal offices located at 1411 Third Street, Suite A, Port Huron, Michigan. The Company is engaged as a public utility in the business of selling, transmitting, and distributing natural gas to the public in its various service areas throughout the State of Michigan, including the MPSC Division. The Company serves approximately 240,000 residential, commercial and industrial customers in the MPSC Division, with residential customers comprising approximately 90% of its customer base. The MPSC Division is comprised of various non-contiguous areas in Michigan, including areas in and around Port Huron, Richmond, Chesterfield, Sandusky, Romeo, Albion, Niles, Three Rivers, Holland, St. Ignace, Newberry, Engadine, Manistique, Marquette, Negaunee, Houghton and Ontonagon.

2. SEMCO Gas's retail natural gas business is subject to the jurisdiction of the Commission pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; and 1939 PA 3, as amended, MCL 460.1 et seq. Pursuant to these statutory provisions, the Commission has jurisdiction to regulate the Company's retail natural gas sales, transportation and distribution rates. This includes jurisdiction over the ways in which such rates are designed to provide the Company with a fair opportunity to recoup the costs of providing service to its customers.

3. SEMCO Gas's last base rate case was Case No. U-14338. That case was concluded by Commission Order dated March 29, 2005, and the base rates established in that case were based on an adjusted test year ending December 31, 2005, and an authorized rate of return on common equity of 11.00%. The Company also recovers its booked cost of gas sold pursuant to its GCR Cost Recovery ("GCR") clause as authorized by the Commission pursuant to 1982 PA 304, MCL 460.6h et seq.

4. This Application is accompanied and supported by the written testimony and exhibits of eleven witnesses. The Company's presentation in this case was prepared in accordance with the standardized filing requirements established by the Commission's Order in Case No. U-10039.

II. REQUESTED RATE INCREASE

5. Because the (i) costs of providing service to MPSC Division customers have increased, and (ii) SEMCO Gas has not realized previously-authorized base rate increases, due, in large part, to a substantial and continuing decline in per customer natural gas usage, the Company's existing retail rates for natural gas services are unreasonably low and inadequate. SEMCO Gas has not earned its authorized return on common equity since its last rate increase in Case No. U-14338. In fact, in 2005, SEMCO earned a 6.4% rate of return on the equity investments made by its shareholders, compared to an MPSC-authorized return on equity of 11.00%.

6. This rate filing presents data for a historical year 2005, as required under Section A of the standardized filing requirements established by the Commission's Order in Case No. U-10039. SEMCO Gas proposes that rates be established based upon a test year ending December 31, 2007, adjusted for known and measurable changes in the costs of providing service to customers. Use of this adjusted test year data should allow the base rates established in this case to more closely reflect conditions that will likely exist at and after the time the rates set by the final order in this case are placed in effect.

7. Several factors have, and are expected to continue to have, a significant impact upon the Company's costs of providing service to MPSC Division customers as reflected in its revenue requirement and base rates, rendering existing rates unreasonably low and inadequate and precluding the Company from earning a reasonable return on its investments used and useful in providing service to customers. Among other items, SEMCO Gas's existing rates established in Case No. U-14338 do not reflect recent increases in (i) inflation, (ii) operations and maintenance ("O&M") expenses, including the impact of MPSC billing rule changes, the increased cost of employee medical and dental benefits, and pension and retiree medical expenses, (iii) working capital costs associated with gas storage, and (iv) necessary capital investments. The level of capital investment (such as a new Customer Information System) and O&M expenses necessary to maintain, strengthen, and expand the existing natural gas transportation and distribution system and to assure safe and reliable service to customers have increased significantly beyond the levels currently reflected in the Company's base rates. Another important factor contributing to the Company's revenue shortfall, as will be further addressed in Section III of this Application, is declining per customer use of natural gas, including the effects of conservation. These and other factors, as described in more detail in the supporting testimony and exhibits, necessitate an increase in SEMCO Gas's current retail natural gas rates.

8. Unless timely rate relief is granted by the Commission, the Company will experience a revenue deficiency of $18,856,897 in 2007. This 2007 test year revenue

deficiency represents the results of a complete examination of the relevant items of investment, expense, and revenues for the determination of just and reasonable SEMCO Gas retail natural gas rates for its MPSC Division customers.

9. SEMCO Gas proposes that retail natural gas rates be established which reflect an overall rate of return on total rate base of 8.23% and a rate of return on common equity of 11.90%. The capital structure ratios used by the Company are based upon an industry average capital structure previously employed by the Commission in setting the Company's base rates.

10. SEMCO Gas represents that, without taking into account the rate design changes proposed by the Company, the proposed rate increase of not less than $18,856,897 annually is required in order for the Company to maintain an adequate, reliable, and safe natural gas transportation and distribution system and to allow SEMCO Gas a reasonable opportunity to earn the return to which the Company is entitled by law.

III. PROPOSED IMPROVEMENTS IN RATE DESIGN

11. A sharp and continuing decline in natural gas use per customer is a major cause for Company's revenue shortfall and inadequate earnings over the last several years. Actual use per customer is substantially below levels used to establish rates in Case No. U-14338, and this difference between the Company's actual experience and the assumptions used to establish the Company's base rates has adversely affected the Company's collection of revenues through its volumetric distribution rates. In sum, the Company's existing rate design, which provides for the recovery of fixed costs through a combination of fixed charges and volumetric distribution rates based on estimates of customer natural gas use, effectively precludes the Company from earning sufficient revenues to cover the cost of providing service to customers, including a reasonable return on its investments, used and useful, in providing such service. In addition, given the way in which SEMCO Gas is currently compensated in base rates for certain costs, the Company's ability to earn sufficient revenues to cover those costs of providing service to customers has also been adversely affected by substantial increases in the market price for natural gas and other factors.

12. In this case, the Company is proposing that the Commission adopt a different rate design for the Company, including: (i) on a permanent or pilot program basis, depending on the Commission's preferences, replacing the residential monthly customer charge and the volumetric distribution charge with a single fixed residential monthly service charge, or alternatively, replacing the volumetric distribution charge with a fixed residential monthly service charge and retaining the separate residential monthly customer charge; (ii) removing Lost and Unaccounted For ("LAUF") gas costs from base rates and collecting LAUF gas costs as a "booked cost of gas sold" through the GCR rate (subject to annual MPSC review as part of the GCR process); (iii) alternatively, retaining LAUF gas costs in base rates at an appropriate level and "truing up" this amount to match the Company's actual LAUF gas costs on an annual basis; and (iv) "truing up" the amount of Uncollectible Expense allowed in base rates to match the Company's actual Uncollectible Expense on an annual basis. The Company is also seeking, as more fully described in the testimony and exhibits of its witnesses, Commission approval of separate funding proposals for (i) a residential conservation program called "This Cold House" and participation in Michigan's Low Income Energy Efficiency Fund ("LIEEF"), with a total combined funding amount of up to $2,045,563, as determined by the Commission and (ii) an accelerated program for replacement of unprotected and bare steel mains and compressors.

13. An important feature of the Company's proposed fixed monthly service charge rate design is that it supports a pro-conservation public policy, by aligning customer and Company interests with respect to the conservation of natural gas by customers. As noted, as part of its request that the Commission approve certain rate design changes, SEMCO Gas is proposing to implement a comprehensive residential customer efficiency and conservation program called "This Cold House" and to participate in LIEEF. This proposal is consistent with Staff's report on energy efficiency issued in Case No. U-14667. The Company proposes that these conservation efforts with a total combined funding of up to $2,045,563 be customer supported through a separate surcharge. In order to avoid the ratemaking complexities associated with issues such as conservation program-drive lost sales, SEMCO Gas proposes

that Commission approval of a Company-sponsored conservation program and LIEEF participation be contingent upon Commission adoption of the residential fixed monthly service charge rate design proposed by the Company. This rate design would make SEMCO Gas indifferent financially to conservation resulting from implementation of these proposed programs, but supportive of conservation from a public policy perspective.

14. The Company is also proposing that the Commission permit SEMCO Gas to collect certain capital costs associated with the accelerated replacement of certain unprotected and bare steel mains and compressors. In view of the Company's (i) relatively small size and financial condition, (ii) its already substantial capital spending program, and (iii) the non-revenue producing nature of these needed projects, it would be an appropriate exercise of ratemaking discretion for the Commission to authorize the Company to collect the capital-related costs on these projects before they are placed in rate base.

15. Furthermore, the Company is proposing, among other things, to establish interruptible transportation rates, revisions to its general rules, and to revise, or implement, charges for certain services. This other relief sought by SEMCO Gas is more fully described in the accompanying testimony and exhibits. The relief more fully described in the testimony and exhibits is an integral part of this Amended Application and should be considered as if specifically requested in this Amended Application.

IV. RESERVATION OF RIGHT TO AMEND

16. In addition to the matters described in the preceding paragraphs, it is possible that other pending or to be filed proceedings or events may affect the determination of just and reasonable base rates for the Company.

17. SEMCO Gas therefore reserves the right to revise, amend, or otherwise change this Amended Application in any way it deems appropriate or desirable to ensure that the Commission is able to determine just and reasonable rates for the Company.

V. PROPOSED SCHEDULE

18. Consistent with the legislative policy reflected in MCL 460.6a(2) and because of the importance of this case to SEMCO Gas, the Company respectfully requests that the Commission adopt a nine-month schedule for this proceeding. Attached as Attachment 1 hereto is a proposed schedule, which, if adopted by the Commission, will result in compliance with the nine-month requirement set forth in MCL 460.6a and the speedy determination of issues of substantial importance to the Company.

VI. REQUEST FOR RELIEF

19. SEMCO Gas's presently-effective retail rates for the sale, transportation and distribution of natural gas are now, and in the future will continue to be, unjust and unreasonable. Such rates are not sufficient to permit the Company to recoup the costs of providing service to its MPSC Division customers, including a reasonable return on investments used and useful in providing such service, to which SEMCO Gas is entitled by law. SEMCO Gas's retail natural gas rates are, and are expected to remain, so low as to deprive it of a reasonable return on its property and to amount to confiscation of the Company's property contrary to SEMCO Gas's rights under the Constitution of the United States and the Constitution and laws of the State of Michigan. The inadequacy of these natural gas rates reduces the Company's revenues and overall rate of return below a proper and reasonable level, and it is unjust and unreasonable to require SEMCO Gas to render natural gas service to its customers at such rates.

WHEREFORE, SEMCO Energy Gas Company requests the Commission to:

A. Issue and publish its Notice of Hearing setting an early hearing date;

B. Adopt the schedule set forth in Attachment 1 hereto;

C. Find and determine that existing rates and charges are unreasonably low and inadequate and should be increased to protect the constitutional rights of the Company to earn a reasonable and non-confiscatory return;

D. Authorize the Company to adjust its existing rates and charges so as to produce additional revenue of not less than $18,856,897 annually, without taking into account the rate design changes proposed by the Company;

E. Redesign rates as requested in this Amended Application and addressed in the supporting testimony and exhibits;

F. Authorize all other changes and suggestions made and supported in the Company's testimony and exhibits; and

G. Grant such other further relief as may be lawful and proper.

Respectfully submitted,
SEMCO ENERGY GAS COMPANY

Dated: June 16, 2006 By: Stewart A. Binke

Digitally signed by Stewart A. Binke
DN: cn=Stewart A. Binke, c=US, o=Dykema Gossett, email=sbinke@dykema.com
Date: 2006.06.16 15:41:25 -04'00'

One of Its Attorneys
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PROPOSED SCHEDULE

SEMCO ENERGY GAS COMPANY
2006 Rate Case
MPSC Case No. U-14893

1.	Staff & Intervenor direct case filing	August 25, 2006
2.	Rebuttal Testimony	September 25, 2006
3.	Motions to Strike	October 16, 2006
4.	Cross Examination	October 23-27, 2006
5.	Briefs	November 20, 2006
6.	Reply Briefs	December 6, 2006
7.	PFD Target Date	January 17, 2007
8.	Exceptions	February 8, 2007
9.	Replies to Exceptions	February 22, 2007
10.	Expected Order	March 2007

7 calendar day turnaround (or best efforts) from the date of service.

S T A T E O F M I C H I G A N

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

*****

NOTICE OF HEARING
FOR THE GAS CUSTOMERS OF
SEMCO ENERGY GAS COMPANY
CASE NO. U-14893

- SEMCO Energy Gas Company may revise its annual natural gas revenues by $18,856,897, and, through a separate residential surcharge, may fund a conservation program for residential customers and participation in Michigan's Low-Income and Energy Efficiency Fund program up to the amount of $2,045,563, if the Michigan Public Service Commission approves its requests.

- **A TYPICAL SEMCO ENERGY GAS COMPANY RESIDENTIAL CUSTOMER WHO USES 100 MCF OF GAS PER YEAR MAY SEE AN ANNUAL INCREASE OF $64.61 OR ABOUT A 5.0% INCREASE AND UP TO AN ADDITIONAL $9.16 PER YEAR TO FUND THE COMPANY'S CONSERVATION PROGRAM AND PARTICIPATION IN MICHIGAN'S LOW-INCOME AND ENERGY EFFICIENCY FUND PROGRAM.**

- The information below describes how a person may participate in this case.

- You may call or write SEMCO Energy Gas Company, 1411 Third Street, Suite A, Port Huron, MI, 48060, (800) 624-2019 for a free copy of its application. Any person may review the application at the offices of SEMCO Energy Gas Company.

- The first public hearing in this matter will be held:

DATE: July__, 2006
This hearing will be a pre-hearing conference to set future hearing dates and decide other procedural matters.

TIME: 9:00 a.m.

PRESIDING OFFICER: Administrative Law Judge _____

LOCATION: Michigan Public Service Commission
6545 Mercantile Way, Suite 7
Lansing, MI 48911

PARTICIPATION: Any interested person may attend and participate. Persons with disabilities, needing help to participate, should call the Commission's Executive Secretary at (517) 241-6160 a week in advance to request mobility, visual, hearing or other assistance.

The Michigan Public Service Commission will hold a public hearing to consider the May 25, 2006, application of SEMCO Energy Gas Company (SEMCO Gas) to redesign rates and increase revenues for the sale, transportation and distribution of natural gas. SEMCO Gas seeks to charge the following rates:

Service Class	Monthly Service Charge
Residential	$24.04

General	Monthly Customer Charge	Distribution Charge Per Mcf
GS-1	$12.00	$1.7390
GS-2	$50.00	$1.2000
GS-3	$100.00	$1.0438

		Transportation Charges per Mcf	
Transportation		On-Peak	Off-Peak
TR-1	$200.00	$0.7872	$0.6328
TR-2	$1,000.00	$0.6914	$0.5414

As part of its rate redesign proposals, SEMCO Gas seeks to (i) replace the residential monthly customer charge and the volumetric distribution charge with a single fixed residential monthly service charge, or alternatively, replace the volumetric distribution charge with a fixed residential monthly service charge and retain a separate residential monthly customer charge; (ii) remove Lost and Unaccounted For ("LAUF") gas costs from base rates and collect LAUF gas costs as a booked cost of gas sold through the GCR process; (iii) alternatively, retain LAUF gas costs in base rates at an appropriate level and "true up" this amount to match the Company's actual LAUF gas costs on an annual basis; (iv) "true up" the amount of Uncollectible Expense in base rates to match the Company's actual Uncollectible Expense on an annual basis; and (v) implement surcharges to recover costs associated with: (a) a residential conservation program and participation in Michigan's Low Income Energy Efficiency Fund, up to an amount approved

by the Commission, and (b) an accelerated program for replacement of unprotected and bare steel mains and compressors.

The Commission has selected this case for participation in its Paperless Electronic Filings Program. All documents filed in this case shall be submitted electronically through the Commission's Electronic Case Filings Web site at: https://efile.mpsc.cis.state.mi.us/cgi-bin/efile/login.pl. Requirements and instructions for filing electronic documents can be found in the Electronic Filings User Manual at: http://efile.mpsc.cis.state.mi.us/efile/usersmanual.pdf.

An application for account and letter of assurance, required of all first-time users, is located at: http://efile.mpsc.cis.state.mi.us/efile/pdfs/assurance.pdf. Documents may also be submitted in Word format, as an attachment to an e-mail sent to mpscefilecases@michigan.gov. If you require assistance prior to e-filing, contact Commission staff at (517) 241-6170 or by e-mail at mpscefilecases@michigan.gov.

Any person wishing to intervene and become a party to the case shall electronically file a petition to intervene with this Commission by July __, 2006. (Residential customers may file petitions to intervene using the traditional paper format.) The proof of service shall indicate serving upon SEMCO Gas's attorney: Al Ernst, Dykema Gossett PLLC, Capitol View, 201 Townsend, Suite 900, Lansing, MI 48933.

Any person wishing to make a statement of position without becoming a party to the case may participate by filing an appearance. To file an appearance, the individual must attend the hearing and advise the presiding administrative law judge of his/her wish to make a statement of position.

A copy of SEMCO Gas's request may be reviewed on the Commission's Web site at http://efile.mpsc.cis.state.mi.us/efile, or at the office of the Commission's Executive Secretary, 6545 Mercantile Way, Suite 7, Lansing, MI, and at the office of SEMCO Energy Gas Company, 1411 Third Street, Suite A, Port Huron, MI. For more information on how to participate in a

case, you may contact the Commission at the above address or by telephone at (517) 241-6170.

Jurisdiction is pursuant to 1909 PA 300, as amended, MCL 462.2 et seq.; 1919 PA 419, as amended, MCL 460.51 et seq.; 19393 PA 3, as amended, MCL 460.1 et seq.; 1969 PA 306, as amended, MCL 24.201 et seq.; and the Commission's Rules of Practice and Procedure, as amended, 1999 AC, R 460.17101 et seq.

SEMCO ENERGY GAS COMPANY HAS REQUESTED THE INCREASES DESCRIBED IN THIS NOTICE. THE MICHIGAN PUBLIC SERVICE COMMISSION MAY GRANT OR DENY THE REQUESTED INCREASES AND OTHER PROPOSALS, IN WHOLE OR IN PART, AND MAY GRANT LESSER OR GREATER INCREASES THAN THOSE REQUESTED, AND MAY AUTHORIZE A LESSER OR GREATER RATE FOR ANY CLASS OF SERVICE THAN THAT REQUESTED.

_____, 2006

Lansing, Michigan

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SEMCO Energy Gas Company
Historical Year Customers and Volumes
For the 12 Months Ended December 31, 2005

Case No.: U-14893
Witness: J.R. Alger
Revised Exhibit: A-6
Schedule: F-2
Page: 1 of 1
June 16, 2006

Line	Rate Schedules	Number of Customers Average	Number of Customers End of Period	Mcf / Dth
	(A)	(B)	(C)	(D)
1	Residential (Mcf)	221,932	225,593	22,972,824
2	GS-1 (Mcf)	18,633	19,012	4,750,411
3	GS-2 (Mcf)	3,567	3,558	3,271,896
4	GS-3 (Mcf)	832	836	4,963,537
5				
6	Total Sales & Customer Choice (Mcf)	244,964	248,999	35,958,668
7				
8	GS-2 (Dth)	7	7	10,890
9	GS-3 (Dth)	16	17	132,640
10	TR-1 (Dth)	84	84	2,044,610
11	TR-2 (Dth)	60	60	5,773,628
12	TR-3 (Dth)	7	7	3,530,021
13	Mead Johnson	2	2	519,014
14	Mich Tech	1	1	297,822
15	Coal Displacement	0	0	17,384
16				
17	Total Large Transportation (Dth)	177	178	12,326,009
18				
19	Total	245,141	249,177	48,284,677

(1) Includes Peninsular Gas - June - December 2005

Global Inputs

Rate Classes

Rate Class	Description
Res	Residential
GS-1	GS-1
GS-2	GS-2
GS-3	GS-3
TR-1	TR-1
TR-2	TR-2
TR-3	TR-3
Mead	Mead
MTU	MTU
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~

Classifers

Name	Description
DEM	Demand
CUS	Customer
COM	Commodity
~	~
~	~
~	~

Functions

Name	Description
F_PRODU	Production
F_PURGS	Purchased Gas
F_STORG	Storage
F_DISTR	Distribution
F_CBILL	Customer Acct/Billing
F_CSERV	Customer Services
F_TRANS	Transmission
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~

Unit Costs

	Factor Name
Commodity	TOTTHRU
Customer	CUSTS
Demand	TOTTHRU

Rate of Return

	Percent
LT Debt	8.04%
ST Debt	4.85%
Equity	11.00%
Cus Deposits	9.00%
DFIT	0.00%
JDITC	9.06%
Percent LT Debt	38.04%
Percent ST Debt	10.56%
Percent Equity	42.74%
Percent Cus Deposits	0.84%
Percent DFIT	7.68%
JDITC	0.15%
Rate of Return	8.36%
Factor	ROR

Income Tax

Federal Income Tax	35.00%
Effective Tax Rate	35.00%

Classifiers

Name	Description	Total	DEM	CUS	COM
DEM	Demand	100%	100.00%		
CUS	Customer	100%		100.00%	
COM	Commodity	100%			100.00%

