



Avista Corp.

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December 6, 2019

Via Electronic Mail

Mark L. Johnson
Executive Director and Secretary
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, Washington 98503

Re: Docket No. UE-170002 and UG-170003 - Comments of Avista Utilities on Rulemaking to Address Electric and Natural Gas Cost of Service

Dear Mr. Johnson,

Avista Corporation dba Avista Utilities (Avista or Company) submits the following comments in accordance with the Washington Utilities and Transportation Commission's (Commission) Notice of Opportunity to File Written Comments (Notice) dated October 11, 2019. Avista appreciates the opportunity to provide comments.

Avista has reviewed the informal draft templates referred to in this Notice and has identified a number of questions and concerns with the draft templates. In general, the draft templates provided with the Notice of Workshop dated August 30, 2019 are not finished. The expectation when the templates were ultimately issued was that there would be time during the September 25 workshop (or subsequent workshops could be scheduled) to discuss these documents where the parties could provide input into the development of a more complete proposed set of templates.

Under the draft proposed rule, the purpose of the templates is to provide a consistent presentation format for all cost of service study results. Avista is concerned that the draft templates include an extensive level of detail, but no summarization of key component results by rate class such as rate base, net operating expenses, income taxes and return requirement that make up total cost of service. These summary items could be added to the Parity Ratio worksheet through links to the other workbook pages. Revenue-to-cost and related parity ratio calculations could be built into the template ensuring consistency across cost studies.

With regards to the rulemaking as a whole, Avista is concerned regarding the amount of lead time necessary to fully implement the new rules. The new rules will require extensive programming modifications to meet both the presentation requirements and potentially new data requirements dependent upon the final results of the rulemaking. The Company believes a transition period for the complete implementation of these rules upon passage would be reasonable. The concern would

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be for a hypothetical situation where a Company had a general rate case filing ready to file with Cost of Service reflective of present methodologies and presentation. Unexpected passage of these rules should not preclude making the filing in a timely manner then subsequently revising the Cost of Service element to be in compliance with the new rule as soon as reasonably possible.

Other issues and concerns identified while reviewing the templates are delineated below with respect to each worksheet title.

ECOST and GCOST “A-Company RR”

Issue 1 - It is unclear whether this worksheet is simply a rollup of the “B-RR Cross-reference” worksheet detail or if it is intended to dictate the format of the Company’s revenue requirement witness exhibits. The Company considers that while it may be appropriate for these templates to establish a uniform presentation for Cost of Service exhibits, however, it is not appropriate for these templates to require modifications to revenue requirement witness exhibits.

Issue 2 - It is unclear what information is requested to be shown in Columns I through L based on the column headers. For example, Column K is “ERM Adjustment” which has no meaning for any company other than Avista and is inappropriate for the natural gas template. “ERM” refers to Avista’s electric “Energy Recovery Mechanism”, the other electric companies have different power cost mechanisms so the heading would have to be more generic or company specific. Is it the Commission’s intention to segregate currently authorized power or gas costs followed by proposed changes to them in columns J and K? As purchased gas costs are collected from customers through an adder schedule which is not part of base rates to be established in a GRC, Avista usually eliminates all costs embedded in the weighted average cost of gas and the related Schedule 150 revenue in the pro forma revenue normalization adjustment. For the electric system power costs included in the energy recovery mechanism are a part of base rates that are established in a GRC, therefore pro forma power costs are part of standard pro forma adjustments. This presentation is confusing.

Issue 3 - It is unclear what is expected in the revenue requirement deficiency (sufficiency) columns M through P. The purpose of Column O “Revenue requirement *deficiency* after rate increase” is not clear. Is the intention to show Proforma Results after the proposed rate change? Column P just seems repetitive.

Issue 4 - Line No. 52 of the ECOST model is labeled “Interest charges” followed by “Total electric operating expenses” then “Net operating income” implying that interest should be included in the determination of net operating income. Interest is a below the line cost recovered through the allowed rate of return, including it in net operating income would result in double counting the interest. Interest is not listed as a line item in the GCOST model at all. Avista is not opposed to showing the interest cost in the summary as it is an important component for the determination of effective income tax rates, however, it should be separate from Net Operating Income as debt cost (interest) is a component of the cost of capital.

ECOST and GCOST “B – RR Cross-reference”

Issue 5 - The same issue regarding interest identified in Issue 4 occurs in the B-RR Cross-reference worksheet where “Interest charges” are listed on line 75 of ECOST with the implication that interest expenses are a part of operating expenses and thereby net operating income, whereas interest is not listed at all in the GCOST model. See Issue 4 comments.

Issue 6 - Please clarify whether or not the column titled “Revenue Requirement after Rate Change” is expected to contain the sum of the values in the column titled “Proforma Adjusted Results of Operations” plus the values in the column titled “Revenue Requirement Sufficiency/Deficiency”. If not, what is the expectation for the values in the column titled “Revenue Requirement after Rate Change”?

