

DETERMINATION OF DEFICIENCY ASSOCIATED WITH  
 PROVISIONAL PROFORMA ADJUSTMENTS  
 SUBJECT TO REFUND

UG-240005  
 Exh. SEF-42 page 1 of 3

NATURAL GAS

LINE	PLANT RELATED COSTS	2025	2026	Source
9	Cost of Debt	2.72%	2.69%	Exh. SEF-33 page 2
10	Requested Rate of Return	7.52%	7.64%	Exh. SEF-33 page 2
11	Statutory Federal Income Tax Rate	21.00%	21.00%	
12	Conversion Factor	75.34%	75.34%	Exh. SEF-35
13				
14	Rate Base Associated with Post 2024 Plant Additions	\$ 381,296,618	\$ 616,388,288	SEF-42 page 2 line 89
15	Rate Base Associated with Post 2024 Plant Retirements	(7,206,751)	(25,143,902)	SEF-42 page 3 line 24
16	Total Rate Base Proposed Subject to Refund	<u>374,089,867</u>	<u>591,244,386</u>	
17				
18	Depr/Amort Expense Associated with Post 2024 Plant Additions	(18,609,409)	(37,294,659)	SEF-42 page 2 line 80
19	Depr/Amort Expense Associated with Post 2024 Plant Retirements	214,282	669,912	SEF-42 page 3 line 12
20	Impact on Operating Income for Depreciation/Amortization Expense	<u>(18,395,127)</u>	<u>(36,624,747)</u>	
21				
22	Income Tax Expense Associated with Post 2024 Plant Additions	3,907,976	7,831,878	SEF-42 page 2 line 82
23	Income Tax Expense Associated with Post 2024 Plant Retirements	(3,708,960)	(3,848,128)	SEF-42 page 3 line 17
24	Income Tax Expense	<u>199,016</u>	<u>3,983,750</u>	
25				
26	Impact on NOI for Depreciation/Amortization Expense	(18,196,111)	(32,640,997)	
27				
28	Tax Benefit of Proforma Interest	2,136,801	3,339,940	Line 9 x Line 11 x Line 16
29				
30	Net Operating Income	<u>(16,059,310)</u>	<u>(29,301,057)</u>	Line 27 + Line 28
31				
32	Net Operating Income Requirement (Return on Rate Base)	28,131,558	45,171,071	Line 10 x Line 16
33				
34	Net Operating Income Deficiency	<u>44,190,868</u>	<u>74,472,129</u>	Line 32 - Line 30
35				
36	Grossed Up Deficiency - Cumulative	<u>58,653,462</u>	<u>98,845,043</u>	Line 34 / Line 12
37				
38	Grossed Up Deficiency - Cumulative In Rates	58,653,462	98,845,043	Line 36
39				
40	Grossed Up Deficiency - By Year	<u>58,653,462</u>	<u>40,191,580</u>	Line 38 - Prior Year Line 38

Note: Amounts in bold and italics are different from February 15, 2024 Original filing