Account Inputs

Test Year at Current Revenues

		Function	Classifier	DEM	CUS	COM	~	~	Internal	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
RATE BASE																			
RATE BASE																			
Prod Plant	97,107	F_PRODU	DEM	FIRMSALES						97,107	62,039	12,829	8,836	13,404	-	-	-	-	-
System Balancing Storage @ 20%	4,058,743	F_STORG	DEM	TOTTHRU						4,058,743	1,920,862	397,203	274,489	426,114	170,959	505,655	295,161	43,397	24,902
Other Storage Plant	16,234,974	F_STORG	DEM	FIRMSALES						16,234,974	10,371,997	2,144,762	1,477,228	2,240,987	-	-	-	-	-
Trans Plant	24,068,967	F_TRANS	DEM	PK_AVG						24,068,967	12,184,808	2,556,858	1,715,020	2,479,491	957,936	2,553,276	1,344,662	203,079	73,837
Distribution Plant	4,886,940	F_DISTR	DEM	PK_AVG						4,886,940	2,473,992	519,142	348,216	503,434	194,498	518,415	273,019	41,233	14,992
Mains	163,938,476	F_DISTR	DEM	PK_AVG						163,938,476	82,993,128	17,415,264	11,681,339	16,888,303	6,524,690	17,390,865	9,158,760	1,383,208	502,919
Services	104,129,332	F_DISTR	CUS		SRVC_2D					104,129,332	91,017,633	9,972,382	2,234,097	568,721	184,361	132,294	15,434	2,205	2,205
Meters - Erts	14,898,461	F_DISTR	CUS		SALESCUSTS					14,898,461	13,496,356	1,133,129	217,346	51,569	-	61	-	-	-
Meters	21,598,375	F_DISTR	CUS		WTD_METERS					21,598,375	13,502,527	2,500,259	3,614,112	1,321,942	359,219	261,144	30,467	4,352	4,352
Meter Reg Inst	3,161,914	F_DISTR	CUS		WTD_REGS					3,161,914	2,790,332	278,947	65,808	22,172	2,556	1,826	213	30	30
House Reg & Inst	25,152,131	F_DISTR	CUS		SRVC_H					25,152,131	18,968,883	4,025,277	1,304,319	617,036	128,990	93,588	10,919	1,560	1,560
Industrial M & R Station Eq	2,358,690	F_DISTR	CUS		SRVC_L					2,358,690	-	-	1,371,331	407,792	291,873	250,169	29,186	4,169	4,169
General & Intan Plant	22,170,412								PLANT	22,170,412	14,399,405	2,361,025	1,401,540	1,472,379	508,170	1,251,377	643,223	97,035	36,259
CWIP	9,248,933								PLANT	9,248,933	6,007,066	984,960	584,687	614,239	211,996	522,043	268,336	40,480	15,126
Accum Depr-Production	(63,096)	F_PRODU	DEM	FIRMSALES						(63,096)	(40,310)	(8,335)	(5,741)	(8,709)	-	-	-	-	-
Accum Depr - Sys Bal Storage @ 20%	(1,855,534)	F_STORG	DEM	TOTTHRU						(1,855,534)	(878,160)	(181,589)	(125,488)	(194,807)	(78,157)	(231,170)	(134,939)	(19,840)	(11,385)
Accum Depr - Other Storage	(7,422,134)	F_STORG	DEM	FIRMSALES						(7,422,134)	(4,741,760)	(980,520)	(675,343)	(1,024,511)	-	-	-	-	-
Accum Depr - Transmission	(8,689,709)	F_TRANS	DEM	PK_AVG						(8,689,709)	(4,399,127)	(923,112)	(619,180)	(895,180)	(345,847)	(921,819)	(485,468)	(73,318)	(26,658)
Accum Depr - Distribution	(141,426,079)								DIST_PT	(141,426,079)	(93,657,558)	(14,904,353)	(8,663,991)	(8,474,550)	(3,195,971)	(7,754,119)	(3,957,650)	(597,414)	(220,472)
Accum Depr - General	(11,987,256)								PLANT	(11,987,256)	(7,785,572)	(1,276,576)	(757,795)	(796,097)	(274,761)	(676,603)	(347,783)	(52,465)	(19,605)
W/C - Plant in Service	(8,271,100)								PLANT	(8,271,100)	(5,371,976)	(880,826)	(522,872)	(549,300)	(189,583)	(466,850)	(239,967)	(36,201)	(13,527)
W/C - Revenue	26,285,366	F_DISTR	DEM	REV_INCL_COG						26,285,366	16,919,610	3,330,001	2,237,039	3,284,783	121,988	250,659	117,877	11,828	11,581
W/C - O&M less COG	13,019,004								OMXGAS	13,019,004	9,524,037	1,268,944	630,657	610,124	199,341	485,526	248,761	37,519	14,095
W/C - Sys Bal Storage @ 20%	10,575,380	F_STORG	DEM	TOTTHRU						10,575,380	5,004,960	1,034,945	715,202	1,110,275	445,448	1,317,525	769,066	113,075	64,885
W/C - Other Storage	42,301,521	F_STORG	DEM	FIRMSALES						42,301,521	27,025,067	5,588,350	3,849,035	5,839,070	-	-	-	-	-
Customer Advances	(342,894)	F_DISTR	CUS		PK_AVG_SALES					(342,894)	(220,950)	(45,329)	(31,072)	(44,244)	-	-	-	-	-
Total Rate Base	***328,126,924***	-	-	-	-	-	-	-	-	***328,126,924***	***211,567,287***	***36,322,638***	***22,328,819***	***26,484,140***	***6,217,706***	***15,483,860***	***8,039,278***	***1,203,932***	***479,266***
TOTAL RATE BASE	**328,126,924**	-								**328,126,924**	**211,567,287**	**36,322,638**	**22,328,819**	**26,484,140**	**6,217,706**	**15,483,860**	**8,039,278**	**1,203,932**	**479,266**
O & M Expenses	34,107,870																		
Production	75,469	F_PRODU	DEM	FIRMSALES						75,469	48,215	9,970	6,867	10,417	-	-	-	-	-
Other Storage Plant	449,062	F_STORG	DEM	FIRMSALES						449,062	286,891	59,324	40,860	61,986	-	-	-	-	-
Storage Expense (balancing and other	112,266	F_STORG	DEM	TOTTHRU						112,266	53,132	10,987	7,592	11,786	4,729	13,987	8,164	1,200	689
Distribution Expenses	8,213,261								DIST_PT	8,213,261	5,439,124	865,564	503,158	492,156	185,605	450,317	229,839	34,695	12,804
Transmission Expenses	176,381	F_TRANS	DEM	PK_AVG						176,381	89,292	18,737	12,568	18,170	7,020	18,711	9,854	1,488	541
Meter Read Exp.	481,120	F_DISTR	CUS		CUSTS					481,120	435,571	36,570	7,014	1,664	165	118	14	2	2
Customer Account- Supervisor	314,776	F_CSERV	CUS		CUSTS					314,776	284,975	23,926	4,589	1,089	108	77	9	1	1
Customer Records & Collection	3,081,440	F_CSERV	CUS		CUSTS					3,081,440	2,789,713	234,219	44,926	10,659	1,056	754	88	13	13
Customer Service and Informaiton	73,822	F_CSERV	CUS		CUSTS					73,822	66,833	5,611	1,076	255	25	18	2	0	0
TOTAL O & M EXPENSES	**12,977,597**	-	-	-	-	-	-	-	-	**12,977,597**	**9,493,746**	**1,264,908**	**628,651**	**608,184**	**198,707**	**483,982**	**247,970**	**37,399**	**14,050**

Account Inputs

Test Year at Current Revenues

		Function	Classifier	DEM	CUS	COM	~	~	Internal	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Depreciation Expenses																			
Distribution Plant																			
Depr Production	3,334	F_PRODU	DEM	FIRMSALES						3,334	2,130	440	303	460	-	-	-	-	-
Depr Sys Bal Storage @ 20%	82,691	F_STORG	DEM	TOTTHRU						82,691	39,135	8,092	5,592	8,681	3,483	10,302	6,013	884	507
Depr Other Storage	330,762	F_STORG	DEM	FIRMSALES						330,762	211,313	43,696	30,096	45,657	-	-	-	-	-
Depr Transmission Plant	650,039	F_TRANS	DEM	PK_AVG						650,039	329,079	69,054	46,318	66,964	25,871	68,957	36,316	5,485	1,994
Depr Distribution Plant	9,004,783								DIST_PT	9,004,783	5,963,299	948,980	551,648	539,586	203,492	493,715	251,989	38,038	14,038
Depr General & Intan Plant	2,883,764								GENPLANT	2,883,764	1,872,969	307,105	182,302	191,516	66,099	162,770	83,666	12,622	4,716
TOTAL DEPRECIATION EXPENS	**12,955,373**	-	-	-	-	-	-	-	-	**12,955,373**	**8,417,925**	**1,377,367**	**816,260**	**852,865**	**298,945**	**735,744**	**377,984**	**57,028**	**21,255**
Other Expenses																			
A&G O&M	9,770,789								OMXGAS	9,770,789	7,147,809	952,345	473,309	457,900	149,606	364,388	186,696	28,158	10,578
A&G Plant in service	9,770,789								PLANT	9,770,789	6,346,005	1,040,534	617,677	648,897	223,957	551,498	283,477	42,764	15,980
A&G Company Use and LAUF	3,455,053	F_DISTR	COM			FIRMSALESCOM				3,455,053	2,207,321	456,439	314,377	476,917	-	-	-	-	-
Sales Promotion Exp	1,616	F_DISTR	CUS		COSS					1,616	1,002	200	110	123	62	85	30	(4)	8
Uncollectible Expense	1,587,080	F_DISTR	DEM	COSS_COG						1,587,080	1,013,632	208,888	146,790	227,880	(3,536)	(4,732)	(1,613)	232	(460)
TOTAL OTHER EXPENSES	**24,585,326**	-	-	-	-	-	-	-	-	**24,585,326**	**16,715,768**	**2,658,405**	**1,552,264**	**1,811,716**	**370,089**	**911,239**	**468,589**	**71,151**	**26,106**
Timing Differences																			
Interest Syncronization									RATEBASE	-	-	-	-	-	-	-	-	-	-
Pro Forma Income Tax Savings									RATEBASE	-	-	-	-	-	-	-	-	-	-
TOTAL TIMING DIFFERENCES	-									-	-	-	-	-	-	-	-	-	-
Taxes Other Than Income Taxes																			
MSBT	1,123,022	F_DISTR	DEM	COSS						1,123,022	696,184	138,912	76,775	85,194	42,974	59,310	20,529	(2,496)	5,639
Payroll Tax	1,245,340								OMXGAS	1,245,340	911,027	121,382	60,326	58,362	19,068	46,443	23,795	3,589	1,348
Property Tax	5,065,608								PLANT	5,065,608	3,290,049	539,459	320,231	336,417	116,109	285,921	146,967	22,171	8,285
TOTAL TAXES OTHER THAN IN	**7,433,970**	-	-	-	-	-	-	-	-	**7,433,970**	**4,897,260**	**799,753**	**457,332**	**479,973**	**178,152**	**391,674**	**191,292**	**23,264**	**15,271**
Revenue Credits																			
Transport misc. Revenue+GCR	219,395	F_DISTR	DEM	FIRMSALES						219,395	140,164	28,984	19,963	30,284	-	-	-	-	-
Sales Misc. Revenue	3,597,462	F_DISTR	COM			SALESREV				3,597,462	2,361,826	464,838	312,271	458,526	-	-	-	-	-
Other Revenues- COS	2,903,983	F_DISTR	DEM	COSS						2,903,983	1,800,238	359,209	198,529	220,301	111,126	153,367	53,086	(6,455)	14,581
Coal Displacement Revenue	3,388	F_DISTR	COM			REVENUE				3,388	2,263	369	207	225	77	158	74	7	7
TOTAL OTHER REVENUE CRED	**6,724,228**									**6,724,228**	**4,304,491**	**853,400**	**530,970**	**709,336**	**111,203**	**153,525**	**53,161**	**(6,447)**	**14,588**
Operating Revenues																			
Rate Revenue Received	76,677,533	F_DISTR	COM			REVENUE				76,677,533	51,206,286	8,350,120	4,695,051	5,085,929	1,746,512	3,576,771	1,684,591	167,924	164,349
TOTAL OPERATING REVENUES	**(76,677,533)**	-	-	-	-	-	-	-	-	**76,677,533**	**51,206,286**	**8,350,120**	**4,695,051**	**5,085,929**	**1,732,609**	**3,552,311**	**1,672,311**	**166,860**	**164,349**

External & Internal Allocators

Test Year at Current Revenues

Name	Description	Classifier	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
EXTERNAL ALLOCATORS												
TOTTHRU	Total Throughput Volumes	DEM	100.000%	47.327%	9.786%	6.763%	10.499%	4.212%	12.458%	7.272%	1.069%	0.614%
	Allocation factor 2		48,541,120	22,972,824	4,750,411	3,282,786	5,096,177	2,044,610	5,773,628	3,530,021	519,014	297,822
FIRMSALES	Annual Sales Volumes	DEM	100.000%	63.887%	13.211%	9.099%	13.803%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 1		35,958,668	22,972,824	4,750,411	3,271,896	4,963,537	-	-	-	-	
TRANSSALES	Annual Transport Volumes	DEM	100.000%	0.000%	0.000%	0.087%	1.054%	16.250%	48.063%	28.055%	4.125%	2.367%
	Allocation factor 0		12,582,452	-	-	10,890	132,640	2,044,610	6,047,455	3,530,021	519,014	297,822
PKDAY	Peak Day Throughput Volumes [Peak Month]	DEM	100.000%	53.923%	11.460%	7.488%	10.105%	3.748%	8.758%	3.901%	0.618%	0.000%
	Allocation factor		309,707	167,002	35,492	23,191	31,294	11,607	27,124	12,082	1,915	-
	Sales Only-%		256,979	64.987%	13.811%	9.024%	12.178%					
PK_AVG_SALES	Peak and Average Sales Only Allocator	DEM	100.000%	64.437%	13.511%	9.062%	12.991%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 7		1	1	0	0	0	-				
PK_AVG	Peak and Average Allocator	DEM	100.000%	50.625%	10.623%	7.125%	10.302%	3.980%	10.608%	5.587%	0.844%	0.307%
	Allocation factor 3		1	1	0	0	0	0	0	0	0	
PK_AVGC	Peak and Average Allocator	COM	100.000%	50.625%	10.623%	7.125%	10.302%	3.980%	10.608%	5.587%	0.844%	0.307%
	Allocation factor 3		1	1	0	0	0	0	0	0	0	-
CUSTS	Number of Customers	CUS	100.000%	90.533%	7.601%	1.458%	0.346%	0.034%	0.024%	0.003%	0.000%	0.000%
	Allocation factor 4		245,140	221,932	18,633	3,574	848	84	60	7	2	1
REVENUE	Non-Gas Revenue in Dollars	COM	100.000%	66.781%	10.890%	6.123%	6.633%	2.278%	4.665%	2.197%	0.219%	0.214%
	Allocation factor 14		76,677,533	51,206,286	8,350,120	4,695,051	5,085,929	1,746,512	3,576,771	1,684,591	167,924	164,349
SALESREV	Sales Revenue	COM	100.000%	65.653%	12.921%	8.680%	12.746%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 21		373,591,648	245,272,541	48,272,858	32,428,893	47,617,356					
ROR	Rate of Return- Do NOT DELETE		0.000%	0%	0%	0%	0%	0%	0%	0%	0%	0%
			-									
REV_INCL_COG	Revenue including COG	DEM	100.000%	64.369%	12.669%	8.511%	12.497%	0.464%	0.954%	0.448%	0.045%	0.044%
	Allocation factor 13		381,041,793	245,272,541	48,272,858	32,428,893	47,617,356	1,768,376	3,633,642	1,708,787	171,461	167,879
WTD_METERS	Meters Allocator	CUS	100.000%	62.516%	11.576%	16.733%	6.121%	1.663%	1.209%	0.141%	0.020%	0.020%
	Allocation factor 9		354,998	221,932	41,095	59,403	21,728	5,904	4,292	501	72	72
WTD_REGS	Meters & Regulators Allocator	CUS	100.000%	88.248%	8.822%	2.081%	0.701%	0.081%	0.058%	0.007%	0.001%	0.001%
	Allocation factor 10		251,486	221,932	22,186	5,234	1,764	203	145	17	2	2
TRANSCUSTS	Transportation Customers	CUS	100.000%	0.000%	0.000%	0.000%	0.000%	54.902%	39.216%	4.575%	0.654%	0.654%
	Allocation factor 5		153	-		-	-	84	60	7	1	1
SALESCUSTS	Sales Customers	CUS	100.000%	90.589%	7.606%	1.459%	0.346%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 6		244,988	221,932	18,633	3,574	848	-	1	-	-	-
COG	Actual Cost of Gas by Class	COM	100.000%	63.761%	13.117%	9.112%	13.974%	0.007%	0.019%	0.008%	0.001%	0.001%
	Allocation factor		304,364,260	194,066,255	39,922,738	27,733,842	42,531,427	21,864	56,871	24,196	3,537	3,530
COG_D	Actual Cost of Gas by Class	DEM	100.000%	63.761%	13.117%	9.112%	13.974%	0.007%	0.019%	0.008%	0.001%	0.001%
	Allocation factor		304,364,260	194,066,255	39,922,738	27,733,842	42,531,427	21,864	56,871	24,196	3,537	3,530
COSS	COSS Allocation(see detail below)	DEM	100.000%	61.992%	12.370%	6.836%	7.586%	3.827%	5.281%	1.828%	-0.222%	0.502%
			17,285,160	10,715,422	2,138,092	1,181,691	1,311,282	661,446	912,876	315,981	(38,419)	86,789
COSS_COG	COSS Allocation + COG(see detail below)	DEM	100.000%	63.868%	13.162%	9.249%	14.358%	-0.223%	-0.298%	-0.102%	0.015%	-0.029%
			287,079,100	183,350,833	37,784,646	26,552,151	41,220,145	(639,582)	(856,005)	(291,785)	41,956	(83,259)
SRVC_2	Service Allocator	CUS	100.000%	87.408%	9.577%	2.146%	0.546%	0.177%	0.127%	0.015%	0.002%	0.002%
	Allocation factor 8		253,903	221,932	24,316	5,447	1,387	450	323	38	5	5

External & Internal Allocators

Test Year at Current Revenues

Name	Description	Classifier	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
SRVC_2D	Service Allocator	DEM	100.000%	87.408%	9.577%	2.146%	0.546%	0.177%	0.127%	0.015%	0.002%	0.002%
	Allocation factor 8		253,903	221,932	24,316	5,447	1,387	450	323	38	5	5
SRVC_H	House Regulators	CUS	100.000%	75.417%	16.004%	5.186%	2.453%	0.513%	0.372%	0.043%	0.006%	0.006%
	Allocation factor 11		294,275	221,932	47,095	15,260	7,219	1,509	1,095	128	18	18
SRVC_L	Industrial Meters	CUS	100.000%	0.000%	0.000%	58.140%	17.289%	12.374%	10.606%	1.237%	0.177%	0.177%
	Allocation factor 12		6,147	-	-	3,574	1,063	761	652	76	11	11
FIRMSALESCOM	Annual Sales Volumes	COM	100.000%	63.887%	13.211%	9.099%	13.803%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 1		35,958,668	22,972,824	4,750,411	3,271,896	4,963,537	-	-	-	-	

External & Internal Allocators

Test Year at Current Revenues

Name	Description	Classifier	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
INTERNAL ALLOCATORS												
GRSPSD2	Gross Plant		100.000%	64.477%	11.070%	6.805%	8.071%	1.895%	4.719%	2.450%	0.367%	0.146%
			328,126,924	211,567,287	36,322,638	22,328,819	26,484,140	6,217,706	15,483,860	8,039,278	1,203,932	479,266
DIST_PT2	Distribution Plant		100.000%	66.224%	10.539%	6.126%	5.992%	2.260%	5.483%	2.798%	0.422%	0.156%
			340,124,319	225,242,850	35,844,399	20,836,569	20,380,969	7,686,187	18,648,361	9,517,998	1,436,758	530,228
PLANT2	Plant In Service		100.000%	64.949%	10.649%	6.322%	6.641%	2.292%	5.644%	2.901%	0.438%	0.164%
			384,584,110	249,782,556	40,956,052	24,312,141	25,540,966	8,815,082	21,707,292	11,157,821	1,683,234	628,967
OMXGAS2	O&M Excluding Gas Costs		100.000%	73.155%	9.747%	4.844%	4.686%	1.531%	3.729%	1.911%	0.288%	0.108%
			12,977,597	9,493,746	1,264,908	628,651	608,184	198,707	483,982	247,970	37,399	14,050
GENPLANT2	General Plant		100.000%	64.949%	10.649%	6.322%	6.641%	2.292%	5.644%	2.901%	0.438%	0.164%
			22,170,412	14,399,405	2,361,025	1,401,540	1,472,379	508,170	1,251,377	643,223	97,035	36,259
RATEBASE2	Rate Base		100.000%	64.477%	11.070%	6.805%	8.071%	1.895%	4.719%	2.450%	0.367%	0.146%
			328,126,924	211,567,287	36,322,638	22,328,819	26,484,140	6,217,706	15,483,860	8,039,278	1,203,932	479,266
				0%	0%	0%	0%	0%	0%	0%	0%	0%
				0%	0%	0%	0%	0%	0%	0%	0%	0%
				0%	0%	0%	0%	0%	0%	0%	0%	0%

Development of "COSS" Factor:										
Rate Revenues; less	76,677,533	51,206,286	8,350,120	4,695,051	5,085,929	1,746,512	3,576,771	1,684,591	167,924	164,349
Oper. Exp. (O+M, Depr.,Co.Use&LAUF, TO)	55,240,548	37,813,881	5,752,434	3,230,831	3,439,540	1,006,392	2,467,976	1,266,888	191,110	71,496
Coal Displacement- Spread										
Interest	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FIT	4,151,825	2,676,983	459,594	282,529	335,107	78,673	195,919	101,722	15,233	6,064
Net---"COSS"	17,285,160	10,715,422	2,138,092	1,181,691	1,311,282	661,446	912,876	315,981	(38,419)	86,789
Development of "COSS+COG" factor										
COSS (above)	(17,285,160)	(10,715,422)	(2,138,092)	(1,181,691)	(1,311,282)	(661,446)	(912,876)	(315,981)	38,419	(86,789)
Cost of Gas	304,364,260	194,066,255	39,922,738	27,733,842	42,531,427	21,864	56,871	24,196	3,537	3,530
Net---"COSS+COG"	287,079,100	183,350,833	37,784,646	26,552,151	41,220,145	(639,582)	(856,005)	(291,785)	41,956	(83,259)
		63.868%								