Issue 7 - FERC Account issues in GCOST include: 1) Account 870 is shown as a component of Transmission maintenance when this account is a distribution operation expense. 2) General Plant Maintenance expense Account 932 is not listed. 3) FERC Plant Account numbers do not line up with the Underground Storage plant descriptions. 4) Gas Stored Underground-Current Account 164 is not listed. Similar issues may exist in the ECOST template but have yet to be identified as the Company did not attempt to populate the electric template.

ECOST and GCOST “C – COS results”

Issue 8 - It appears that Columns A, B, C and D are intended to be identical to Columns A, B, C and D in the “B-RR Cross-reference” worksheet. This is true in the GCOST model, however, in the ECOST model rows 3 through 16 of “B-RR Cross-reference” were omitted from “C-COS results” worksheet. Row 137 of GCOST is a sub-total that is labeled differently in the “C-COS results” worksheet which implies a different summarization formula.

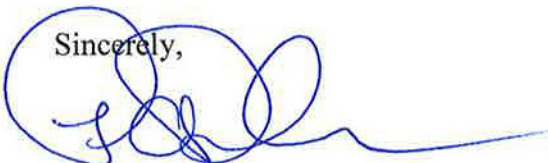
Issue 9 - As a matter of simple aesthetics, a total column showing that the sum of the Schedule level results are equivalent to the service level results developed in column J (ECOST) or column K (GCOST) of the “RR-Cross-reference” worksheet would improve the presentation.

ECOST and GCOST “E – COS parity ratios”

Issue 10 - Avista has prepared a strawman version of the Gas Cost of Service Template that includes summarizing key cost of service results that are necessary to compute revenue-to-cost and parity ratios as defined in the draft rules. Please see Attachment A to these comments.

Please direct any questions regarding these comments to Tara Knox at 509-495-4325 or tara.knox@avistacorp.com or Joe Miller at 509-495-4546 or joe.miller@avistacorp.com.

Sincerely,



Patrick Ehrbar
Director of Regulatory Affairs

Attachment A

Parity Ratios	Schedule X	Schedule X2	Schedule X3	Schedule X4	Total
At current rates	0.6	1.5	0.8	1.2	
Rate Base	321,257,221	59,244,238	769,069	17,720,472	398,991,000
Proposed Rate of Return	7.52%	7.52%	7.52%	7.52%	7.52%
Return Requirement	24,157,639	4,455,000	57,832	1,332,530	30,003,000
Total Operating Expenses (net of non-rate revenues)	60,063,478	9,365,547	115,682	2,207,293	71,752,000
Present Revenue from Rates	71,131,816	17,418,557	201,030	3,235,597	91,987,000
Net Income From Present Rates	11,068,338	8,053,010	85,348	1,028,304	20,235,000
Net Income Deficiency(Sufficiency)	13,089,301	(3,598,010)	(27,516)	304,226	9,768,000
Incremental Revenue Related Expenses	765,151	(210,326)	(1,608)	17,784	571,000
Incremental Income Taxes	3,478,688	(956,228)	(7,313)	80,853	2,596,000
Total Cost/Revenue Requirement at Unity	88,464,955	12,653,993	164,592	3,638,460	104,922,000
Revenue-to-Cost Ratio at Present Rates	0.80	1.38	1.22	0.89	0.88
Parity Ratio at Present Rates	0.92	1.57	1.39	1.01	1.00
Proposed Rate Revenue Increase	10,003,000	2,449,000	28,000	455,000	12,935,000
Proposed Revenue from Rates	81,134,816	19,867,557	229,030	3,690,597	104,922,000
Variance from Unity	(7,330,139)	7,213,564	64,438	52,137	(0)
Revenue-to Cost Ratio at Proposed Rates	0.92	1.57	1.39	1.01	1.00
Parity Ratio at Proposed Rates	0.92	1.57	1.39	1.01	1.00
Unity per example Filed Study	88,034,807	13,069,291	168,410	3,649,492	104,922,000
variance due to re-allocation of all conversion factor items	430,148	(415,298)	(3,818)	(11,032)	0
as compared to multiplying net income deficiency by ratio of total conversion factor components	0.49%	-3.18%	-2.27%	-0.30%	0.00%