Revenue Requirement Summary

Test Year at Current Revenues

	System Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
RATE BASE	$ 328,126,924	$ 211,567,287	$ 36,322,638	$ 22,328,819	$ 26,484,140	$ 6,217,706	$ 15,483,860	$ 8,039,278	$ 1,203,932	$ 479,266
RATE OF RETURN	8.36%	8.36%	8.36%	8.36%	8.36%	8.36%	8.36%	8.36%	8.36%	8.36%
RETURN ALLOWANCE	$ 27,431,411	$ 17,687,025	$ 3,036,572	$ 1,866,689	$ 2,214,074	$ 519,800	$ 1,294,451	$ 672,084	$ 100,649	$ 40,067
INCOME TAXES										
Interest Expense	$ 12,125,717	$ 7,818,331	$ 1,342,279	$ 825,147	$ 978,704	$ 229,771	$ 572,196	$ 297,086	$ 44,491	$ 17,711
Tax Adjustments										
Total Tax Adjustments	$ 12,125,717	$ 7,818,331	$ 1,342,279	$ 825,147	$ 978,704	$ 229,771	$ 572,196	$ 297,086	$ 44,491	$ 17,711
Composite Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Income Taxes - Current (present rates)	$ 4,151,825	$ 2,676,983	$ 459,594	$ 282,529	$ 335,107	$ 78,673	$ 195,919	$ 101,722	$ 15,233	$ 6,064
Income Taxes - Deferred	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Income Taxes	$ 4,151,825	$ 2,676,983	$ 459,594	$ 282,529	$ 335,107	$ 78,673	$ 195,919	$ 101,722	$ 15,233	$ 6,064
EXPENSES										
O & M Expense	$ 12,977,597	$ 9,493,746	$ 1,264,908	$ 628,651	$ 608,184	$ 198,707	$ 483,982	$ 247,970	$ 37,399	$ 14,050
Depreciation Expense	$ 12,955,373	$ 8,417,925	$ 1,377,367	$ 816,260	$ 852,865	$ 298,945	$ 735,744	$ 377,984	$ 57,028	$ 21,255
Other Expense	$ 24,585,326	$ 16,715,768	$ 2,658,405	$ 1,552,264	$ 1,811,716	$ 370,089	$ 911,239	$ 468,589	$ 71,151	$ 26,106
Taxes Other than Income	$ 7,433,970	$ 4,897,260	$ 799,753	$ 457,332	$ 479,973	$ 178,152	$ 391,674	$ 191,292	$ 23,264	$ 15,271
REVENUE REQUIREMENT										
Total Expenses	$ 57,952,266	$ 39,524,698	$ 6,100,434	$ 3,454,506	$ 3,752,737	$ 1,045,893	$ 2,522,639	$ 1,285,834	$ 188,842	$ 76,682
Total Income Taxes	$ 4,151,825	$ 2,676,983	$ 459,594	$ 282,529	$ 335,107	$ 78,673	$ 195,919	$ 101,722	$ 15,233	$ 6,064
Total Return on Rate Base	$ 27,431,411	$ 17,687,025	$ 3,036,572	$ 1,866,689	$ 2,214,074	$ 519,800	$ 1,294,451	$ 672,084	$ 100,649	$ 40,067
Total Revenue Requirement (w/o inc. FIT)	**$ 89,535,502**	**$ 59,888,707**	**$ 9,596,601**	**$ 5,603,724**	**$ 6,301,918**	**$ 1,644,366**	**$ 4,013,008**	**$ 2,059,640**	**$ 304,724**	**$ 122,813**
Current Revenues	**$ 83,401,761**	**$ 55,510,777**	**$ 9,203,520**	**$ 5,226,021**	**$ 5,795,265**	**$ 1,857,715**	**$ 3,730,296**	**$ 1,737,752**	**$ 161,477**	**$ 178,937**
Revenue to Cost Ratio	**0.93**	**0.93**	**0.96**	**0.93**	**0.92**	**1.13**	**0.93**	**0.84**	**0.53**	**1.46**
Revenue Defficiency	$ 6,133,741	$ 4,377,929	$ 393,081	$ 377,703	$ 506,653	$ (213,349)	$ 282,712	$ 321,888	$ 143,247	$ (56,124)
AFUDC-int.sync.	$ 83,973	$ 54,143	$ 9,296	$ 5,714	$ 6,778	$ 1,591	$ 3,963	$ 2,057	$ 308	$ 123
Net Deficiency	$ 6,049,768	$ 4,323,786	$ 383,785	$ 371,989	$ 499,875	$ (214,940)	$ 278,750	$ 319,831	$ 142,939	$ (56,247)
Revenue Mulitplier	1.5683									
Pre-Tax Revenue Deficiency	**$ 9,487,851**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Additional FIT for Def.	$ 3,438,083	$ 2,216,782	$ 380,585	$ 233,959	$ 277,498	$ 65,149	$ 162,238	$ 84,235	$ 12,615	$ 5,022
Revenue Dificency @ 8.36 return	**$ 9,487,851**	**$ 6,540,568**	**$ 764,370**	**$ 605,948**	**$ 777,373**	**$ (149,791)**	**$ 440,988**	**$ 404,066**	**$ 155,554**	**$ (51,225)**
Total Revenue Requirement	**$ 92,973,585**	**$ 62,105,489**	**$ 9,977,186**	**$ 5,837,684**	**$ 6,579,416**	**$ 1,709,515**	**$ 4,175,247**	**$ 2,143,875**	**$ 317,339**	**$ 127,835**

Functional Rate Base

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 112,539	$ 71,897	$ 14,867	$ 10,240	$ 15,534	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 112,539	$ 71,897	$ 14,867	$ 10,240	$ 15,534	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 65,045,012	$ 39,400,823	$ 8,147,457	$ 5,614,566	$ 8,548,538	$ 547,955	$ 1,620,716	$ 946,044	$ 139,096	$ 79,816
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 65,045,012	$ 39,400,823	$ 8,147,457	$ 5,614,566	$ 8,548,538	$ 547,955	$ 1,620,716	$ 946,044	$ 139,096	$ 79,816
Distribution										
Demand	$ 199,934,414	$ 129,196,886	$ 21,072,542	$ 11,298,172	$ 14,688,931	$ 4,522,578	$ 11,751,058	$ 6,139,897	$ 921,228	$ 343,123
Customer	$ 43,299,145	$ 31,517,263	$ 5,096,428	$ 4,196,869	$ 1,544,598	$ 499,049	$ 386,908	$ 45,135	$ 6,448	$ 6,448
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 243,233,558	$ 160,714,149	$ 26,168,970	$ 15,495,040	$ 16,233,529	$ 5,021,627	$ 12,137,966	$ 6,185,032	$ 927,675	$ 349,570
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 3,481,110	$ 3,151,545	$ 264,598	$ 50,753	$ 12,042	$ 1,193	$ 852	$ 99	$ 14	$ 14
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 3,481,110	$ 3,151,545	$ 264,598	$ 50,753	$ 12,042	$ 1,193	$ 852	$ 99	$ 14	$ 14
Transmission										
Demand	$ 16,254,706	$ 8,228,873	$ 1,726,745	$ 1,158,219	$ 1,674,496	$ 646,931	$ 1,724,326	$ 908,103	$ 137,147	$ 49,865
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 16,254,706	$ 8,228,873	$ 1,726,745	$ 1,158,219	$ 1,674,496	$ 646,931	$ 1,724,326	$ 908,103	$ 137,147	$ 49,865
TOTAL										
Demand	$ 281,346,670	$ 176,898,479	$ 30,961,612	$ 18,081,197	$ 24,927,500	$ 5,717,464	$ 15,096,100	$ 7,994,044	$ 1,197,470	$ 472,804
Customer	$ 46,780,254	$ 34,668,808	$ 5,361,026	$ 4,247,621	$ 1,556,640	$ 500,242	$ 387,760	$ 45,234	$ 6,462	$ 6,462
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL RATE BASE	**$ 328,126,924**	**$ 211,567,287**	**$ 36,322,638**	**$ 22,328,819**	**$ 26,484,140**	**$ 6,217,706**	**$ 15,483,860**	**$ 8,039,278**	**$ 1,203,932**	**$ 479,266**

Functional Revenue Requirement

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 159,351	$ 101,804	$ 21,051	$ 14,499	$ 21,996	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 159,351	$ 101,804	$ 21,051	$ 14,499	$ 21,996	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 9,328,645	$ 5,650,799	$ 1,168,494	$ 805,232	$ 1,226,017	$ 78,587	$ 232,440	$ 135,680	$ 19,949	$ 11,447
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 9,328,645	$ 5,650,799	$ 1,168,494	$ 805,232	$ 1,226,017	$ 78,587	$ 232,440	$ 135,680	$ 19,949	$ 11,447
Distribution										
Demand	$ 56,040,402	$ 36,183,618	$ 5,867,686	$ 3,101,198	$ 3,985,874	$ 1,331,275	$ 3,423,284	$ 1,781,448	$ 263,254	$ 102,764
Customer	$ 13,382,957	$ 9,883,482	$ 1,541,824	$ 1,231,231	$ 451,610	$ 145,292	$ 112,626	$ 13,138	$ 1,877	$ 1,877
Commodity	$ 3,455,053	$ 2,207,321	$ 456,439	$ 314,377	$ 476,917	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 72,878,412	$ 48,274,421	$ 7,865,948	$ 4,646,806	$ 4,914,401	$ 1,476,567	$ 3,535,910	$ 1,794,587	$ 265,131	$ 104,641
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 6,787,148	$ 6,144,592	$ 515,889	$ 98,953	$ 23,478	$ 2,326	$ 1,661	$ 194	$ 28	$ 28
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 6,787,148	$ 6,144,592	$ 515,889	$ 98,953	$ 23,478	$ 2,326	$ 1,661	$ 194	$ 28	$ 28
Transmission										
Demand	$ 3,820,029	$ 1,933,873	$ 405,804	$ 272,194	$ 393,525	$ 152,036	$ 405,235	$ 213,414	$ 32,231	$ 11,719
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 3,820,029	$ 1,933,873	$ 405,804	$ 272,194	$ 393,525	$ 152,036	$ 405,235	$ 213,414	$ 32,231	$ 11,719
TOTAL										
Demand	$ 69,348,427	$ 43,870,094	$ 7,463,035	$ 4,193,123	$ 5,627,411	$ 1,561,898	$ 4,060,959	$ 2,130,542	$ 315,434	$ 125,930
Customer	$ 20,170,105	$ 16,028,074	$ 2,057,712	$ 1,330,184	$ 475,089	$ 147,617	$ 114,288	$ 13,332	$ 1,905	$ 1,905
Commodity	$ 3,455,053	$ 2,207,321	$ 456,439	$ 314,377	$ 476,917	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Revenue Requirement	**$ 92,973,585**	**$ 62,105,489**	**$ 9,977,186**	**$ 5,837,684**	**$ 6,579,416**	**$ 1,709,515**	**$ 4,175,247**	**$ 2,143,875**	**$ 317,339**	**$ 127,835**
	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

Unit Costs- Per Mcf

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 0.0033	$ 0.0044	$ 0.0044	$ 0.0044	$ 0.0043	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 0.1922	$ 0.2460	$ 0.2460	$ 0.2453	$ 0.2406	$ 0.0384	$ 0.0384	$ 0.0384	$ 0.0384	$ 0.0384
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distribution										
Demand	$ 1.1545	$ 1.5751	$ 1.2352	$ 0.9447	$ 0.7821	$ 0.6511	$ 0.5661	$ 0.5047	$ 0.5072	$ 0.3451
Customer	$ 0.2757	$ 0.4302	$ 0.3246	$ 0.3751	$ 0.0886	$ 0.0711	$ 0.0186	$ 0.0037	$ 0.0036	$ 0.0063
Commodity	$ 0.07	$ 0.10	$ 0.10	$ 0.10	$ 0.09	$ -	$ -	$ -	$ -	$ -
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total										
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 0.1398	$ 0.2675	$ 0.1086	$ 0.0301	$ 0.0046	$ 0.0011	$ 0.0003	$ 0.0001	$ 0.0001	$ 0.0001
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total										
TOTAL										
Demand	$ 1.4287	$ 1.9097	$ 1.5710	$ 1.2773	$ 1.1042	$ 0.7639	$ 0.6715	$ 0.6035	$ 0.6078	$ 0.4228
Customer	$ 0.4155	$ 0.6977	$ 0.4332	$ 0.4052	$ 0.0932	$ 0.0722	$ 0.0189	$ 0.0038	$ 0.0037	$ 0.0064
Commodity	$ 0.07	$ 0.10	$ 0.10	$ 0.10	$ 0.09	$ -	$ -	$ -	$ -	$ -
Total Throughput Volumes	**48,541,120**	**22,972,824**	**4,750,411**	**3,282,786**	**5,096,177**	**2,044,610**	**6,047,455**	**3,530,021**	**519,014**	**297,822**
Total Throughput Volumes	**48,541,120**	**22,972,824**	**4,750,411**	**3,282,786**	**5,096,177**	**2,044,610**	**6,047,455**	**3,530,021**	**519,014**	**297,822**
Number of Customers	**245,140**	**221,932**	**18,633**	**3,574**	**848**	**84**	**60**	**7**	**1**	**1**

* Demand per Throughput (Mcf); Commodity per Sales (Mcf);
Customer per Customer per Month
Revenue per Throughput (Mcf)

Unit Cost - Customer Basis

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 0.0542	$ 0.0382	$ 0.0941	$ 0.3381	$ 2.1616	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.0542	$ 0.0382	$ 0.0941	$ 0.3381	$ 2.1616	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 3.1712	$ 2.1218	$ 5.2259	$ 18.7752	$ 120.4812	$ 77.9631	$ 322.8339	$ 1,615.2395	$ 1,662.4047	$ 953.9255
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 3.1712	$ 2.1218	$ 5.2259	$ 18.7752	$ 120.4812	$ 77.9631	$ 322.8339	$ 1,615.2395	$ 1,662.4047	$ 953.9255
Distribution										
Demand	$ 19.0505	$ 13.5866	$ 26.2424	$ 72.3092	$ 391.6936	$ 1,320.7094	$ 4,754.5609	$ 21,207.7192	$ 21,937.8728	$ 8,563.6951
Customer	$ 4.5494	$ 3.7112	$ 6.8956	$ 28.7081	$ 44.3799	$ 144.1385	$ 156.4255	$ 156.4099	$ 156.4099	$ 156.4099
Commodity	$ 1.1745	$ 0.8288	$ 2.0414	$ 7.3302	$ 46.8668	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 24.7744	$ 18.1266	$ 35.1793	$ 108.3475	$ 482.9403	$ 1,464.8479	$ 4,910.9864	$ 21,364.1290	$ 22,094.2826	$ 8,720.1050
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072	$ 2.3072
TOTAL										
Demand	$ 23.5744	$ 16.4728	$ 33.3773	$ 97.7691	$ 553.0082	$ 1,549.5015	$ 5,640.2212	$ 25,363.5989	$ 26,286.1919	$ 10,494.1884
Customer	$ 6.8567	$ 6.0184	$ 9.2028	$ 31.0153	$ 46.6872	$ 146.4457	$ 158.7328	$ 158.7171	$ 158.7171	$ 158.7171
Commodity	$ 1.1745	$ 0.8288	$ 2.0414	$ 7.3302	$ 46.8668	$ -	$ -	$ -	$ -	$ -
Total Unit Cost	**$ 31.6056**	**$ 23.3200**	**$ 44.6215**	**$ 136.1146**	**$ 646.5621**	**$ 1,695.9473**	**$ 5,798.9539**	**$ 25,522.3160**	**$ 26,444.9090**	**$ 10,652.9055**

Unit Cost - Demand Basis-Per Mcf

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 0.02	$ 0.0205	$ 0.02	$ 0.02	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.02	$ 0.02	$ 0.02	$ 0.02	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Distribution										
Demand	$ 0.0962	$ 0.1313	$ 0.10	$ 0.08	$ 0.07	$ 0.05	$ 0.05	$ 0.04	$ 0.04	$ 0.03
Customer	$ 0.0230	$ 0.0359	$ 0.03	$ 0.03	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Commodity	$ 0.0059	$ 0.0080	$ 0.01	$ 0.01	$ 0.01	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.13	$ 0.18	$ 0.14	$ 0.12	$ 0.08	$ 0.06	$ 0.05	$ 0.04	$ 0.04	$ 0.03
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 0.01	$ 0.02	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.01	$ 0.02	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
TOTAL										
Demand	$ 0.12	$ 0.16	$ 0.13	$ 0.11	$ 0.09	$ 0.06	$ 0.06	$ 0.05	$ 0.05	$ 0.04
Customer	$ 0.03	$ 0.06	$ 0.04	$ 0.03	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Commodity	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ -	$ -	$ -	$ -	$ -
Total Unit Cost	**$ 0.1596**	**$ 0.2253**	**$ 0.1750**	**$ 0.1482**	**$ 0.1076**	**$ 0.0697**	**$ 0.0575**	**$ 0.0506**	**$ 0.0510**	**$ 0.0358**

Earned Return Summary

Test Year at Current Revenues **$ 79,946,708**

	System Total		Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
REVENUES											
Rate Revenue Received	$ 76,677,533		$ 51,206,286	$ 8,350,120	$ 4,695,051	$ 5,085,929	$ 1,746,512	$ 3,576,771	$ 1,684,591	$ 167,924	$ 164,349
Other Revenue Credits	$ 6,724,228		4,304,491	853,400	530,970	709,336	111,203	153,525	53,161	(6,447)	14,588
	$ 83,401,761	#	$ 55,510,777	$ 9,203,520	$ 5,226,021	$ 5,795,265	$ 1,857,715	$ 3,730,296	$ 1,737,752	$ 161,477	$ 178,937
EXPENSES											
O&M Expenses (excl, A&G)	$ 12,977,597		$ 9,493,746	$ 1,264,908	$ 628,651	$ 608,184	$ 198,707	$ 483,982	$ 247,970	$ 37,399	$ 14,050
Depreciation Expense	$ 12,955,373		$ 8,417,925	$ 1,377,367	$ 816,260	$ 852,865	$ 298,945	$ 735,744	$ 377,984	$ 57,028	$ 21,255
Other Expenses	$ 24,585,326		$ 16,715,768	$ 2,658,405	$ 1,552,264	$ 1,811,716	$ 370,089	$ 911,239	$ 468,589	$ 71,151	$ 26,106
Taxes Other Than Income (incl MSBT)	$ 7,433,970		$ 4,897,260	$ 799,753	$ 457,332	$ 479,973	$ 178,152	$ 391,674	$ 191,292	$ 23,264	$ 15,271
Total Expenses	$ 57,952,266		$ 39,524,698	$ 6,100,434	$ 3,454,506	$ 3,752,737	$ 1,045,893	$ 2,522,639	$ 1,285,834	$ 188,842	$ 76,682
OPERATING INC. BEFORE INTEREST & INCOME TAXES	$ 25,449,495	#	$ 15,986,079	$ 3,103,086	$ 1,771,515	$ 2,042,528	$ 811,822	$ 1,207,657	$ 451,917	$ (27,365)	$ 102,255
INCOME TAX ADJUSTMENTS											
Interest Expense	$ 12,125,717		$ 7,818,331	$ 1,342,279	$ 825,147	$ 978,704	$ 229,771	$ 572,196	$ 297,086	$ 44,491	$ 17,711
Tax Adjustments	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Adjustments	$ 12,125,717		$ 7,818,331	$ 1,342,279	$ 825,147	$ 978,704	$ 229,771	$ 572,196	$ 297,086	$ 44,491	$ 17,711
OPERATING INCOME BEFORE INCOME TAXES	$ 13,323,778		$ 8,167,748	$ 1,760,806	$ 946,368	$ 1,063,824	$ 582,051	$ 635,461	$ 154,831	$ (71,856)	$ 84,544
INCOME TAXES											
Effective Tax Rate	35.00%		35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Current Income Taxes	$ 4,151,825		$ 2,676,983	$ 459,594	$ 282,529	$ 335,107	$ 78,673	$ 195,919	$ 101,722	$ 15,233	$ 6,064
Interset Sync.+ROE tax adj'mt	$ 40,653		$ 26,212	$ 4,500	$ 2,766	$ 3,281	$ 770	$ 1,918	$ 996	$ 149	$ 59
Total Income Taxes	$ 4,192,478		$ 2,703,195	$ 464,094	$ 285,295	$ 338,388	$ 79,444	$ 197,837	$ 102,718	$ 15,383	$ 6,124
AFUDC	$ 124,626		$ 80,355	$ 13,796	$ 8,481	$ 10,059	$ 2,362	$ 5,881	$ 3,053	$ 457	$ 182
OPERATING INCOME	$ 21,381,643	#	$ 13,363,239	$ 2,652,787	$ 1,494,700	$ 1,714,199	$ 734,740	$ 1,015,701	$ 352,253	$ (42,291)	$ 96,313
RATE BASE	$ 328,126,924		$ 211,567,287	$ 36,322,638	$ 22,328,819	$ 26,484,140	$ 6,217,706	$ 15,483,860	$ 8,039,278	$ 1,203,932	$ 479,266
Earned Return	**6.52%**		**6.32%**	**7.30%**	**6.69%**	**6.47%**	**11.82%**	**6.56%**	**4.38%**	**-3.51%**	**20.10%**

SEMCO Energy Gas Company
Computation of Revenue Deficiency
for the 2007 Test Year

Section B

Case No.: U-14893
Witness: B.H. Fairchild
Revised Exhibit A-7
Schedule A-1
Page 1 of 1
June 16, 2006

Line No.	Description	Amount	Reference
1	Rate Base	346,005,355	Ex. A-8, Sch. B-1
2	Rate of Return	8.23%	Ex. A-10, Sch. D-1
3	Income Required	28,476,241	Line 1 x Line 2
4	Adjusted Net Operating Income	16,452,140	Ex. A-9, Sch. C-1
5	Income Deficiency	12,024,101	Line 3 - Line 4
6	Revenue Multiplier	1.5683	Ex. A-7, Sch. A-4
7	Revenue Deficiency (Sufficiency)	18,856,897	Line 5 x Line 6

SEMCO Energy Gas Company
Comparison of Revenue Deficiency between the
Historical Period and 2007 Test Year

Section B

Case No.: U-14893
Witness: B.H. Fairchild
Revised Exhibit A-7
Schedule A-2

June 16, 2006

Line No.	Description	Section A	Changes	Section B
1	Net Plant	244,216,755	6,429,153	250,645,908
2	Working Capital	83,910,171	11,449,276	95,359,447
3	Rate Base	328,126,925	17,878,429	346,005,355
4	Rate of Return	8.36%	-0.13%	8.23%
5	Income Requirement	27,431,411	1,044,830	28,476,241
6	Adjusted Net Operating Income	21,381,631	(4,929,491)	16,452,140
7	Income Deficiency	6,049,780	5,974,321	12,024,101
8	Revenue Multipier	1.5683	0.0000	1.5683
9	Revenue Deficiency (Sufficiency)	9,487,619	9,369,279	18,856,897

SEMCO Energy Gas Company
Reconciliation of Revenue Deficiency
for the 2007 Test Year to the Historical Period

Section B

Case No.: U-14893
Witness: B.H. Fairchild
Revised Exhibit A-7
Schedule A-3
Page 1 of 1
June 16, 2006

Line No.	Description	Amount	Effect on Revenue Requirement
1	Rate Base:		
2	Change in Net Utility Plant	6,429,153	829,796
3	Change in Working Capital	11,449,276	1,477,731
4	Total Change in Rate Base	17,878,429	2,307,527
5	Rate of Return:		
6	Change in Cost of Long-term Debt	-0.53%	(2,727,315)
7	Change in Cost of Short-term Debt	-0.17%	(874,799)
8	Change in Cost of Preferred Stock	0.01%	51,459
9	Change in Cost of Common Equity	0.56%	2,881,692
10	Change in Cost of Customer Deposits	0.00%	-
11	Change in Cost of Deferred Income Taxes	0.00%	-
12	Change in Cost of JDITC	0.00%	-
13	Total Change in Rate of Return	-0.13%	(668,964)
14	Net Operating Income:		
15	Section B Adjustments to NOI	4,870,045	6,657,384
16	Income Tax Correction	(59,446)	93,227
17	Proforma Income Tax Savings Adjustments	(624,059)	978,686
18	Interest Synchronization	(905)	1,419
19	Total Section B Adjustments to NOI	4,185,635	7,730,716
20	Change in Revenue Multiplier	0.0000	-
20	Total Change in Revenue Requirements		9,369,279

SEMCO Energy Gas Company
Net Operating Income Adjustments
for the 2007 Test Year

Section B

Case No.: U-14893
Witness: B.H. Fairchild
Revisde Exhibit A-9
Schedule C-1
Page 1 of 1
June 16, 2006

Line No.	Description	Gas Sales Revenues	Transportation Revenues	Other Revenues	Total Revenues	Cost of Gas	Company Use and Lost and Un-Accounted-for	Operation and Maintenance Expenses	Depreciation and Amortization Expense	Property and Other Taxes	1.90% Michigan Single Business Tax	35.00% Federal & Other Income Taxes	Net Operating Income	AFUDC	Other	Income
		(Col. 1)	(Col. 2)	(Col. 3)	(Col. 4)	(Col. 5)	(Col. 6)	(Col. 7)	(Col. 8)	(Col. 9)	(Col. 10)	(Col. 11)	(Col. 12)	(Col. 13)	(Col. 14)	(Col. 16)
1	Historical Test Year	(373,543,914)	(7,722,092)	(6,501,444)	(387,767,450)	304,365,688	3,455,063	34,107,873	12,955,373	6,310,948	1,123,022	4,151,825	(21,297,658)	(124,626)	-	(21,422,284)
2	Section A Adjustments:															
3	Proforma Income Tax Savings											46,598	46,598			46,598
4	Interest Synchronization											(5,945)	(5,945)			(5,945)
5	Section A Adjustments	-	-	-	-	-	-	-	-	-	-	40,653	40,653	-	-	40,653
6	Section A Income	(373,543,914)	(7,722,092)	(6,501,444)	(387,767,450)	304,365,688	3,455,063	34,107,873	12,955,373	6,310,948	1,123,022	4,192,478	(21,257,005)	(124,626)	-	(21,381,631)
7	Section B Adjustments:															
8	Income Tax Correction											59,446	59,446			59,446
9	Revenue-Related Adjustments:															
10	Partial-year Rate Increase	(3,147,554)	(4,593)		(3,152,147)						59,891	1,082,290	(2,009,967)			(2,009,967)
11	Peninsular Gas Company	(725,338)	(41,174)		(766,512)						14,564	263,182	(488,766)			(488,766)
12	Reclassification of GS Customers	605,325			605,325						(11,501)	(207,838)	385,985			385,985
13	Weather Normalization	(183,130)	(34,376)		(217,506)						4,133	74,681	(138,693)			(138,693)
14	Partial-year Other Charges Increase			(123,974)	(123,974)						2,356	42,566	(79,052)			(79,052)
15	Landlord Transfer Charges			(27,335)	(27,335)						519	9,385	(17,430)			(17,430)
16	Reclassification of Transport Revenues		219,395	(109,342)	110,053						(2,091)	(37,787)	70,175			70,175
17	Mirant Payment			350,000	350,000						(6,650)	(120,173)	223,178			223,178
18	Bill Proration	276,810			276,810						(5,259)	(95,043)	176,508			176,508
19	Expense-Related Adjustments:															
20	Lost & Unaccounted-for Gas						1,079,092				(20,503)	(370,506)	688,083			688,083
21	Disallowed Expenses							(47,151)			896	16,189	(30,066)			(30,066)
22	Peninsular Gas Company							292,555			(5,559)	(100,449)	186,547			186,547
23	Lease Expense							182,625			(3,470)	(62,704)	116,451			116,451
24	Long-term Incentive Program							557,463			(10,592)	(191,405)	355,466			355,466
25	Medical and Dental Expense							443,173			(8,420)	(152,163)	282,589			282,589
26	Pension/ Retiree Medical Costs							451,263			(8,574)	(154,941)	287,748			287,748
27	CIS System							488,350			(9,279)	(167,675)	311,396			311,396
28	FOS System							63,618			(1,209)	(21,843)	40,566			40,566
29	Billing Rule Changes							1,971,293			(37,455)	(676,844)	1,256,995			1,256,995
30	Uncollectibles Expense							527,969			(10,031)	(181,278)	336,660			336,660
31	Inflation							1,365,328		287,173	(31,398)	(567,386)	1,053,717			1,053,717
32	Additional Depr. And Amort. Expense								1,860,126		(35,342)	(638,674)	1,186,109			1,186,109
33	Rate Case Expense								79,793		(1,516)	(27,397)	50,880			50,880
34	Proforma Income Tax Savings											624,059	624,059			624,059
35	Interest Synchronization											905	905			905
36	Section B Adjustments	(3,173,887)	139,252	89,349	(2,945,286)	-	1,079,092	6,296,486	1,939,919	287,173	(126,490)	(1,601,403)	4,929,491	-	-	4,929,491
37	2007 Test Year	(376,717,801)	(7,582,840)	(6,412,095)	(390,712,736)	304,365,688	4,534,155	40,404,359	14,895,292	6,598,121	996,532	2,591,075	(16,327,514)	(124,626)	-	(16,452,140)

SEMCO Energy Gas Company
Adjusted Net Operating Income
for the 2007 Test Year

Section B

Case No.: U-14893
Witness: B.H. Fairchild
Revised Exhibit A-9
Schedule C-2
Page 1 of 1
June 16, 2006

Line No.	Description	Amount	Net of Tax	Reference
1	Adjusted Net Operating Income-Section A		21,381,631	Ex. A-3, Sch. C-1
2	**Section B Adjustments:**			
3	Income Tax Correction		(59,446)	
4	Revenue-Related Adjustments:			
5	Partial-year Rate Increase	3,152,147	2,009,967	Ex. A-11, Sch. F-2-3
6	Peninsular Gas Company	766,512	488,766	Ex. A-11, Sch. F-2-1
7	Reclassification of GS Customers	(605,325)	(385,985)	Ex. A-11, Sch. F-2-2
8	Weather Normalization	217,506	138,693	Ex. A-11, Sch. F-2-4
9	Partial-year Other Charges Increase	123,974	79,052	Ex. A-9, Sch. F-3-2
10	Landlord Transfer Charges	27,335	17,430	Ex. A-9, Sch. F-3-3
11	Reclassification of Transport Revenues	(110,053)	(70,175)	Fairchild Testimony
12	Mirant Payment	(350,000)	(223,178)	Fairchild Testimony
13	Bill Proration	(276,810)	(176,508)	Gardiner Testimony
14	Expense-Related Adjustments			
15	Lost & Unaccounted-for Gas	(1,079,092)	(688,083)	Ex. A-9, Sch. C-5
16	Disallowed Expenses	47,151	30,066	Ex. A-3, Sch. C-6
17	Peninsular Gas Company	(292,555)	(186,547)	Ex. A-9, Sch. C-18
18	Lease Expenses	(182,625)	(116,451)	Ex. A-9, Sch. C-6
19	Long-term Incentive Program	(557,463)	(355,466)	Ex. A-9, Sch. C-7
20	Medical and Dental Expense	(443,173)	(282,589)	Ex. A-9, Sch. C-8
21	Pension/Retiree Medical	(451,263)	(287,748)	Ex. A-9, Sch. C-9
22	CIS System	(488,350)	(311,396)	Ex. A-9, Sch. C-16
23	FOS System	(63,618)	(40,566)	Ex. A-9, Sch. C-17
24	Billing Rule Changes	(1,971,293)	(1,256,995)	Ex. A-9, Sch. C-15
25	Uncollectible Accounts	(527,969)	(336,660)	Ex. A-9, Sch. C-10
26	Rate Case Expense	(79,793)	(50,880)	Ex. A-9, Sch. C-11
27	Inflation	(1,652,501)	(1,053,717)	Ex. A-9, Sch. C-12
28	Additional Depr. and Amort. Expense	(1,860,126)	(1,186,109)	Ex. A-9, Sch. C-13
29	Proforma Income Tax Savings		(624,059)	Ex. A-9, Sch. C-3
30	Interest Synchronization		(905)	Ex. A-9, Sch. C-4
31	Section B Adjustments	(6,657,384)	(4,929,491)	
32	Adjusted Net Operating Income		16,452,140	

SEMCO Energy Gas Company
Uncollectible Accounts Expense Adjustment

Section B

Case No.: U-14893
Witness: B.H. Fairchild
Revised Exhibit A-9
Schedule C-10
Page 1 of 1
June 16, 2006

No.	Description	Amount		Reference
1	Base Revenues			
2	2005 Total Revenues	387,767,450		Ex. A-9, Sch. C-1
3	2005 Cost of Gas	(304,365,688)		Ex. A-9, Sch. C-1
4	Revenue-Related Adjustments	2,945,286		Ex. A-9, Sch. C-1
5	2007 Base Revenues		86,347,048	Line 2+Line 3+Line 4
6	2007 Cost of Gas			
7	2007 Mcf Sales	36,489,886		Ex. A-11,F-2
8	2007 Average Cost of Gas	$10.628		Ex. A-8, Sch. B-10
9			387,814,508	Line 5 x Line 6
10	Rate Deficiency		18,856,897	Ex. A-7, Sch. A-1
11	2007 Revenues		493,018,453	Line 5+ Line 9+ Line10
12	Uncollectible Accounts Expense			
13	2001	0.381%		
14	2002	0.334%		
15	2003	0.582%		
16	2004	0.440%		
17	2005	0.409%		
18	5-Year Average		0.429%	
19	2007 Uncollectible Accounts Expense		2,115,049	Line 11 x Line 18
20	2005 Uncollectible Accounts Expense		(1,587,080)	
21	Adjustment to Uncollectible Accounts Expense		527,969	Line 18 + Line 19

SEMCO Energy Gas Company
Summary of Proposed Rate Increase

Case No. U-14893
Witness: Malcolm R. Ketchum
Revised Exhibit: A-11
Schedule: F-1
Page: 1 of 1
June 16, 2006

Line	Description	Current Revenue	Proposed Revenue	Increase (Decrease)	Percent Change	Cost Of Service Allocation
		(A)	(B)	(C)	(D)	(E)
1	Residential Service	$54,167,419	$67,370,795	$13,203,376	24.375%	$67,370,795
2						
3	General Service - GS-1	$7,959,920	$10,168,978	$2,209,058	27.752%	$10,168,978
4	- GS-2	$4,324,635	$5,218,851	$894,216	20.677%	$5,218,851
5	- GS-3	$6,083,758	$7,292,057	$1,208,299	19.861%	$7,292,057
6	Subtotal - General Service Sales	$18,368,314	$22,679,886	$4,311,572	23.473%	$22,679,886
7						
8	Total Sales Service	$72,535,732	$90,050,681	$17,514,949	24.147%	$90,050,681
9						
10	Transportation - Rate TR-1	$1,751,824	$1,759,176	$7,352	0.420%	$1,726,618
11	- Rate TR-2	$3,649,419	$6,687,141	$3,037,722	83.238%	$4,285,930
12	- Rate TR-3 (reclassified to TR-2)	$1,677,043	$0	($1,677,043)	-100.000%	$2,251,489
13	Subtotal Transportation Service	$7,078,287	$8,446,317	$1,368,030	19.327%	$ 8,264,036
14						
15	Special Contracts	$331,427	$ 291,452	($39,975)	-12.06%	$473,734
16						
17	Total Transportation Service	$7,409,714	$8,737,769	$1,328,055	17.92%	$ 8,737,770
18						
19	Total Sales & Transportation	$79,945,446	$98,788,450	$18,843,004	23.57%	$98,788,451
20						
21						
22						
23						

Line	Average Rate Comparison	Current Average Distribution Cost	Proposed Average Distribution Cost	Current Gas Cost	Proposed Difference	Percentage of Total Unitized Cost
24						
25						
26	Residential	$2.3081	$2.8707	11.2684	$0.5626	4.14%
27	General Service - GS-1	$1.9570	$2.5001	11.2684	$0.5431	4.11%
28	- GS-2	$1.3662	$1.6487	11.2684	$0.2825	2.24%
29	- GS-3	$1.0251	$1.2286	11.2684	$0.2036	1.66%
30	Transportation - Rate TR-1	$0.8512	$0.8548	11.2684	$0.0036	0.03%
31	- Rate TR-2	$0.6132	$1.1236	11.2684	$0.5104	4.30%
32	- Rate TR-3	$0.4775	$0.0000	11.2684	($0.4775)	-4.06%

SEMCO Energy Gas Company
Test Year Volumes, Customers and Adjustments

Section B

Case No.: U-14893
Witness: JRAlger
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		(1) Booked Mcf / Dth 2005	Jan-May Peninsular Gas	GS Rate Reclass	Weather Normalization	2007 Normalized & Adjusted Mcf / Dth
	Mixed Dth & Mcf	(A)	(B)	(C)	(D)	(E)
1	Residential	22,972,824	264,542	0	230,956	23,468,321
2	GS-1	4,750,411	66,728	(718,959)	(30,679)	4,067,501
3	GS-2	3,271,896	41,387	(153,259)	(5,559)	3,154,465
4	GS-3	4,963,537	20,652	872,218	(56,808)	5,799,599
5	Total Sales & Customer Choice (Mcf)	35,958,668	393,309	0	137,909	36,489,886
6						
7	GS-2	10,890	0	0	59	10,949
8	GS-3	132,640	0	0	2,801	135,441
9	TR-1	2,044,610	0	0	13,458	2,058,068
10	TR-2	5,773,628	72,551	0	105,480	5,951,659
11	TR-3	3,530,021	0	0	(17,548)	3,512,473
12	Mead Johnson SC	519,014	0	0	(5,913)	513,101
13	Mich Tech SC	297,822	0	0	1,880	299,702
14	Coal Displacement	17,384	0	0	0	0
15	Total Large Transportation	12,326,009	72,551	0	100,218	12,481,394
16						
17	Total (Mixed Mcf & Dth)	48,284,677	465,860	0	238,127	48,971,279
18						
19	(1) Includes Peninsular Gas - June - December 2005					
20						
21						

		(1) Booked Average Customers 2005	Jan-May Peninsular Gas	GS Rate Reclass	2007 Adjusted Customers
22					
23					
24					
25					
26					
27	Customers				
28	Residential	221,932	1,451	0	223,383
29	GS-1	18,633	161	1,178	19,972
30	GS-2	3,567	14	(1,231)	2,350
31	GS-3	832	1	53	886
32	Total Sales & Customer Choice	244,964	1,627	0	246,591
33					
34	GS-2	7	0	0	7
35	GS-3	16	0	0	16
36	TR-1	84	0	0	84
37	TR-2	60	0	0	60
38	TR-3	7	0	0	7
39	Mead Johnson SC	2	0	0	2
40	Mich Tech SC	1	0	0	1
41	Coal Displacement	0	0	0	0
42	Total Large Transportation	177	0	0	178
43					
44	Total	245,141	1,628	0	246,769

(1) Includes Peninsular Gas - June - December 2005

SEMCO Energy Gas Company
Rate Reclassification of GS Customers
Customer Charge Revenue

Section B

Case No.: U-14893
Witness: JRAlger
Exhibit: A-11
Schedule F-2-2

June 16, 2006

MPSC Reported GS Customers 2005

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
GS-1	18,429	18,480	18,480	18,480	18,434	18,350	18,324	18,277	18,263	18,330	18,470	18,630	18,412
GS-2	3,589	3,569	3,570	3,565	3,553	3,546	3,541	3,527	3,526	3,521	3,529	3,524	3,547
GS-3	838	838	835	832	828	826	829	825	822	827	830	833	830
Total	22,856	22,887	22,885	22,877	22,815	22,722	22,694	22,629	22,611	22,678	22,829	22,987	22,789

MPSC Adjusted GS Customers 2005

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
GS-1	19,607	19,658	19,658	19,658	19,612	19,528	19,502	19,455	19,441	19,508	19,648	19,808	19,590
GS-2	2,358	2,338	2,339	2,334	2,322	2,315	2,310	2,296	2,295	2,290	2,298	2,293	2,316
GS-3	891	891	888	885	881	879	882	878	875	880	883	886	883
Total	22,856	22,887	22,885	22,877	22,815	22,722	22,694	22,629	22,611	22,678	22,829	22,987	22,789

GS Rate Reclassification - Net Change in Customers

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
GS-1	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178	1,178
GS-2	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)	(1,231)
GS-3	53	53	53	53	53	53	53	53	53	53	53	53	53
Total	0	0	0	0	0	0	0	0	0	0	0	0	0

MPSC Proforma Billed 2005 Customer Charge Rates

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
GS-1	$9.00	$9.00	$9.00	$9.25	$9.50	$9.50	$9.50	$9.50	$9.50	$9.50	$9.50	$9.50
GS-2	$23.00	$23.00	$23.00	$26.00	$29.00	$29.00	$29.00	$29.00	$29.00	$29.00	$29.00	$29.00
GS-3	$75.00	$75.00	$75.00	$75.00	$75.00	$75.00	$75.00	$75.00	$75.00	$75.00	$75.00	$75.00

MPSC Incremental 2005 GS Customer Charge Revenue Adjustment

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
GS-1	$10,602	$10,602	$10,602	$10,897	$11,191	$11,191	$11,191	$11,191	$11,191	$11,191	$11,191	$11,191	$132,231
GS-2	($28,313)	($28,313)	($28,313)	($32,006)	($35,699)	($35,699)	($35,699)	($35,699)	($35,699)	($35,699)	($35,699)	($35,699)	($402,537)
GS-3	$3,975	$3,975	$3,975	$3,975	$3,975	$3,975	$3,975	$3,975	$3,975	$3,975	$3,975	$3,975	$47,700
Total	($13,736)	($13,736)	($13,736)	($17,135)	($20,533)	($20,533)	($20,533)	($20,533)	($20,533)	($20,533)	($20,533)	($20,533)	($222,607)

SEMCO Energy Gas Company
Rate Reclassification of GS Customers
Volumetric Revenue

Case No.: U-14893
Witness: JRAlger
Section B Exhibit: A-11
Schedule F-2-2

June 16, 2006

MPSC Reported 2005 GS Rates Mcf

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
GS-1	940,453	783,880	700,940	303,241	189,650	81,593	92,908	86,894	104,816	224,463	443,201	798,372	4,750,411
GS-2	612,163	486,243	461,427	232,862	143,110	71,233	71,560	69,548	77,701	176,627	330,845	538,577	3,271,896
GS-3	802,132	663,910	679,724	368,394	235,016	122,899	156,480	148,340	136,333	379,252	492,024	779,033	4,963,537
Total Sales	2,354,748	1,934,033	1,842,091	904,497	567,776	275,725	320,948	304,782	318,850	780,342	1,266,070	2,115,982	12,985,844

MPSC Adjusted 2005 GS Mcf

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
GS-1	851,943	671,905	591,249	202,282	133,608	51,563	68,248	66,064	81,335	200,178	404,503	708,574	4,031,452
GS-2	569,274	458,531	431,203	227,596	132,627	65,492	70,961	69,451	75,953	176,534	325,358	515,658	3,118,637
GS-3	933,531	803,598	819,639	474,619	301,541	158,670	181,739	169,267	161,563	403,630	536,209	891,749	5,835,755
Total Sales	2,354,748	1,934,033	1,842,091	904,497	567,776	275,725	320,948	304,782	318,850	780,342	1,266,070	2,115,982	12,985,844

GS Rate Reclassification - Net Change Mcf

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
GS-1	(88,510)	(111,975)	(109,691)	(100,959)	(56,042)	(30,030)	(24,660)	(20,830)	(23,481)	(24,285)	(38,698)	(89,798)	(718,959)
GS-2	(42,889)	(27,712)	(30,224)	(5,266)	(10,483)	(5,741)	(599)	(97)	(1,748)	(93)	(5,487)	(22,919)	(153,259)
GS-3	131,399	139,688	139,915	106,225	66,525	35,771	25,259	20,927	25,230	24,378	44,185	112,716	872,218
Total GS	0	(0)	0	0	0	(0)	(0)	0	(0)	(0)	(0)	0	0

MPSC Proforma Billed 2005 Volumetric Rates

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
GS-1	$1.2297	$1.2297	$1.2297	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972
GS-2	$1.0282	$1.0282	$1.0282	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051
GS-3	$0.7857	$0.7857	$0.7857	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858

MPSC Incremental 2005 GS Volumetric Rate Revenue Adjustment

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
GS-1	($108,841)	($137,696)	($134,887)	($141,060)	($78,302)	($41,958)	($34,454)	($29,104)	($32,808)	($33,931)	($54,069)	($125,465)	($952,575)
GS-2	($44,098)	($28,494)	($31,077)	($5,819)	($11,585)	($6,344)	($662)	($108)	($1,932)	($103)	($6,064)	($25,327)	($161,613)
GS-3	$103,241	$109,753	$109,931	$94,094	$58,928	$31,686	$22,374	$18,537	$22,348	$21,594	$39,139	$99,844	$731,469
Total	($49,699)	($56,437)	($56,032)	($52,785)	($30,959)	($16,616)	($12,742)	($10,674)	($12,392)	($12,440)	($20,993)	($50,949)	($382,718)
Total Adjustment	($63,435)	($70,173)	($69,768)	($69,920)	($51,492)	($37,149)	($33,275)	($31,207)	($32,925)	($32,973)	($41,526)	($71,482)	($605,325)

SEMCO Energy Gas Company
MPSC Partial Year Ratecase Normalization
Customer Charge Revenue

Section B

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MPSC Reported Customers 2005

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Resid	220,010	220,429	220,589	220,780								
GS-1	18,429	18,480	18,480	18,480								
GS-2	3,589	3,569	3,570	3,565								
GS-3	838	838	835	832								
Total	242,866	243,316	243,474	243,657								
GS-2	7	7	7	7								
GS-3	16	16	16	16								
TR-1	84	84	84	84								
TR-2	59	59	59	59								
TR-3	7	7	7	7								
Mead Johnson SC	2	2	2	2								
Mich Tech SC	1	1	1	1								
CD	0	0	0	0								
Total	176	176	176	176								

Customer Charge Rates - MPSC 2005 Incremental Post Ratecase Rates

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Resid	$ -	$ -	$ -	$ -								
GS-1	$ 0.50	$ 0.50	$ 0.50	$ 0.25								
GS-2	$ 6.00	$ 6.00	$ 6.00	$ 3.00								
GS-3	$ -	$ -	$ -	$ -								
Total Sales												
GS-2	$ 6.00	$ 6.00	$ 6.00	$ 3.00								
GS-3	$ -	$ -	$ -	$ -								
TR-1	$ -	$ -	$ -	$ -								
TR-2	$ 50.00	$ 50.00	$ 50.00	$ 25.00								
TR-3	$ 100.00	$ 100.00	$ 100.00	$ 50.00								
Mead Johnson SC	$ -	$ -	$ -	$ -								
Mich Tech SC	$ 50.00	$ 50.00	$ 50.00	$ 25.00								
CD	$ -	$ -	$ -	$ -								
Total TR												

Incremental 2005 Proforma Post Ratecase Customer Charge Revenue Adjustment

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Resid	$0	$0	$0	$0									$0
GS-1	$9,215	$9,240	$9,240	$4,620									$32,315
GS-2	$21,534	$21,414	$21,420	$10,695									$75,063
GS-3	$0	$0	$0	$0									$0
Total Sales	$30,749	$30,654	$30,660	$15,315	$0	$0	$0	$0	$0	$0	$0	$0	$107,378
GS-2	$42	$42	$42	$21									$147
GS-3	$0	$0	$0	$0									$0
TR-1	$0	$0	$0	$0									$0
TR-2	$2,950	$2,950	$2,950	$0									$8,850
TR-3	$700	$700	$700	$0									$2,100
Mead Johnson SC	$0	$0	$0	$0									$0
Mich Tech SC	$50	$50	$50	$0									$150
Coal Displacement	0	0	0	0									0
Total TR	$3,742	$3,742	$3,742	$21	$0	$0	$0	$0	$0	$0	$0	$0	$11,247
Cust Chg Revenue Adjustment	$34,491	$34,396	$34,402	$15,336	$0	$0	$0	$0	$0	$0	$0	$0	$118,625

SEMCO Energy Gas Company
MPSC Partial Year Ratecase Normalization
Volumetric Revenue

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Full Year MPSC Actual Reported 2005 Mcf / Dth

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Resid	4,425,205	3,592,026	3,169,970	1,628,128									12,815,329
GS-1	940,453	783,880	700,940	303,241									2,728,514
GS-2	612,163	486,243	461,427	232,862									1,792,695
GS-3	802,132	663,910	679,724	368,394									32,776
Total Sales	6,779,953	5,526,059	5,012,061	2,532,625	0	0	0	0	0	0	0	0	17,369,314
GS-2	2,345	1,700	1,687	856									6,588
GS-3	27,106	19,423	18,773	7,897									73,199
TR-1	281,743	235,592	259,697	169,467									946,499
TR-2	727,538	589,393	629,673	413,243									150,594
TR-3	345,175	302,770	333,288	300,849									1,282,082
Mead Johnson SC	50,737	43,048	49,896	44,147									187,828
Mich Tech SC	45,724	38,083	38,726	24,733									147,266
Coal Displacement	1,476	0	0	0									1,476
Total TR	1,481,844	1,230,009	1,331,740	961,192	0	0	0	0	0	0	0	0	2,795,532
Total Pen Gas	8,261,797	6,756,068	6,343,801	3,493,817	0	0	0	0	0	0	0	0	20,164,846

Volumetric Rates - MPSC 2005 Incremental Post Ratecase Rates

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Resid	$0.2182	$0.2182	$0.2182	$0.0000								
GS-1	$0.1675	$0.1675	$0.1675	$0.0000								
GS-2	$0.0769	$0.0769	$0.0769	$0.0000								
GS-3	$0.1001	$0.1001	$0.1001	$0.0000								
Total Sales												
GS-2	$0.0769	$0.0769	$0.0769	$0.0000								
GS-3	$0.1001	$0.1001	$0.1001	$0.0000								
TR-1	$0.0000	$0.0000	$0.0000	$0.0000								
TR-2	($0.0052)	($0.0052)	($0.0052)	$0.0000								
TR-3	($0.0031)	($0.0031)	($0.0031)	$0.0000								
Mead Johnson SC	$0.0000	$0.0000	$0.0000	$0.0000								
Mich Tech SC	($0.0052)	($0.0052)	($0.0052)	$0.0000								
CD	$0.0000	$0.0000	$0.0000	$0.0000								
Total TR												

Incremental 2005 Proforma Post Ratecase Volumetric Revenue Adjustment

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Resid	$965,580	$783,780	$691,687	($101,701)									$2,339,346
GS-1	$157,526	$131,300	$117,407	($23,798)	April Proration Month Ties to Financial Report								$382,435
GS-2	$47,075	$37,392	$35,484	($5,633)									$114,318
GS-3	$80,293	$66,457	$68,040	($10,715)									$204,076
Total Sales	$1,250,474	$1,018,929	$912,619	($141,847)	$0	$0	$0	$0	$0	$0	$0	$0	$3,040,176
GS-2	$180	$131	$130	$0									$441
GS-3	$2,713	$1,944	$1,879	$0									$6,537
TR-1	$0	$0	$0	$0									$0
TR-2	($3,783)	($3,065)	($2,955)	$0									($9,803)
TR-3	($1,070)	($939)	($1,033)	$0									($3,042)
Mead Johnson SC	$0	$0	$0	$0									$0
Mich Tech SC	($238)	($198)	($201)	$0									($637)
Coal Displacement	0	0	0	0									0
Total TR	($2,197)	($2,126)	($2,181)	$0	$0	$0	$0	$0	$0	$0	$0	$0	($6,505)
Volumetric Revenue Adjustment	$1,248,277	$1,016,803	$910,438	($141,847)	$0	$0	$0	$0	$0	$0	$0	$0	$3,033,671

126	Total Revenue Adjsutment	$1,282,767	$1,051,199	$944,840	($126,511)	$0	$0	$0	$0	$0	$0	$0	$0	$3,152,296

SEMCO Energy Gas Company
Weather Normalization
Incremental Revenue

Section B

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Full Year MPSC and Pen Gas, GS Reclass Adjusted Volumes - Before Weather Norm

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Resid	4,493,956	3,658,003	3,228,913	1,671,595	1,164,361	502,794	416,639	411,854	477,246	1,085,123	2,324,540	3,802,343	23,237,366
GS-1	868,998	688,783	605,999	213,414	140,521	51,563	68,248	66,064	81,335	200,178	404,503	708,574	4,098,180
GS-2	579,836	469,003	440,358	234,506	136,915	65,492	70,961	69,451	75,953	176,534	325,358	515,658	3,160,024
GS-3	938,802	808,823	824,208	478,067	303,680	158,670	181,739	169,267	161,563	403,630	536,209	891,749	5,856,407
Total Sales	6,881,592	5,624,611	5,099,478	2,597,582	1,745,476	778,519	737,587	716,636	796,096	1,865,465	3,590,610	5,918,325	36,351,977
GS-2	2,345	1,700	1,687	856	504	28	11	0	9	601	1,309	1,840	10,890
GS-3	27,106	19,423	18,773	7,897	5,065	1,173	1,066	1,557	3,510	11,533	13,661	21,876	132,640
TR-1	281,743	235,592	259,697	169,467	161,747	91,857	80,195	93,691	93,013	144,863	185,069	247,676	2,044,610
TR-2	727,538	589,393	629,673	413,243	402,094	341,240	317,038	372,634	446,020	439,586	510,291	657,429	5,846,179
TR-3	345,175	302,770	333,288	300,849	280,166	274,952	273,187	281,022	268,887	278,966	287,751	303,008	3,530,021
Mead Johnson SC	50,737	43,048	49,896	44,147	42,958	38,810	40,149	39,916	38,642	38,493	43,168	49,050	519,014
Mich Tech SC	45,724	38,083	38,726	24,733	13,438	10,341	10,762	10,987	12,727	21,005	31,210	40,086	297,822
Coal Displacement	1,476	0	0	0	0	2,612	0	0	4,816	8,480	0	0	17,384
Total TR	1,481,844	1,230,009	1,331,740	961,192	905,972	761,013	722,408	799,807	867,624	943,527	1,072,459	1,320,965	12,398,560
Base Load	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Resid	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	414,247	4,970,958
GS-1	67,156	67,156	67,156	67,156	67,156	67,156	67,156	67,156	67,156	67,156	67,156	67,156	805,874
GS-2	70,206	70,206	70,206	70,206	70,206	70,206	70,206	70,206	70,206	70,206	70,206	70,206	842,470
GS-3	175,503	175,503	175,503	175,503	175,503	175,503	175,503	175,503	175,503	175,503	175,503	175,503	2,106,035
GS-2	6	6	6	6	6	6	6	6	6	6	6	6	66
GS-3	1,312	1,312	1,312	1,312	1,312	1,312	1,312	1,312	1,312	1,312	1,312	1,312	15,738
TR-1	86,943	86,943	86,943	86,943	86,943	86,943	86,943	86,943	86,943	86,943	86,943	86,943	1,043,316
TR-2	344,836	344,836	344,836	344,836	344,836	344,836	344,836	344,836	344,836	344,836	344,836	344,836	4,138,032
TR-3	277,105	277,105	277,105	277,105	277,105	277,105	277,105	277,105	277,105	277,105	277,105	277,105	3,325,254
Mead Johnson SC	40,033	40,033	40,033	40,033	40,033	40,033	40,033	40,033	40,033	40,033	40,033	40,033	480,390
Mich Tech SC	10,875	10,875	10,875	10,875	10,875	10,875	10,875	10,875	10,875	10,875	10,875	10,875	130,494
Coal Displacement													

SEMCO Energy Gas Company
Weather Normalization
Incremental Revenue

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Weather Sensitive Load

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Resid	4,079,710	3,243,756	2,814,666	1,257,349	750,114	88,548	2,393	(2,393)	63,000	670,877	1,910,294	3,388,097	18,266,408
GS-1	801,842	621,626	538,843	146,258	73,364	(15,593)	1,092	(1,092)	14,178	133,022	337,347	641,418	3,292,305
GS-2	509,630	398,797	370,153	164,300	66,709	(4,713)	755	(755)	5,747	106,328	255,152	445,452	2,317,554
GS-3	763,299	633,320	648,705	302,564	128,177	(16,833)	6,236	(6,236)	(13,940)	228,127	360,706	716,246	3,750,371
GS-2	2,340	1,695	1,682	851	499	23	6	(6)	4	596	1,304	1,835	10,824
GS-3	25,795	18,112	17,462	6,586	3,754	(139)	(246)	246	2,199	10,222	12,350	20,565	116,902
TR-1	194,800	148,649	172,754	82,524	74,804	4,914	(6,748)	6,748	6,070	57,920	98,126	160,733	1,001,294
TR-2	382,702	244,557	284,837	68,407	57,258	(3,596)	(27,798)	27,798	101,184	94,750	165,455	312,593	1,708,147
TR-3	68,071	25,666	56,184	23,745	3,062	(2,153)	(3,918)	3,918	(8,218)	1,862	10,647	25,904	204,767
Mead Johnson SC	10,705	3,016	9,864	4,115	2,926	(1,223)	117	(117)	(1,391)	(1,540)	3,136	9,018	38,624
Mich Tech SC	34,850	27,209	27,852	13,859	2,564	(534)	(113)	113	1,853	10,131	20,336	29,212	167,328
Coal Displacement	0	0	0	0	0	0	0	0	0	0	0	0	0

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Weighted 2005 DD	1,304.64	1,028.75	1,042.30	523.38	354.24	24.64	1.00	1.00	60.39	396.31	734.41	1,202.23	6,673.29
Weighted 30 Yr DD	1,297.45	1,098.90	943.49	586.34	303.42	82.23	1.00	1.00	134.87	452.26	764.48	1,130.51	6,795.94

Incremental Change in Volume Due to Weather Normalization

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Resid	(22,474)	221,182	(266,833)	151,242	(107,623)	206,961	0	0	77,707	94,718	78,204	(202,129)	230,956
GS-1	(4,417)	42,387	(51,083)	17,593	(10,526)	(36,446)	0	0	17,488	18,781	13,810	(38,266)	(30,679)
GS-2	(2,807)	27,193	(35,091)	19,763	(9,571)	(11,017)	0	0	7,088	15,012	10,445	(26,575)	(5,559)
GS-3	(4,205)	43,184	(61,498)	36,394	(18,390)	(39,344)	0	0	(17,195)	32,208	14,767	(42,730)	(56,808)
Total Sales	(33,904)	333,947	(414,504)	224,993	(146,110)	120,154	0	0	85,089	160,719	117,226	(309,701)	137,909
GS-2	(13)	116	(159)	102	(72)	53	0	0	4	84	53	(109)	59
GS-3	(142)	1,235	(1,655)	792	(539)	(324)	0	0	2,712	1,443	506	(1,227)	2,801
TR-1	(1,073)	10,136	(16,377)	9,927	(10,733)	11,485	0	0	7,487	8,177	4,017	(9,589)	13,458
TR-2	(2,108)	16,676	(27,003)	8,228	(8,215)	(8,405)	0	0	124,805	13,377	6,773	(18,649)	105,480
TR-3	(375)	1,750	(5,326)	2,856	(439)	(5,031)	0	0	(10,136)	263	436	(1,545)	(17,548)
Mead Johnson SC	(59)	206	(935)	495	(420)	(2,857)	0	0	(1,715)	(217)	128	(538)	(5,913)
Mich Tech SC	(192)	1,855	(2,640)	1,667	(368)	(1,247)	0	0	2,285	1,430	832	(1,743)	1,880
Coal Displacement	0	0	0	0	0	0	0	0	0	0	0	0	0
Total TR	(3,962)	31,973	(54,096)	24,067	(20,784)	(6,326)	0	0	125,443	24,558	12,746	(33,400)	100,218
Total	(37,866)	365,920	(468,600)	249,060	(166,895)	113,829	0	0	210,532	185,277	129,972	(343,101)	238,127

SEMCO Energy Gas Company
Weather Normalization
Incremental Revenue

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MPSC Post Ratecase Volumetric Rates

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Resid	$1.2230	$1.2230	$1.2230	$1.2230	$1.2230	$1.2230	$1.2230	$1.2230	$1.2230	$1.2230	$1.2230	$1.2230
GS-1	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972	$1.3972
GS-2	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051
GS-3	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858
Total Sales												
GS-2	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051	$1.1051
GS-3	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858	$0.8858
TR-1	$0.6936	$0.6936	$0.6936	$0.5436	$0.5436	$0.5436	$0.5436	$0.5436	$0.5436	$0.5436	$0.6936	$0.6936
TR-2	$0.5613	$0.5613	$0.5613	$0.4113	$0.4113	$0.4113	$0.4113	$0.4113	$0.4113	$0.4113	$0.5613	$0.5613
TR-3	$0.4870	$0.4870	$0.4870	$0.3370	$0.3370	$0.3370	$0.3370	$0.3370	$0.3370	$0.3370	$0.4870	$0.4870
Mead Johnson SC	$0.2800	$0.2800	$0.2800	$0.2800	$0.2800	$0.2800	$0.2800	$0.2800	$0.2800	$0.2800	$0.2800	$0.2800
Mich Tech SC	$0.5613	$0.5613	$0.5613	$0.4113	$0.4113	$0.4113	$0.4113	$0.4113	$0.4113	$0.4113	$0.5613	$0.5613
Coal Displacement	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000	$0.0000
Total TR												

Incremental Change in Revenue Due to Weather Normalization

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Resid	($27,486)	$270,506	($326,336)	$184,969	($131,623)	$253,114	$0	$0	$95,035	$115,840	$95,643	($247,204)	$282,459
GS-1	($6,172)	$59,223	($71,373)	$24,581	($14,707)	($50,923)	$0	$0	$24,435	$26,241	$19,296	($53,465)	($42,865)
GS-2	($3,103)	$30,051	($38,779)	$21,840	($10,577)	($12,175)	$0	$0	$7,833	$16,590	$11,543	($29,368)	($6,144)
GS-3	($3,725)	$38,253	($54,475)	$32,238	($16,290)	($34,851)	$0	$0	($15,231)	$28,530	$13,080	($37,850)	($50,321)
Total Sales	($40,485)	$398,033	($490,963)	$263,628	($173,197)	$155,166	$0	$0	$112,073	$187,201	$139,562	($367,888)	$183,130
GS-2	($14)	$128	($176)	$113	($79)	$58	$0	$0	$5	$93	$59	($121)	$65
GS-3	($126)	$1,094	($1,466)	$702	($477)	($287)	$0	$0	$2,402	$1,278	$448	($1,087)	$2,481
TR-1	($744)	$7,030	($11,359)	$5,396	($5,834)	$6,243	$0	$0	$4,070	$4,445	$2,786	($6,651)	$5,383
TR-2	($1,183)	$9,360	($15,157)	$3,384	($3,379)	($3,457)	$0	$0	$45,233	$5,502	$3,802	($10,468)	$33,638
TR-3	($183)	$852	($2,594)	$963	($148)	($1,695)	$0	$0	($3,416)	$89	$212	($753)	($6,673)
Mead Johnson SC	($17)	$58	($262)	$139	($118)	($800)	$0	$0	($480)	($61)	$36	($151)	($1,656)
Mich Tech SC	($108)	$1,041	($1,482)	$686	($151)	($513)	$0	$0	$940	$588	$467	($978)	$490
Coal Displacement	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Total TR	($2,375)	$19,563	($32,496)	$11,382	($10,186)	($450)	$0	$0	$48,754	$11,935	$7,810	($20,208)	$33,729
Total Adjustment	($42,860)	$417,596	($523,459)	$275,010	($183,383)	$154,715	$0	$0	$160,827	$199,136	$147,373	($388,096)	$216,859

SEMCO Energy Gas Company
Test Year Revenues and Adjustments
Excluding Gas Cost Revenues

Section B

Case No.: U-14893
Witness: JRAlger
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		(1) Booked Revenue 2005	Jan-May Peninsular Gas	GS Rate Reclass	Partial Year Rate Case Normalization	Reclassification of Transport Revenues	Bill Proration Adjustment	Weather Normalization	2007 Normalized Revenue
	Customer & Meter Charge	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)
1	Residential	$25,491,775	$232,205	$0	$0	$0	($258,308)	$0	$25,465,672
2	GS-1	2,098,195	25,634	132,231	32,315	0	(13,598)	0	2,274,775
3	GS-2	1,167,710	7,013	(402,537)	75,063	0	(3,714)	0	843,535
4	GS-3	749,622	1,493	47,700	0	0	(1,189)	0	797,625
5	Total Sales & Customer Choice (Mcf)	$29,507,302	$266,343	($222,607)	$107,378	$0	($276,810)	$0	$29,381,607
6									
7	GS-2	$8,610	$0	$0	$147	$0	$0	$0	$8,757
8	GS-3	29,250	0	0	0	0	0	0	29,250
9	TR-1	453,525	0	0	0	0	0	0	453,525
10	TR-2	723,875	4,750	0	8,850	0	0	0	737,475
11	TR-3	255,650	0	0	2,100	0	0	0	257,750
12	Mead Johnson SC	22,600	0	0	0	0	0	0	22,600
13	Mich Tech SC	12,150	0	0	150	0	0	0	12,300
14	Coal Displacement	0	0	0	0	0	0	0	0
15	Total Large Transportation (Dth)	$1,505,660	$4,750	$0	$11,247	$0	$0	$0	$1,521,657
16									
17	Total Customer Charge Revenue	$31,012,962	$271,093	($222,607)	$118,625	$0	($276,810)	$0	$30,903,264
18									
19									
20		Booked Revenue	Jan-May Pen	GS Rate	Partial Year Rate Case	Reclassification of Transport	Bill Proration	Weather	2007 Normalized
21	Volumetric Charge	2005	Gas	Reclass	Normalization	Revenues	Adjustment	Normalization	Revenue
22	Residential	$25,714,511	$309,232	$0	$2,339,346	$0	$0	$282,459	$28,645,548
23	GS-1	6,251,925	96,142	(952,575)	382,435	0	0	(42,865)	5,735,063
24	GS-2	3,507,256	39,935	(161,613)	114,318	0	0	(6,144)	3,493,753
25	GS-3	4,197,232	13,686	731,469	204,076	0	0	(50,321)	5,096,142
26	Total Sales & Customer Choice (Mcf)	$39,670,924	$458,995	($382,718)	$3,040,176	$0	$0	$183,130	$42,970,506
27									
28	GS-2	$11,475	$0	$0	$441	$0	$0	$65	$11,981
29	GS-3	109,825	0	0	6,537	0	0	2,481	118,843
30	TR-1	1,292,987	0	0	0	0	0	5,383	1,298,370
31	TR-2	2,852,896	36,424	0	(9,952)	0	0	34,285	2,913,654
32	TR-3	1,428,941	0	0	(3,042)	0	0	(6,673)	1,419,227
33	Mead Johnson SC	145,324	0	0	0	0	0	(1,656)	143,668
34	Mich Tech SC	152,199	0	0	(637)	0	0	490	152,053
35	Coal Displacement	3,388	0	0	0	0	0	0	3,388
36	Total Large Transportation (Dth)	$5,997,037	$36,424	$0	($6,654)	$0	$0	$34,376	$6,061,183
37									
38	Total Volumetric Revenue	$45,667,961	$495,419	($382,718)	$3,033,522			$217,506	$49,031,689
39									
40									
41		Booked Revenue	Jan-May Pen	GS Rate	Partial Year Rate Case	Reclassification of Transport	Bill Proration	Weather	2007 Normalized
42	Total Revenue	2005	Gas	Reclass	Normalization	Revenues	Adjustment	Normalization	Revenue
43	Residential	$51,206,286	$541,436	$0	$2,339,346	$0	($258,308)	$282,459	$54,111,219
44	GS-1	8,350,120	121,776	(820,344)	414,750	0	(13,598)	(42,865)	8,009,838
45	GS-2	4,674,966	46,948	(564,150)	189,381	0	(3,714)	(6,144)	4,337,288
46	GS-3	4,946,854	15,178	779,169	204,076	0	(1,189)	(50,321)	5,893,767
47	Total Sales & Customer Choice (Mcf)	$69,178,226	$725,338	($605,325)	$3,147,553	$0	($276,810)	$183,130	$72,352,112
48									
49	GS-2	$20,085	$0	$0	$588	$0	$0	$65	$20,738
50	GS-3	139,075	0	0	6,537	0	0	2,481	148,093
51	TR-1	1,746,512	0	0	0	0	0	5,383	1,751,895
52	TR-2	3,576,771	41,174	0	(1,102)	0	0	34,285	3,651,129
53	TR-3	1,684,591	0	0	(942)	0	0	(6,673)	1,676,977
54	Mead Johnson SC	167,924	0	0	0	0	0	(1,656)	166,268
55	Mich Tech SC	164,349	0	0	(487)	0	0	490	164,353
56	Coal Displacement	3,388	0	0	0	0	0	0	3,388
57	Total Large Transportation (Dth)	$7,502,697	$41,174	$0	$4,593	$0	$0	$34,376	$7,582,840
58	Transport GCR & Misc Revenue	$219,395				($219,395)			
59	Total Tranportation per Books	7,722,092							
60									
61	Total Revenue	$76,900,318	$766,512	($605,325)	$3,152,147	($219,395)	($276,810)	$217,506	$79,934,953

(1) Includes Peninsular Gas - June - December 2005

SEMCO Energy Gas Company
Calculation of Pro Forma and Proposed Revenue
For Residential Service

Case No. U-14893
Witness: Malcolm R. Ketchum
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Line	Description	Customers Mcf	Current Rate	Pro Forma Revenue	Proposed Rate	Proposed Revenue	Change Amount	Change Percent
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	**Residential Service:**							
2								
3	Customer Charge	223,383	$9.50	$25,465,662	$0.00	$0	($25,465,662)	
4								
5	Distribution Charge	23,468,321	$1.2230	$28,701,757	$0.00	$0	($28,701,757)	
6								
7	Service Charge	223,383			$24.0449	$ 64,454,672	$64,454,672	
8								
9	LAUF	23,468,321			$0.1243	$ 2,916,123		
10								
11	Total Residential			$54,167,419		$67,370,795	$13,203,376	24.4%
12								
13								
14	**Calculation of Distribution Charge:**							
15								
16		**Residential**						
17								
18	Revenue Target	$67,370,795						
19	Less Annual Revenue From:							
20	LAUF	$ 2,916,123						
21								
22	Distribution Revenue	$64,454,672						
23	Divided by Customers	2,680,596						
24								
25	Service Charge	$24.0449	per customer per month					
26								
27								
28								

SEMCO Energy Gas Company
Calculation of Pro Forma and Proposed Revenue
For Small & Large General Service

Case No. U-14893
Witness: Malcolm R. Ketchun
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Line	Description	Customers Mcf	Current Rate	Pro Forma Revenue	Proposed Rate	Proposed Revenue	Change Amount	Change Percent
		(A)	(B)	(C)	(D)	(E)	(F)	(G)
1	**GS-1**							
2	Customer Charge	19,972	$9.50	$2,276,808	$ 12.00	$2,875,968	$599,160	
3	Distribution Charge	4,067,501	$1.3972	$5,683,112	$1.7930	$7,293,010	$1,609,898	
4	Subtotal GS-1			$7,959,920		$10,168,978	$2,209,058	27.75%
5								
6	**GS-2**							
7	Customer Charge	2,357	$29.00	$820,236	$ 50.00	$1,414,200	$593,964	
8	Remote meter charge	7	$75.00	$6,300	$75.00	$6,300	$0	
9	Distribution Charge	3,165,414	$1.1051	$3,498,099	$1.2000	$3,798,351	$300,252	
10	Subtotal GS-2			$4,324,635		$5,218,851	$894,216	20.68%
11								
12	**GS-3**							
13	Customer Charge	902	$75.00	$811,800	$ 100.00	$1,082,400	$270,600	
14	Remote meter charge	16	$75.00	$14,700	$75.00	$14,700	$0	
15	Distribution Charge	5,935,040	$0.8858	$5,257,258	$1.0438	$6,194,957	$937,699	
16	Subtotal GS-3			$6,083,758		$7,292,057	$1,208,299	19.86%
17								
18	Total General Service			$18,368,314		$22,679,886	$4,311,572	23.47%
19								
20								
21								
22								
23								

24		**GS-1**	**GS-2**	**GS-3**	**Total**
25	Remote Meter Charge		7	16	
26	Cust	19,972	2,357	902	
27	Mcf	4,067,501	3,165,414	5,935,040	
28					
29	Cost of Service Target Revenue	$ 10,168,978	$ 5,218,851	$ 7,292,057	$ 22,679,886
30					
31	Proposed Customer Charge	$ 12.00	$ 50.00	$ 100.00	
32	Proposed Distibution Charge	$ 1.7930	$ 1.2000	$ 1.0438	
33					
34	Customer Charge Revenue	$ 2,875,968	$ 1,414,200	$ 1,082,400	
	Remote Meter Charge	$ -	$ 6,300	$ 14,700	
35	Distribution Charge Revenue	$ 7,293,010	$ 3,798,351	$ 6,194,957	
36					
37	Total Designed Revenue	$ 10,168,978	$ 5,218,851	$ 7,292,057	$ 22,679,886
38					
39	Difference - Design less Target	$ (0)	$ 0	$ (0)	$ 0
40					
41	**Breakeven Analysis**	**GS-1 vs. GS-2**		**GS-2 vs. GS-3**	
42					
43	Annual Fixed Charges: Small	$144		$600	
44	Annual Fixed Charges: Large	$600		$1,200	
45	Annual Fixed Cost Differential	$456		$600	
46	Variable Rate Differential	$0.5930		$0.1562	
47	**Annual Break Even (Mcf)**	**769**		**3,842**	

	GS-1	**GS-2**	**GS-3**
Average Annual Usage (Mcf)	204	1,343	6,580

SEMCO Energy Gas Company
Calculation of Pro Forma and Proposed Revenue
For Transportation Service

Case No. U-14893
Witness: Malcolm R. Ketchum
Revised Exhibit: A-11
Schedule: F-4
Page: 3 of 3
June 16, 2006

Line	Description	Customers Mcf	Current Rate	Pro Forma Revenue	Proposed Rate	Proposed Revenue	Change Amount	Change Percent
		(A)		(C)	(D)	(E)	(F)	(G)
1	**TR-1**							
2	Customer Charge	84	$ 375.00	$378,000	$ 200.00	$201,600	($176,400)	
3	Remote Meter Charge	84	$ 75.00	$75,525	$ 75.00	$75,600	$75	
4								
5	Distribution Charge - On-Peak	1,196,891	$0.6936	$830,163	$0.7828	$936,983	$106,819	
6	Distribution Charge - Off-Peak	861,177	$0.5436	$468,136	$0.6328	$544,993	$76,858	
7	Subtotal TR-1	2,058,068		$1,751,824		$1,759,176	$7,352	0.42%
8								
9	**TR-2**							
10	Customer Charge	60	$ 950.00	$684,000	$ 1,000.00	$804,000	$120,000	
11	Remote Meter Charge	60	$ 75.00	$54,000	$75.00	$60,300	$6,300	
12								
13	Distribution Charge - On-Peak	3,090,013	$0.5613	$1,734,424	$0.6914	$3,220,017	$1,485,593	
14	Distribution Charge - Off-Peak	2,861,646	$0.4113	$1,176,995	$0.5414	$2,602,824	$1,425,829	
15	Subtotal TR-2	5,951,659		$3,649,419		$6,687,141	$3,037,722	83.24%
16								
17	**TR-3**							
18	Customer Charge	7	$ 3,000.00	$252,000	$ -	$0	($252,000)	
19	Remote Meter Charge	7	$ 75.00	$6,300	$ -	$0	($6,300)	
20								
21	Distribution Charge - On-Peak	1,566,931	$0.4870	$763,096	$0.0000	$0	($763,096)	
22	Distribution Charge - Off-Peak	1,945,542	$0.3370	$655,648	$0.0000	$0	($655,648)	
23	Subtotal TR-3	3,512,473		$1,677,043		$0	($1,677,043)	-100.00%
24								
25	**Mead Johnson**							
26	Customer Charge	2	$ 900	$21,600	$ 975.00	$23,400	$1,800	
27	Remote Meter Charge	2	$ 75.00	$1,800	$ 75.00	$1,800	$0	
28								
29	Distribution Charge - On-Peak	234,701	$0.2800	$65,716	$0.2800	$65,716	$0	
30	Distribution Charge - Off-Peak	278,400	$0.2800	$77,952	$0.2800	$77,952	$0	
31	Subtotal	513,101		$167,068		$168,868	$1,800	1.08%
32								
33	**Michigan Tech**							
34	Customer Charge	1	$ 950.00	$11,400	$ 3,000.00	$36,000	$24,600	
35	Remote Meter Charge	1	$ 75.00	$900	$ 75.00	$900	$0	
36								
37	Distribution Charge - On-Peak	191,942	$0.5613	$107,737	$0.3398	$65,228	($42,509)	
38	Distribution Charge - Off-Peak	107,760	$0.4113	$44,322	$0.1898	$20,456	($23,866)	
39	Subtotal	299,702		$164,359		$122,584	($41,775)	-25.42%
40								
41								
42	Total Transportation Service			$7,409,714		$8,737,769	$1,328,055	17.92%
43								
44								

		TR-1	TR-2	TR-3	Mead Johnson	Mich Tech	Total
45							
46							
47	Remote Meter Charge	84	60	7	2	0	
48	Customers	84	60	7	2	0	
49	On-Peak Dth	1,196,891	3,090,013	1,566,931	234,701	191,942	
50	Off-Peak Dth	861,177	2,861,646	1,945,542	278,400	107,760	
51	% Dth On-Peak	58.16%	49.21%				
52	% Dth Off-Peak	41.84%	50.79%				
53	On-P/Off-P Rate Differential	$ 0.15	$ 0.15				
54							
55	Cost of Service Target Revenue	$ 1,759,176	$ 6,687,141		$ 167,068	$ 122,584	$ 8,735,969
56							
57	Proposed Customer Charge	$ 200.00	$ 1,000.00		$ 900.00	$ 3,000.00	
58	Proposed Remote Meter Charge	$ 75.00	$ 75.00		$ 75.00	$ 75.00	
59	Proposed On-Peak Charge	$ 0.7828	$ 0.6914		$ 0.2800	$ 0.3398	
60	Proposed Off-Peak Charge	$ 0.6328	$ 0.5414		$ 0.2800	$ 0.1898	
61							
62	Cust & Mtr Charge Revenue	$ 277,200	$ 864,300	$ -	$ 23,400	$ 36,900	
63	Distribution Charge Revenue	$ 1,481,976	$ 5,822,841	$ -	$ 143,668	$ 85,684	
64							
65	Total Designed Revenue	$ 1,759,176	$ 6,687,141	$ -	$ 167,068	$ 122,584	$ 8,735,969
66							
67	Difference - Design less Target	$ -	$ -	$ -	$ -	$ -	$ -
68							

	Breakeven Analysis	TR-1 vs. TR-2
69		
70		
71	Annual Fixed Charges: Small	$3,300
72	Annual Fixed Charges: Large	$12,900
73	Annual Fixed Cost Differential	$9,600
74	Variable Rate Differential	$ 0.1048
75	**Annual Break Even (Mcf)**	**91,579**

	TR-1	TR-2
Average Annual Usage (Mcf)	24,501	141,256

SEMCO Energy Gas Company
Comparison of Current and Proposed Rates

Case No. U-14893
Witness: Malcolm R. Ketchum
Revised Exhibit: A-11
Schedule: F-5
Page: 1 of 1
June 16, 2006

Line	Description	Current Rates		Proposed Rates		Increase (Decrease)	
1	**SALES SERVICE:**	(A)		(B)		(C)	
2	**Residential - Rate A**						
3	Customer Charge	$9.50	per month	$0.00	per month	($9.50)	per month
4	Distribution Charge	$1.2230	per Mcf	$0.00	per Mcf	($1.2230)	per Mcf
	Service Charge	$0.0000	per month	$24.0449	per month	$24.0449	per month
	LAUF	$0.0000	per Mcf	$0.1243	per Mcf	$0.1243	per Mcf
5							
6	**General Service - Rate GS-1**						
7	Customer Charge	$9.50	per month	$12.00	per month	$2.50	per month
8	Distribution Charge	$1.3972	per Mcf	$1.7930	per Mcf	$0.3958	per Mcf
9							
10	**General Service - Rate GS-2**						
11	Customer Charge	$29.00	per month	$50.00	per month	$21.00	per month
12	Distribution Charge	$1.1051	per Mcf	$1.2000	per Mcf	$0.0949	per Mcf
13							
14	**General Service - Rate GS-3**						
15	Customer Charge	$75.00	per month	$100.00	per month	$25.00	per month
16	Distribution Charge	$0.8858	per Mcf	$1.0438	per Mcf	$0.1580	per Mcf
17							
18							
19							
20	**TRANSPORTATION SERVICE:**						
21	**TR-1**						
22	Fixed Charges:						
23	Customer Charge per meter	$ 375.00	per month	$ 200.00	per month	($175.00)	per month
24	Remote Meter Charge	$ 75.00	per month	$ 75.00	per month	$0.00	per month
25	Transportation Charges:						
26	Peak (November - March)	$0.6936	Per Dth	$0.7828	Per Dth	$0.0892	Per Dth
27	Off-peak (April - October)	$0.5436	Per Dth	$0.6328	Per Dth	$0.0892	Per Dth
28							
29	**TR-2**						
30	Fixed Charges:						
31	Customer Charge per meter	$ 950.00	per month	$ 1,000.00	per month	$50.00	per month
32	Remote Meter Charge	$ 75.00	per month	$ 75.00	per month	$0.00	per month
33	Transportation Charges:						
34	Peak (November - March)	$0.5613	Per Dth	$0.6914	Per Dth	$0.1301	Per Dth
35	Off-peak (April - October)	$0.4113	Per Dth	$0.5414	Per Dth	$0.1301	Per Dth
36							
37	**TR-3**						
38	Fixed Charges:						
39	Customer Charge per meter	$ 3,000.00	per month	$ -	per month	($3,000.00)	per month
40	Remote Meter Charge	$ 75.00	per month	$ -	per month	($75.00)	per month
41	Transportation Charges:						
42	Peak (November - March)	$0.4870	Per Dth	$0.0000	Per Dth	($0.4870)	Per Dth
43	Off-peak (April - October)	$0.3370	Per Dth	$0.0000	Per Dth	($0.3370)	Per Dth

Global Inputs

Rate Classes

Rate Class	Description
Res	Residential
GS-1	GS-1
GS-2	GS-2
GS-3	GS-3
TR-1	TR-1
TR-2	TR-2
TR-3	TR-3
Mead	Mead
MTU	MTU
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~

Classifers

Name	Description
DEM	Demand
CUS	Customer
COM	Commodity
~	~
~	~
~	~

Functions

Name	Description
F_PRODU	Production
F_PURGS	Purchased Gas
F_STORG	Storage
F_DISTR	Distribution
F_CBILL	Customer Acct/Billing
F_CSERV	Customer Services
F_TRANS	Transmission
~	~
~	~
~	~
~	~
~	~
~	~
~	~
~	~

Unit Costs

	Factor Name
Commodity	TOTTHRU
Customer	CUSTS
Demand	TOTTHRU

Rate of Return

	Percent
LT Debt	6.30%
ST Debt	5.00%
Equity	11.90%
Cus Deposits	9.00%
DFIT	0.00%
JDITC	8.92%
Percent LT Debt	40.23%
Percent ST Debt	6.78%
Percent Equity	44.18%
Percent Cus Deposits	0.84%
Percent DFIT	7.68%
JDITC	0.15%
Rate of Return	8.22%
Factor	ROR

Income Tax

Federal Income Tax	35.00%
Effective Tax Rate	35.00%

Classifiers

Name	Description	Total	DEM	CUS	COM
DEM	Demand	100%	100.00%		
CUS	Customer	100%		100.00%	
COM	Commodity	100%			100.00%

June 16, 2006

Revenue Requirement Summary

Test Year at Current Revenues

	System Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
RATE BASE	$ 346,005,352	$ 224,323,221	$ 36,739,134	$ 21,258,680	$ 31,188,170	$ 6,483,086	$ 15,935,227	$ 8,325,175	$ 1,249,795	$ 502,864
TARGET RATE OF RETURN	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%	8.23%
RETURN ALLOWANCE	$ 28,476,240	$ 18,461,801	$ 3,023,631	$ 1,749,589	$ 2,566,786	$ 533,558	$ 1,311,469	$ 685,162	$ 102,858	$ 41,386
INCOME TAXES										
Interest Expense	$ 11,992,579	$ 7,775,065	$ 1,273,382	$ 736,828	$ 1,080,985	$ 224,704	$ 552,317	$ 288,551	$ 43,318	$ 17,429
Tax Adjustments										
Total Tax Adjustments	$ 11,992,579	$ 7,775,065	$ 1,273,382	$ 736,828	$ 1,080,985	$ 224,704	$ 552,317	$ 288,551	$ 43,318	$ 17,429
Composite Tax Rate	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Income Taxes - Current (present rates)	$ 2,591,075	$ 1,679,853	$ 275,122	$ 159,196	$ 233,554	$ 48,549	$ 119,332	$ 62,343	$ 9,359	$ 3,766
Income Taxes - Deferred	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Income Taxes	$ 2,591,075	$ 1,679,853	$ 275,122	$ 159,196	$ 233,554	$ 48,549	$ 119,332	$ 62,343	$ 9,359	$ 3,766
EXPENSES										
O & M Expense	$ 15,682,644	$ 11,897,242	$ 1,495,332	$ 571,510	$ 696,414	$ 209,328	$ 501,302	$ 257,750	$ 39,069	$ 14,698
Depreciation Expense	$ 14,815,499	$ 9,671,791	$ 1,554,584	$ 816,514	$ 1,080,305	$ 342,723	$ 831,347	$ 428,986	$ 64,966	$ 24,283
Other Expense	$ 29,335,660	$ 20,282,423	$ 3,057,788	$ 1,623,214	$ 2,346,557	$ 410,091	$ 994,387	$ 513,984	$ 78,484	$ 28,732
Taxes Other than Income	$ 7,594,661	$ 5,018,928	$ 773,685	$ 418,588	$ 560,605	$ 185,763	$ 405,084	$ 193,217	$ 22,554	$ 16,237
REVENUE REQUIREMENT										
Total Expenses	$ 67,428,464	$ 46,870,384	$ 6,881,389	$ 3,429,826	$ 4,683,880	$ 1,147,905	$ 2,732,120	$ 1,393,937	$ 205,073	$ 83,950
Total Income Taxes	$ 2,591,075	$ 1,679,853	$ 275,122	$ 159,196	$ 233,554	$ 48,549	$ 119,332	$ 62,343	$ 9,359	$ 3,766
Total Return on Rate Base	$ 28,476,240	$ 18,461,801	$ 3,023,631	$ 1,749,589	$ 2,566,786	$ 533,558	$ 1,311,469	$ 685,162	$ 102,858	$ 41,386
Total Revenue Requirement (w/o inc. FIT)	**$ 98,495,779**	**$ 67,012,039**	**$ 10,180,142**	**$ 5,338,612**	**$ 7,484,220**	**$ 1,730,011**	**$ 4,162,921**	**$ 2,141,443**	**$ 317,290**	**$ 129,101**
Current Revenues	**$ 86,347,048**	**$ 58,101,514**	**$ 8,733,279**	**$ 4,889,938**	**$ 6,838,682**	**$ 1,880,979**	**$ 3,837,063**	**$ 1,728,334**	**$ 155,097**	**$ 182,161**
Revenue to Cost Ratio	**0.88**	**0.87**	**0.86**	**0.92**	**0.91**	**1.09**	**0.92**	**0.81**	**0.49**	**1.41**
Revenue Defficiency	$ 12,148,731	$ 8,910,525	$ 1,446,862	$ 448,673	$ 645,538	$ (150,968)	$ 325,858	$ 413,108	$ 162,193	$ (53,060)
AFUDC	$ 124,626	$ 80,798	$ 13,233	$ 7,657	$ 11,234	$ 2,335	$ 5,740	$ 2,999	$ 450	$ 181
Net Deficiency	$ 12,024,105	$ 8,829,727	$ 1,433,630	$ 441,016	$ 634,305	$ (153,303)	$ 320,119	$ 410,110	$ 161,743	$ (53,241)
Revenue Mulitplier	1.5683									
Pre-Tax Revenue Deficiency	**$ 18,856,887**									
Additional FIT for Def.	$ 6,832,782	$ 4,429,850	$ 725,510	$ 419,808	$ 615,892	$ 128,026	$ 314,683	$ 164,402	$ 24,680	$ 9,930
Revenue Deficiency @ 8.23% return	**$ 18,856,887**	**$ 13,259,576**	**$ 2,159,140**	**$ 860,825**	**$ 1,250,197**	**$ (25,277)**	**$ 634,802**	**$ 574,512**	**$ 186,423**	**$ (43,311)**
Total Revenue Requirement@ 8.23% return	**$ 105,328,561**	**$ 71,441,888**	**$ 10,905,652**	**$ 5,758,420**	**$ 8,100,112**	**$ 1,858,037**	**$ 4,477,604**	**$ 2,305,845**	**$ 341,971**	**$ 139,031**
Total Rate Revenue Deficiency	**$ 98,788,451**	**$ 67,370,795**	**$ 10,168,978**	**$ 5,218,851**	**$ 7,292,057**	**$ 1,726,618**	**$ 4,285,930**	**$ 2,251,489**	**$ 352,691**	**$ 121,042**

June 16, 2006

Functional Rate Base

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 855,221	$ 550,032	$ 95,331	$ 73,932	$ 135,926	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 855,221	$ 550,032	$ 95,331	$ 73,932	$ 135,926	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 75,891,612	$ 46,321,354	$ 8,028,361	$ 6,229,620	$ 11,489,124	$ 637,884	$ 1,844,677	$ 1,088,668	$ 159,032	$ 92,891
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 75,891,612	$ 46,321,354	$ 8,028,361	$ 6,229,620	$ 11,489,124	$ 637,884	$ 1,844,677	$ 1,088,668	$ 159,032	$ 92,891
Distribution										
Demand	$ 204,837,613	$ 132,168,621	$ 21,132,360	$ 10,941,791	$ 16,149,056	$ 4,705,015	$ 12,085,832	$ 6,347,893	$ 950,462	$ 356,583
Customer	$ 44,371,143	$ 33,139,482	$ 5,588,984	$ 2,908,702	$ 1,710,929	$ 535,630	$ 417,791	$ 48,737	$ 13,925	$ 6,962
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 249,208,756	$ 165,308,102	$ 26,721,344	$ 13,850,494	$ 17,859,985	$ 5,240,645	$ 12,503,623	$ 6,396,630	$ 964,387	$ 363,545
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 4,883,404	$ 4,420,627	$ 395,235	$ 46,644	$ 17,850	$ 1,662	$ 1,187	$ 139	$ 40	$ 20
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 4,883,404	$ 4,420,627	$ 395,235	$ 46,644	$ 17,850	$ 1,662	$ 1,187	$ 139	$ 40	$ 20
Transmission										
Demand	$ 15,166,360	$ 7,723,106	$ 1,498,863	$ 1,057,990	$ 1,685,284	$ 602,894	$ 1,585,740	$ 839,739	$ 126,336	$ 46,409
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 15,166,360	$ 7,723,106	$ 1,498,863	$ 1,057,990	$ 1,685,284	$ 602,894	$ 1,585,740	$ 839,739	$ 126,336	$ 46,409
TOTAL										
Demand	$ 296,750,805	$ 186,763,112	$ 30,754,914	$ 18,303,334	$ 29,459,391	$ 5,945,793	$ 15,516,249	$ 8,276,299	$ 1,235,831	$ 495,882
Customer	$ 49,254,547	$ 37,560,109	$ 5,984,219	$ 2,955,346	$ 1,728,779	$ 537,293	$ 418,978	$ 48,876	$ 13,965	$ 6,982
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
TOTAL RATE BASE	**$ 346,005,352**	**$ 224,323,221**	**$ 36,739,134**	**$ 21,258,680**	**$ 31,188,170**	**$ 6,483,086**	**$ 15,935,227**	**$ 8,325,175**	**$ 1,249,795**	**$ 502,864**

Functional Revenue Requirement @ 8.23% return

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 422,748	$ 272,303	$ 47,014	$ 36,067	$ 66,238	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 422,748	$ 272,303	$ 47,014	$ 36,067	$ 66,238	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 9,383,387	$ 5,762,162	$ 983,412	$ 729,878	$ 1,340,030	$ 77,996	$ 240,759	$ 148,075	$ 24,033	$ 9,918
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 9,383,387	$ 5,762,162	$ 983,412	$ 729,878	$ 1,340,030	$ 77,996	$ 240,759	$ 148,075	$ 24,033	$ 9,918
Distribution										
Demand	$ 56,476,011	$ 36,455,896	$ 5,747,245	$ 2,901,930	$ 4,270,750	$ 1,353,245	$ 3,540,254	$ 1,882,665	$ 291,320	$ 99,202
Customer	$ 13,441,518	$ 10,189,383	$ 1,651,028	$ 817,971	$ 478,682	$ 152,242	$ 122,174	$ 14,520	$ 4,359	$ 1,871
Commodity	$ 4,534,155	$ 2,916,123	$ 505,419	$ 391,967	$ 720,646	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 74,451,684	$ 49,561,403	$ 7,903,692	$ 4,111,869	$ 5,470,078	$ 1,505,487	$ 3,662,428	$ 1,897,186	$ 295,679	$ 101,072
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 11,069,794	$ 10,024,094	$ 895,472	$ 105,431	$ 40,338	$ 3,766	$ 2,700	$ 316	$ 91	$ 45
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 11,069,794	$ 10,024,094	$ 895,472	$ 105,431	$ 40,338	$ 3,766	$ 2,700	$ 316	$ 91	$ 45
Transmission										
Demand	$ 3,585,464	$ 1,831,631	$ 352,621	$ 243,263	$ 386,607	$ 141,704	$ 385,783	$ 208,912	$ 33,339	$ 10,188
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 3,585,464	$ 1,831,631	$ 352,621	$ 243,263	$ 386,607	$ 141,704	$ 385,783	$ 208,912	$ 33,339	$ 10,188
TOTAL										
Demand	$ 69,867,610	$ 44,321,992	$ 7,130,292	$ 3,911,139	$ 6,063,625	$ 1,572,945	$ 4,166,795	$ 2,239,652	$ 348,692	$ 119,308
Customer	$ 24,511,312	$ 20,213,478	$ 2,546,500	$ 923,402	$ 519,020	$ 156,008	$ 124,874	$ 14,836	$ 4,450	$ 1,915
Commodity	$ 4,534,155	$ 2,916,123	$ 505,419	$ 391,967	$ 720,646	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
~ ~	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Rate Schedule Revenue	**$ 98,913,077**	**$ 67,451,593**	**$ 10,182,211**	**$ 5,226,508**	**$ 7,303,291**	**$ 1,728,953**	**$ 4,291,669**	**$ 2,254,488**	**$ 353,142**	**$ 121,223**

Unit Costs- Per Mcf

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 0.0086	$ 0.0116	$ 0.0116	$ 0.0114	$ 0.0112	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 0.1916	$ 0.2455	$ 0.2418	$ 0.2306	$ 0.2258	$ 0.0379	$ 0.0405	$ 0.0422	$ 0.0468	$ 0.0331
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Distribution										
Demand	$ 1.1532	$ 1.5534	$ 1.4130	$ 0.9168	$ 0.7196	$ 0.6575	$ 0.5948	$ 0.5360	$ 0.5678	$ 0.3310
Customer	$ 0.2745	$ 0.4342	$ 0.4059	$ 0.2584	$ 0.0807	$ 0.0740	$ 0.0205	$ 0.0041	$ 0.0085	$ 0.0062
Commodity	$ 0.09	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ -	$ -	$ -	$ -	$ -
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total										
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 0.2260	$ 0.4271	$ 0.2202	$ 0.0333	$ 0.0068	$ 0.0018	$ 0.0005	$ 0.0001	$ 0.0002	$ 0.0001
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total										
TOTAL										
Demand	$ 1.4267	$ 1.8886	$ 1.7530	$ 1.2356	$ 1.0217	$ 0.7643	$ 0.7001	$ 0.6376	$ 0.6796	$ 0.3981
Customer	$ 0.5005	$ 0.8613	$ 0.6261	$ 0.2917	$ 0.0875	$ 0.0758	$ 0.0210	$ 0.0042	$ 0.0087	$ 0.0064
Commodity	$ 0.09	$ 0.12	$ 0.12	$ 0.12	$ 0.12	$ -	$ -	$ -	$ -	$ -

Total Throughput Volumes	**48,971,279**	**23,468,321**	**4,067,501**	**3,165,414**	**5,935,040**	**2,058,068**	**5,951,659**	**3,512,473**	**513,101**	**299,702**
Total Throughput Volumes	**48,971,279**	**23,468,321**	**4,067,501**	**3,165,414**	**5,935,040**	**2,058,068**	**5,951,659**	**3,512,473**	**513,101**	**299,702**
Number of Customers	**246,768**	**223,383**	**19,972**	**2,357**	**902**	**84**	**60**	**7**	**2**	**1**

* Demand per Throughput (Mcf); Commodity per Sales (Mcf);
Customer per Customer per Month
Revenue per Throughput (Mcf)

Unit Cost - Customer Basis

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 0.1428	$ 0.1016	$ 0.1962	$ 1.2752	$ 6.1195	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.1428	$ 0.1016	$ 0.1962	$ 1.2752	$ 6.1195	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 3.1688	$ 2.1496	$ 4.1033	$ 25.8053	$ 123.8018	$ 77.3768	$ 334.3872	$ 1,762.7946	$ 1,001.3836	$ 826.4961
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 3.1688	$ 2.1496	$ 4.1033	$ 25.8053	$ 123.8018	$ 77.3768	$ 334.3872	$ 1,762.7946	$ 1,001.3836	$ 826.4961
Distribution										
Demand	$ 19.0719	$ 13.5999	$ 23.9804	$ 102.5997	$ 394.5630	$ 1,342.5053	$ 4,917.0189	$ 22,412.6837	$ 12,138.3304	$ 8,266.8087
Customer	$ 4.5392	$ 3.8012	$ 6.8889	$ 28.9199	$ 44.2242	$ 151.0334	$ 169.6866	$ 172.8603	$ 181.6254	$ 155.8925
Commodity	$ 1.5312	$ 1.0879	$ 2.1089	$ 13.8583	$ 66.5785	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 25.1423	$ 18.4889	$ 32.9782	$ 145.3779	$ 505.3656	$ 1,493.5387	$ 5,086.7055	$ 22,585.5440	$ 12,319.9558	$ 8,422.7012
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 3.7383	$ 3.7395	$ 3.7364	$ 3.7276	$ 3.7267	$ 3.7360	$ 3.7496	$ 3.7587	$ 3.7836	$ 3.7104
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 3.7383	$ 3.7395	$ 3.7364	$ 3.7276	$ 3.7267	$ 3.7360	$ 3.7496	$ 3.7587	$ 3.7836	$ 3.7104
TOTAL										
Demand	$ 23.5942	$ 16.5344	$ 29.7512	$ 138.2810	$ 560.2018	$ 1,560.4614	$ 5,787.2155	$ 26,662.5207	$ 14,528.8265	$ 9,942.3416
Customer	$ 8.2774	$ 7.5407	$ 10.6253	$ 32.6475	$ 47.9509	$ 154.7694	$ 173.4362	$ 176.6189	$ 185.4090	$ 159.6029
Commodity	$ 1.5312	$ 1.0879	$ 2.1089	$ 13.8583	$ 66.5785	$ -	$ -	$ -	$ -	$ -
Total Unit Cost	**$ 33.4029**	**$ 25.1629**	**$ 42.4854**	**$ 184.7867**	**$ 674.7312**	**$ 1,715.2308**	**$ 5,960.6517**	**$ 26,839.1396**	**$ 14,714.2355**	**$ 10,101.9445**

Unit Cost - Demand Basis-Per Mcf

	System Total	Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
Production										
Demand	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ -	$ -	$ -	$ -	$ -
Purchased Gas										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Storage										
Demand	$ 0.02	$ 0.0205	$ 0.02	$ 0.02	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.02	$ 0.02	$ 0.02	$ 0.02	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Distribution										
Demand	$ 0.0961	$ 0.1295	$ 0.12	$ 0.08	$ 0.06	$ 0.05	$ 0.05	$ 0.04	$ 0.05	$ 0.03
Customer	$ 0.0229	$ 0.0362	$ 0.03	$ 0.02	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Commodity	$ 0.0077	$ 0.0104	$ 0.01	$ 0.01	$ 0.01	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.13	$ 0.18	$ 0.16	$ 0.11	$ 0.08	$ 0.06	$ 0.05	$ 0.05	$ 0.05	$ 0.03
Customer Acct/Billing										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer Services										
Demand	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Customer	$ 0.02	$ 0.04	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Commodity	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Sub-total	$ 0.02	$ 0.04	$ 0.02	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00	$ 0.00
TOTAL										
Demand	$ 0.12	$ 0.16	$ 0.15	$ 0.10	$ 0.09	$ 0.06	$ 0.06	$ 0.05	$ 0.06	$ 0.03
Customer	$ 0.04	$ 0.07	$ 0.05	$ 0.02	$ 0.01	$ 0.01	$ 0.00	$ 0.00	$ 0.00	$ 0.00
Commodity	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ 0.01	$ -	$ -	$ -	$ -	$ -
Total Unit Cost	**$ 0.1683**	**$ 0.2395**	**$ 0.2086**	**$ 0.1376**	**$ 0.1025**	**$ 0.0700**	**$ 0.0601**	**$ 0.0535**	**$ 0.0574**	**$ 0.0337**

June 16, 2006

Earned Return Summary

Test Year at Current Revenues

	System Total		Residential	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
REVENUES											
Rate Revenue Received	$ 79,931,564		$ 54,111,219	$ 8,009,838	$ 4,358,026	$ 6,041,860	$ 1,751,895	$ 3,651,128	$ 1,676,977	$ 166,268	$ 164,353
Other Revenue Credits	$ 6,415,484		3,990,295	723,441	531,912	796,822	129,084	185,935	51,357	(11,171)	17,808
	$ 86,347,048	$ -	$ 58,101,514	$ 8,733,279	$ 4,889,938	$ 6,838,682	$ 1,880,979	$ 3,837,063	$ 1,728,334	$ 155,097	$ 182,161
	$ 6,412,095	$ (3,389)									
EXPENSES											
O&M Expenses (excl, A&G)	$ 15,682,644	$ 40,484,149	$ 11,897,242	$ 1,495,332	$ 571,510	$ 696,414	$ 209,328	$ 501,302	$ 257,750	$ 39,069	$ 14,698
Depreciation Expense	$ 14,815,499		$ 9,671,791	$ 1,554,584	$ 816,514	$ 1,080,305	$ 342,723	$ 831,347	$ 428,986	$ 64,966	$ 24,283
Other Expenses	$ 29,335,660		$ 20,282,423	$ 3,057,788	$ 1,623,214	$ 2,346,557	$ 410,091	$ 994,387	$ 513,984	$ 78,484	$ 28,732
Taxes Other Than Income (incl MSBT)	$ 7,594,661	$ 6,598,129	$ 5,018,928	$ 773,685	$ 418,588	$ 560,605	$ 185,763	$ 405,084	$ 193,217	$ 22,554	$ 16,237
Total Expenses	$ 67,428,464		$ 46,870,384	$ 6,881,389	$ 3,429,826	$ 4,683,880	$ 1,147,905	$ 2,732,120	$ 1,393,937	$ 205,073	$ 83,950
OPERATING INC. BEFORE INTEREST & INCOME TAXES	$ 18,918,584	$ -	$ 11,231,130	$ 1,851,891	$ 1,460,112	$ 2,154,802	$ 733,075	$ 1,104,942	$ 334,397	$ (49,976)	$ 98,212
INCOME TAX ADJUSTMENTS											
Interest Expense	$ 11,992,579		$ 7,775,065	$ 1,273,382	$ 736,828	$ 1,080,985	$ 224,704	$ 552,317	$ 288,551	$ 43,318	$ 17,429
Tax Adjustments	$ -		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Net Adjustments	$ 11,992,579		$ 7,775,065	$ 1,273,382	$ 736,828	$ 1,080,985	$ 224,704	$ 552,317	$ 288,551	$ 43,318	$ 17,429
OPERATING INCOME BEFORE INCOME TAXES	$ 6,926,005		$ 3,456,065	$ 578,509	$ 723,284	$ 1,073,817	$ 508,370	$ 552,626	$ 45,846	$ (93,294)	$ 80,782
INCOME TAXES											
Effective Tax Rate	35.00%		35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%
Current Income Taxes	$ 2,591,075		$ 1,679,853	$ 275,122	$ 159,196	$ 233,554	$ 48,549	$ 119,332	$ 62,343	$ 9,359	$ 3,766
Interset Sync.+ROE tax adj'mt			$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total Income Taxes	$ 2,591,075		$ 1,679,853	$ 275,122	$ 159,196	$ 233,554	$ 48,549	$ 119,332	$ 62,343	$ 9,359	$ 3,766
AFUDC	$ 124,626		$ 80,798	$ 13,233	$ 7,657	$ 11,234	$ 2,335	$ 5,740	$ 2,999	$ 450	$ 181
OPERATING INCOME	$ 16,452,135	$ -	$ 9,632,074	$ 1,590,001	$ 1,308,573	$ 1,932,481	$ 686,861	$ 991,350	$ 275,052	$ (58,885)	$ 94,627
RATE BASE	$ 346,005,352		$ 224,323,221	$ 36,739,134	$ 21,258,680	$ 31,188,170	$ 6,483,086	$ 15,935,227	$ 8,325,175	$ 1,249,795	$ 502,864
Earned Return	**4.75%**		**4.29%**	**4.33%**	**6.16%**	**6.20%**	**10.59%**	**6.22%**	**3.30%**	**-4.71%**	**18.82%**

Account Inputs

Test Year at Current Revenues

		Function	Classifier	DEM	CUS	COM	~	~	Internal	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU	ALLOCATOR
RATE BASE																				
RATE BASE																				
Prod Plant	1,177,230	F_PRODU	DEM	FIRMSALES						1,177,230	757,131	131,225	101,769	187,106	-	-	-	-	-	FIRMSALES
System Balancing Storage @ 20%	4,100,967	F_STORG	DEM	TOTTHRU						4,100,967	1,965,291	340,622	265,079	497,014	172,347	498,406	294,143	42,968	25,098	TOTTHRU
Other Storage Plant	16,403,869	F_STORG	DEM	FIRMSALES						16,403,869	10,550,081	1,828,527	1,418,076	2,607,184	-	-	-	-	-	FIRMSALES
Trans Plant	24,145,425	F_TRANS	DEM	PK_AVG						24,145,425	12,295,480	2,386,247	1,684,361	2,683,036	959,830	2,524,559	1,336,896	201,132	73,884	PK_AVG
Distribution Plant	8,418,815	F_DISTR	DEM	PK_AVG						8,418,815	4,287,080	832,016	587,288	935,497	334,665	880,241	466,137	70,129	25,761	PK_AVG
Mains	175,393,590	F_DISTR	DEM	PK_AVG						175,393,590	89,314,989	17,333,818	12,235,283	19,489,710	6,972,253	18,338,524	9,711,279	1,461,034	536,700	PK_AVG
Services	108,745,231	F_DISTR	CUS		SRVC_2D					108,745,231	95,135,286	11,100,015	1,530,006	628,196	191,450	137,381	16,028	4,579	2,290	SRVC_2D
Meters - Erts	16,899,963	F_DISTR	CUS		SALESCUSTS					16,899,963	15,307,927	1,368,636	161,520	61,812	-	69	-	-	-	SALESCUSTS
Meters	22,026,451	F_DISTR	CUS		WTD_METERS					22,026,451	14,444,815	2,848,331	2,533,223	1,494,479	381,791	277,553	32,381	9,252	4,626	WTD_METERS
Meter Reg Inst	4,920,941	F_DISTR	CUS		WTD_REGS					4,920,941	4,347,217	462,791	67,175	36,505	3,956	2,826	330	94	47	WTD_REGS
House Reg & Inst	25,703,500	F_DISTR	CUS		SRVC_H					25,703,500	19,503,694	4,407,370	878,686	670,450	131,765	95,602	11,154	3,187	1,593	SRVC_H
Industrial M & R Station Eq	2,358,690	F_DISTR	CUS		SRVC_L					2,358,690	-	-	1,109,927	532,349	358,213	307,029	35,820	10,234	5,117	SRVC_L
General & Intan Plant	31,251,612								I_PLANT	31,251,612	20,406,280	3,278,270	1,719,310	2,271,605	724,080	1,756,617	906,725	137,302	51,423	PLANT2
CWIP	8,954,349								I_PLANT	8,954,349	5,846,897	939,304	492,624	650,870	207,467	503,314	259,799	39,340	14,734	PLANT2
Accum Depr-Production	(418,842)	F_PRODU	DEM	FIRMSALES						(418,842)	(269,376)	(46,688)	(36,208)	(66,569)	-	-	-	-	-	FIRMSALES
Accum Depr - Sys Bal Storage @ 20%	(2,000,151)	F_STORG	DEM	TOTTHRU						(2,000,151)	(958,525)	(166,130)	(129,286)	(242,407)	(84,058)	(243,086)	(143,461)	(20,957)	(12,241)	TOTTHRU
Accum Depr - Other Storage	(8,000,603)	F_STORG	DEM	FIRMSALES						(8,000,603)	(5,145,555)	(891,821)	(691,633)	(1,271,593)	-	-	-	-	-	FIRMSALES
Accum Depr - Transmission	(9,826,559)	F_TRANS	DEM	PK_AVG						(9,826,559)	(5,003,940)	(971,140)	(685,491)	(1,091,926)	(390,626)	(1,027,430)	(544,082)	(81,856)	(30,069)	PK_AVG
Accum Depr - Distribution	(159,243,854)								I_DIST_PT	(159,243,854)	(105,884,200)	(16,757,272)	(8,346,575)	(10,420,160)	(3,658,828)	(8,755,585)	(4,488,559)	(680,948)	(251,726)	DIST_PT2
Accum Depr - General	(20,021,825)								I_PLANT	(20,021,825)	(13,073,597)	(2,100,274)	(1,101,502)	(1,455,339)	(463,893)	(1,125,404)	(580,907)	(87,965)	(32,945)	PLANT2
W/C - Plant in Service	(8,271,101)								I_PLANT	(8,271,101)	(5,400,758)	(867,632)	(455,035)	(601,207)	(191,636)	(464,909)	(239,975)	(36,339)	(13,610)	PLANT2
W/C - Revenue	26,285,366	F_DISTR	DEM	REV_INCL_COG						26,285,366	16,979,897	3,279,468	2,195,673	3,323,305	119,862	249,804	114,736	11,376	11,245	REV_INCL_COG
W/C - O&M less COG	13,019,004								I_OMXGAS	13,019,004	9,876,539	1,241,355	474,441	578,130	173,774	416,158	213,972	32,433	12,202	OMXGAS2
W/C - Sys Bal Storage @ 20%	12,865,235	F_STORG	DEM	TOTTHRU						12,865,235	6,165,358	1,068,572	831,585	1,559,193	540,675	1,563,559	922,761	134,797	78,735	TOTTHRU
W/C - Other Storage	51,460,942	F_STORG	DEM	FIRMSALES						51,460,942	33,096,894	5,736,314	4,448,678	8,179,056	-	-	-	-	-	FIRMSALES
Customer Advances	(342,894)	F_DISTR	CUS		PK_AVG_SALES					(342,894)	(227,083)	(42,790)	(30,233)	(48,159)	-	-	-	-	-	PK_AVG_SALES
Total Rate Base	***346,005,352***	-	-	-	-	-	-	-	-	***346,005,352***	***224,323,221***	***36,739,134***	***21,258,680***	***31,188,170***	***6,483,086***	***15,935,227***	***8,325,175***	***1,249,795***	***502,864***	
TOTAL RATE BASE	**346,005,352**	-								**346,005,352**	**224,323,221**	**36,739,134**	**21,258,680**	**31,188,170**	**6,483,086**	**15,935,227**	**8,325,175**	**1,249,795**	**502,864**	
O & M Expenses	40,404,356																			
Production	75,469	F_PRODU	DEM	FIRMSALES						75,469	48,538	8,412	6,524	11,995	-	-	-	-	-	FIRMSALES
Other Storage Plant	449,062	F_STORG	DEM	FIRMSALES						449,062	288,812	50,057	38,820	71,373	-	-	-	-	-	FIRMSALES
Storage Expense (balancing and other s	112,266	F_STORG	DEM	TOTTHRU						112,266	53,801	9,325	7,257	13,606	4,718	13,644	8,052	1,176	687	TOTTHRU
Distribution Expenses	8,505,816								I_DIST_PT	8,505,816	5,655,675	895,069	445,822	556,580	195,432	467,669	239,751	36,372	13,446	DIST_PT2
Transmission Expenses	176,381	F_TRANS	DEM	PK_AVG						176,381	89,818	17,431	12,304	19,599	7,012	18,442	9,766	1,469	540	PK_AVG
Meter Read Exp.	481,120	F_DISTR	CUS		CUSTS					481,120	435,527	38,939	4,595	1,759	164	117	14	4	2	CUSTS
Customer Account- Supervisor	314,776	F_CSERV	CUS		CUSTS					314,776	284,946	25,476	3,007	1,151	107	77	9	3	1	CUSTS
Customer Records & Collection	5,541,083	F_CSERV	CUS		CUSTS					5,541,083	5,015,982	448,464	52,926	20,254	1,886	1,347	157	45	22	CUSTS
Customer Service and Informaiton	26,671	F_CSERV	CUS		CUSTS					26,671	24,144	2,159	255	97	9	6	1	0	0	CUSTS
TOTAL O & M EXPENSES	**15,682,644**	-	-	-	-	-	-	-	-	**15,682,644**	**11,897,242**	**1,495,332**	**571,510**	**696,414**	**209,328**	**501,302**	**257,750**	**39,069**	**14,698**	

Account Inputs

Test Year at Current Revenues

		Function	Classifier	DEM	CUS	COM	~	~	Internal	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU	ALLOCATOR
Depreciation Expenses																				
Distribution Plant																				
Depr Production	148,310	F_PRODU	DEM	FIRMSALES						148,310	95,385	16,532	12,821	23,572	-	-	-	-	-	FIRMSALES
Depr Sys Bal Storage @ 20%	82,691	F_STORG	DEM	TOTTHRU						82,691	39,628	6,868	5,345	10,022	3,475	10,050	5,931	866	506	TOTTHRU
Depr Other Storage	330,762	F_STORG	DEM	FIRMSALES						330,762	212,728	36,870	28,594	52,570	-	-	-	-	-	FIRMSALES
Depr Transmission Plant	650,039	F_TRANS	DEM	PK_AVG						650,039	331,017	64,242	45,346	72,232	25,840	67,966	35,992	5,415	1,989	PK_AVG
Depr Distribution Plant	9,226,119								DIST_PT	9,226,119	6,134,618	970,867	483,576	603,713	211,982	507,273	260,054	39,452	14,584	DIST_PT2
Depr General & Intan Plant	4,377,578								GENPLANT	4,377,578	2,858,415	459,205	240,833	318,196	101,426	246,059	127,010	19,233	7,203	GENPLANT2
TOTAL DEPRECIATION EXPENS	**14,815,499**	**14,895,292**	**(79,793)**	-	-	-	-	-	-	**14,815,499**	**9,671,791**	**1,554,584**	**816,514**	**1,080,305**	**342,723**	**831,347**	**428,986**	**64,966**	**24,283**	14,791,216
Other Expenses	40,484,149	40404989	79,160																	
A&G O&M	11,342,420								OMXGAS	11,342,420	8,604,640	1,081,494	413,342	503,679	151,396	362,565	186,417	28,257	10,630	OMXGAS2
A&G Plant in service	11,342,420								PLANT	11,342,420	7,406,229	1,189,811	624,004	824,453	262,797	637,544	329,086	49,832	18,663	PLANT2
A&G Company Use and LAUF	4,534,155	F_DISTR	COM			FIRMSALESCOM				4,534,155	2,916,123	505,419	391,967	720,646	-	-	-	-	-	FIRMSALESCOM
Sales Promotion Exp	1,616	F_DISTR	CUS		COSS					1,616	929	152	129	191	74	107	29	(6)	10	COSS
Uncollectible Expense	2,115,049	F_DISTR	DEM	COSS_COG						2,115,049	1,354,502	280,911	193,771	297,587	(4,175)	(5,829)	(1,547)	401	(572)	COSS_COG
TOTAL OTHER EXPENSES	**29,335,660**	-	-	-	-	-	-	-	-	**29,335,660**	**20,282,423**	**3,057,788**	**1,623,214**	**2,346,557**	**410,091**	**994,387**	**513,984**	**78,484**	**28,732**	
Timing Differences																				
Interest Syncronization									RATEBASE	-	-	-	-	-	-	-	-	-	-	
Pro Forma Income Tax Savings									RATEBASE	-	-	-	-	-	-	-	-	-	-	
TOTAL TIMING DIFFERENCES	-									-	-	-	-	-	-	-	-	-	-	
Taxes Other Than Income Taxes																				
MSBT	996,532	F_DISTR	DEM	COSS						996,532	572,999	93,980	79,773	117,824	45,676	65,776	18,158	(3,958)	6,303	COSS
Payroll Tax	1,302,007								OMXGAS	1,302,007	987,735	124,146	47,448	57,818	17,379	41,619	21,399	3,244	1,220	OMXGAS2
Property Tax	5,296,121								PLANT	5,296,121	3,458,194	555,559	291,367	384,962	122,708	297,689	153,660	23,268	8,714	PLANT2
TOTAL TAXES OTHER THAN INC	**7,594,661**	**6,598,121**	-	-	-	-	-	-	-	**7,594,661**	**5,018,928**	**773,685**	**418,588**	**560,605**	**185,763**	**405,084**	**193,217**	**22,554**	**16,237**	
	6,598,129	8																		
Revenue Credits																				
Revenue misc. adjm'ts		F_DISTR	COM			TRANSSALES				-	-	-	-	-	-	-	-	-	-	
Sales Misc. Revenue	3,597,462	F_DISTR	COM			SALESREV				3,597,462	2,369,607	457,662	306,414	463,779	-	-	-	-	-	SALESREV
Other Revenues- COS	2,814,634	F_DISTR	DEM	COSS						2,814,634	1,618,395	265,440	225,313	332,786	129,010	185,780	51,286	(11,178)	17,801	COSS
Coal Displacement Revenue	3,388	F_DISTR	COM			REVENUE				3,388	2,294	340	185	256	74	155	71	7	7	REVENUE
TOTAL OTHER REVENUE CRED	**6,415,484**									**6,415,484**	**3,990,295**	**723,441**	**531,912**	**796,822**	**129,084**	**185,935**	**51,357**	**(11,171)**	**17,808**	
Operating Revenues																				
Rate Revenue Received	79,931,564	F_DISTR	COM			REVENUE				79,931,564	54,111,219	8,009,838	4,358,026	6,041,860	1,751,895	3,651,128	1,676,977	166,268	164,353	REVENUE
TOTAL OPERATING REVENUES	**(79,931,564)**	-	-	-	-	-	-	-	-	**79,931,564**	**54,111,219**	**8,009,838**	**4,358,026**	**6,041,860**	**1,737,992**	**3,626,668**	**1,664,697**	**165,204**	**164,353**	

June 16, 2006

External & Internal Allocators

Test Year at Current Revenues

Name	Description	Classifier	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
EXTERNAL ALLOCATORS												
TOTTHRU	Total Throughput Volumes	DEM	100.000%	47.923%	8.306%	6.464%	12.119%	4.203%	12.153%	7.173%	1.048%	0.612%
	Allocation factor 2		48,971,279	23,468,321	4,067,501	3,165,414	5,935,040	2,058,068	5,951,659	3,512,473	513,101	299,702
FIRMSALES	Annual Sales Volumes	DEM	100.000%	64.315%	11.147%	8.645%	15.894%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 1		36,489,886	23,468,321	4,067,501	3,154,465	5,799,599	-	-	-	-	
TRANSSALES	Annual Transport Volumes	DEM	100.000%	0.000%	0.000%	0.088%	1.085%	16.489%	47.684%	28.142%	4.111%	2.401%
	Allocation factor 0		12,481,393	-	-	10,949	135,441	2,058,068	5,951,659	3,512,473	513,101	299,702
PKDAY	Peak Day Throughput Volumes [Peak Month]	DEM	100.000%	53.923%	11.460%	7.488%	10.105%	3.748%	8.758%	3.901%	0.618%	0.000%
	Allocation factor		309,707	167,002	35,492	23,191	31,294	11,607	27,124	12,082	1,915	-
	Sales Only-%		256,979	64.987%	13.811%	9.024%	12.178%					
PK_AVG_SALES	Peak and Average Sales Only Allocator	DEM	100.000%	64.651%	12.479%	8.835%	14.036%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 7		1	1	0	0	0	-				
PK_AVG	Peak and Average Allocator	DEM	100.000%	50.923%	9.883%	6.976%	11.112%	3.975%	10.456%	5.537%	0.833%	0.306%
	Allocation factor 3		1	1	0	0	0	0	0	0	0	
PK_AVGC	Peak and Average Allocator	COM	100.000%	50.923%	9.883%	6.976%	11.112%	3.975%	10.456%	5.537%	0.833%	0.306%
	Allocation factor 3		1	1	0	0	0	0	0	0	0	-
CUSTS	Number of Customers	CUS	100.000%	90.523%	8.093%	0.955%	0.366%	0.034%	0.024%	0.003%	0.001%	0.000%
	Allocation factor 4		246,768	223,383	19,972	2,357	902	84	60	7	2	1
REVENUE	Non-Gas Revenue in Dollars	COM	100.000%	67.697%	10.021%	5.452%	7.559%	2.192%	4.568%	2.098%	0.208%	0.206%
	Allocation factor 14		79,931,564	54,111,219	8,009,838	4,358,026	6,041,860	1,751,895	3,651,128	1,676,977	166,268	164,353
SALESREV	Sales Revenue	COM	100.000%	65.869%	12.722%	8.518%	12.892%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 21		376,775,205	248,177,474	47,932,576	32,091,868	48,573,287					

June 16, 2006

External & Internal Allocators

Test Year at Current Revenues

Name	Description	Classifier	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
ROR	Rate of Return- Do NOT DELETE		0.000%	0%	0%	0%	0%	0%	0%	0%	0%	0%
			-									
REV_INCL_COG	Revenue including COG	DEM	100.000%	64.598%	12.476%	8.353%	12.643%	0.456%	0.950%	0.437%	0.043%	0.043%
	Allocation factor 13		384,185,826	248,177,474	47,932,576	32,091,868	48,573,287	1,751,895	3,651,128	1,676,977	166,268	164,353
		cog	304,254,262									
WTD_METERS	Meters Allocator	CUS	100.000%	65.579%	12.931%	11.501%	6.785%	1.733%	1.260%	0.147%	0.042%	0.021%
	Allocation factor 9		340,630	223,383	44,048	39,175	23,111	5,904	4,292	501	143	72
WTD_REGS	Meters & Regulators Allocator	CUS	100.000%	88.341%	9.405%	1.365%	0.742%	0.080%	0.057%	0.007%	0.002%	0.001%
	Allocation factor 10		252,864	223,383	23,781	3,452	1,876	203	145	17	5	2
TRANSCUSTS	Transportation Customers	CUS	100.000%	0.000%	0.000%	0.000%	0.000%	54.545%	38.961%	4.545%	1.299%	0.649%
	Allocation factor 5		154	-		-	-	84	60	7	2	1
SALESCUSTS	Sales Customers	CUS	100.000%	90.580%	8.098%	0.956%	0.366%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 6		246,615	223,383	19,972	2,357	902	-	1	-	-	-
COG	Actual Cost of Gas by Class	COM	100.000%	63.761%	13.117%	9.112%	13.974%	0.007%	0.019%	0.008%	0.001%	0.001%
	Allocation factor		304,364,260	194,066,255	39,922,738	27,733,842	42,531,427	21,864	56,871	24,196	3,537	3,530
COG_D	Actual Cost of Gas by Class	DEM	100.000%	63.761%	13.117%	9.112%	13.974%	0.007%	0.019%	0.008%	0.001%	0.001%
	Allocation factor		304,364,260	194,066,255	39,922,738	27,733,842	42,531,427	21,864	56,871	24,196	3,537	3,530
COSS	COSS Allocation(see detail below)	DEM	100.000%	57.499%	9.431%	8.005%	11.823%	4.584%	6.601%	1.822%	-0.397%	0.632%
			13,025,222	7,489,411	1,228,371	1,042,677	1,540,029	597,017	859,730	237,336	(51,727)	82,378
COSS_COG	COSS Allocation + COG(see detail below)	DEM	100.000%	64.041%	13.282%	9.162%	14.070%	-0.197%	-0.276%	-0.073%	0.019%	-0.027%
			291,339,038	186,576,844	38,694,367	26,691,165	40,991,398	(575,153)	(802,859)	(213,140)	55,264	(78,848)
SRVC_2	Service Allocator	CUS	100.000%	87.485%	10.207%	1.407%	0.578%	0.176%	0.126%	0.015%	0.004%	0.002%
	Allocation factor 8		255,340	223,383	26,063	3,593	1,475	450	323	38	11	5
SRVC_2D	Service Allocator	DEM	100.000%	87.485%	10.207%	1.407%	0.578%	0.176%	0.126%	0.015%	0.004%	0.002%
	Allocation factor 8		255,340	223,383	26,063	3,593	1,475	450	323	38	11	5
SRVC_H	House Regulators	CUS	100.000%	75.880%	17.147%	3.419%	2.608%	0.513%	0.372%	0.043%	0.012%	0.006%
	Allocation factor 11		294,392	223,383	50,479	10,064	7,679	1,509	1,095	128	36	18
SRVC_L	Industrial Meters	CUS	100.000%	0.000%	0.000%	47.057%	22.570%	15.187%	13.017%	1.519%	0.434%	0.217%
	Allocation factor 12		5,009	-	-	2,357	1,130	761	652	76	22	11
FIRMSALESCOM	Annual Sales Volumes	COM	100.000%	64.315%	11.147%	8.645%	15.894%	0.000%	0.000%	0.000%	0.000%	0.000%
	Allocation factor 1		36,489,886	23,468,321	4,067,501	3,154,465	5,799,599	-	-	-	-	

June 16, 2006

External & Internal Allocators

Test Year at Current Revenues

Name	Description	Classifier	Total	Res	GS-1	GS-2	GS-3	TR-1	TR-2	TR-3	Mead	MTU
INTERNAL ALLOCATORS												
GRSPSD2	Gross Plant		100.000%	64.832%	10.618%	6.144%	9.014%	1.874%	4.605%	2.406%	0.361%	0.145%
			346,005,352	224,323,221	36,739,134	21,258,680	31,188,170	6,483,086	15,935,227	8,325,175	1,249,795	502,864
DIST_PT2	Distribution Plant		100.000%	66.492%	10.523%	5.241%	6.544%	2.298%	5.498%	2.819%	0.428%	0.158%
			364,467,181	242,341,008	38,352,976	19,103,108	23,848,998	8,374,093	20,039,224	10,273,129	1,558,509	576,135
PLANT2	Plant In Service		100.000%	65.297%	10.490%	5.502%	7.269%	2.317%	5.621%	2.901%	0.439%	0.165%
			410,294,672	267,908,991	43,039,597	22,572,393	29,823,338	9,506,270	23,062,189	11,904,167	1,802,610	675,117
OMXGAS2	O&M Excluding Gas Costs		100.000%	75.862%	9.535%	3.644%	4.441%	1.335%	3.197%	1.644%	0.249%	0.094%
			15,682,644	11,897,242	1,495,332	571,510	696,414	209,328	501,302	257,750	39,069	14,698
GENPLANT2	General Plant		100.000%	65.297%	10.490%	5.502%	7.269%	2.317%	5.621%	2.901%	0.439%	0.165%
			31,251,612	20,406,280	3,278,270	1,719,310	2,271,605	724,080	1,756,617	906,725	137,302	51,423
RATEBASE2	Rate Base		100.000%	64.832%	10.618%	6.144%	9.014%	1.874%	4.605%	2.406%	0.361%	0.145%
			346,005,352	224,323,221	36,739,134	21,258,680	31,188,170	6,483,086	15,935,227	8,325,175	1,249,795	502,864
				0%	0%	0%	0%	0%	0%	0%	0%	0%
				0%	0%	0%	0%	0%	0%	0%	0%	0%
				0%	0%	0%	0%	0%	0%	0%	0%	0%

Development of "COSS" Factor:

Rate Revenues; less	79,931,564	54,111,219	8,009,838	4,358,026	6,041,860	1,751,895	3,651,128	1,676,977	166,268	164,353
Oper. Exp. (O+M, Depr.,Co.Use&LAUF, TO)	64,315,267	44,941,954	6,506,345	3,156,152	4,268,277	1,106,330	2,672,066	1,377,297	208,636	78,209
Coal Displacement- Spread										
Interest	-	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
FIT	2,591,075	1,679,853	275,122	159,196	233,554	48,549	119,332	62,343	9,359	3,766
Net---"COSS"	13,025,222	7,489,411	1,228,371	1,042,677	1,540,029	597,017	859,730	237,336	(51,727)	82,378

Development of "COSS+COG" factor

COSS (above)	(13,025,222)	(7,489,411)	(1,228,371)	(1,042,677)	(1,540,029)	(597,017)	(859,730)	(237,336)	51,727	(82,378)
Cost of Gas	304,364,260	194,066,255	39,922,738	27,733,842	42,531,427	21,864	56,871	24,196	3,537	3,530
Net---"COSS+COG"	291,339,038	186,576,844	38,694,367	26,691,165	40,991,398	(575,153)	(802,859)	(213,140)	55,264	(78,848)
		64.041%								

STATE OF MICHIGAN

BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

*****

In the matter of the application of **SEMCO ENERGY GAS COMPANY** for authority to redesign and increase its rates for sale and transportation of natural gas in its MPSC Division and other relief.	))))))	Case No. U-14893 [e-file]

PROOF OF SERVICE

STATE OF MICHIGAN)
) SS.
COUNTY OF INGHAM)

Carolyn Priest, an employee of Dykema Gossett PLLC, being first duly sworn, deposes and says that on the 16th day of June, 2006, she served a copy of the (i) Amended Application, (ii) revised, proposed Notice of Hearing, and (iii) revised supporting exhibits: Exh. A-6, Sch. F-2 and F-6; Exh. A-7, Sch. A-1, A-2 and A-3; Exh. A-9, Sch. C-1, C-2 and C-10; Exh. A-11, Sch. F-1, F-2, F-2-2, F-2-3, F-2-4, F-3, F-4, F-5 and F-6, filed on behalf of SEMCO Energy Gas Company upon the persons listed in the attached Service List, via electronic mail and by enclosing copies of the same in envelopes properly addressed, and by depositing said envelopes in the United States Mail with postage having been fully prepaid thereon.

Carolyn Ann Priest
Digitally signed by Carolyn Ann Priest
DN: cn=Carolyn Ann Priest, c=US, o=Dykema Gossett, email=cpriest@dykema.com
Date: 2006.06.16 15:41:58 -04'00'

Carolyn Ann Priest

Subscribed and sworn before
me this 16th day of June, 2006.

Janice K. Atkins
Digitally signed by Janice K. Atkins
DN: cn=Janice K. Atkins, c=US, o=Dykema Gossett PLLC, email=jatkins@dykema.com
Date: 2006.06.16 15:42:17 -04'00'

Janice K. Atkins, Notary Public
Ingham County, MI
Acting in Ingham County, Michigan
My Commission Expires: 08/25/2012

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