		FERC Acct #	Natural gas Results of Operations	Restating Adjustment 1	Restating Adjustment N	Restated Results of Operations	Proforma Adjustment 1	Proforma Adjustment N	Proforma Adjusted Results of Operations	Revenue Requirement Sufficiency/Deficiency	Revenue Requirement after Rate Change
Total natural gas operating revenues	Residential sales	480	94,791,000	6,245,000		101,036,000	(29,903,587)	(597)	71,131,816	10,003,000	81,134,816
	Commercial and industrial sales	481	45,609,000	225,000		45,834,000	(28,214,413)		17,619,587	2,477,000	20,096,587
	Other sales to public authorities	482	-			-			-	-	-
	Sales for resale	483	53,968,000	(53,968,000)		-			-	-	-
	Interdepartmental sales	484	225,000	(225,000)		-			-	-	-
	Intracompany transfers	485	-			-			-	-	-
	Total sales of gas		194,593,000	(47,723,000)	-	146,870,000	(58,118,000)	(597)	88,751,403	12,480,000	101,231,403
	Provision for rate refunds	496	(2,987,000)			(2,987,000)	2,987,000		-	-	-
	Total revenues net of provision for rate refunds		191,606,000	(47,723,000)	-	143,883,000	(55,131,000)	(597)	88,751,403	12,480,000	101,231,403
	Revenues from transportation of gas	489.1, 489.2, 489.3	5,088,000	(128,000)		4,960,000	(1,725,000)	597	3,235,597	455,000	3,690,597
	Revenues from storing gas of others	489.4	-			-			-	-	-
	Other operating revenues	490, 491, 492, 493, 494, 495, 496	(300,000)	(929,000)		(1,229,000)	3,282,000		2,053,000		2,053,000
Total other operating revenues		4,788,000	(1,057,000)	-	3,731,000	1,557,000	597	5,288,597	455,000	5,743,597	
Total natural gas operating revenues			196,394,000	(48,780,000)	-	147,614,000	(53,574,000)	-	94,040,000	12,935,000	106,975,000
Total production expenses	Manufactured gas production	Manufactured gas production operation	710	-		-			-	-	-
		Manufactured gas production labor and expenses	711, 712, 713, 714, 715, 716, 717, 718	-		-			-	-	-
		Manufactured gas production gas fuels	719, 720, 721, 722, 723, 724	-		-			-	-	-
		Manufactured gas production gas raw materials	725, 726, 727, 728, 728, 729, 730, 731, 732, 733, 734 735, 736	-		-			-	-	-
		Manufactured gas production maintenance	740, 741, 742	-		-			-	-	-
		Total manufactured gas production expenses		-	-	-	-	-	-	-	-
	Other gas supply expenses	Natural gas well head purchases	800	-		-			-	-	-
		Natural gas well head purchases, intracompany transfers	800.1	-		-			-	-	-
		Natural gas field line purchases	801	-		-			-	-	-
		Natural gas gasoline plant outlet purchases	802	-		-			-	-	-
		Natural gas transmission line purchases	803	-		-			-	-	-
		Natural gas city gate purchases	804	89,706,000	(38,187,000)		51,519,000	(51,519,000)		-	-
		Liquefied natural gas purchases	804.1	-		-			-	-	-
		Other gas purchases	805	-		-			-	-	-
		Purchased gas cost adjustments	805.1	963,000	(963,000)		-			-	-
		Exchange gas	806	-		-			-	-	-
		Purchased gas expenses	807	-		-			-	-	-
		Gas withdrawn from storage - debit	808.1	376,000	(376,000)		-			-	-
		Gas delivered to storage - credit	808.2	-		-			-	-	-
		Withdrawals of liquefied natural gas held for processing - debt	809.1	-		-			-	-	-
		Deliveries of natural gas for processing - credit	809.2	-		-			-	-	-
		Gas used for compressor station fuel - credit	810	-		-			-	-	-
		Gas used for products extraction - credit	811	(668,000)	668,000		-			-	-
		Gas used for other utility operations - credit	812	-		-			-	-	-
	Other gas supply expenses	813	955,000	4,000		959,000	40,000		999,000	-	999,000
	Total other gas supply expenses		91,332,000	(38,854,000)	-	52,478,000	(51,479,000)	-	999,000	-	999,000
	Total production expenses			91,332,000	(38,854,000)	-	52,478,000	(51,479,000)	-	999,000	-
Underground storage expenses - Operation	Operation supervision and engineering	814	14,000			14,000			14,000		14,000
	Maps and records	815	-			-			-		-
	Wells expenses	816	-			-			-		-
	Lines expenses	817	-			-			-		-
	Compressor station expenses	818	-			-			-		-
	Compressor station fuel and power	819	-			-			-		-
	Measuring and regulating station expenses	820	-			-			-		-
	Purification expenses	821	-			-			-		-
	Exploration and development	822	-			-			-		-
	Gas losses	823	-			-			-		-

Attachment A

		FERC Acct #	Natural gas Results of Operations	Restating Adjustment 1	Restating Adjustment N	Restated Results of Operations	Proforma Adjustment 1	Proforma Adjustment N	Proforma Adjusted Results of Operations	Revenue Requirement Sufficiency/ Deficiency	Revenue Requirement after Rate Change	
Total natural gas Storage, terminaling and processing expenses	Other expenses	824	548,000			548,000			548,000		548,000	
		Storage well royalties	825	-		-			-		-	
		Rents	826	-		-			-		-	
		Total underground storage expenses - operation		562,000	-	-	562,000	-	-	562,000	-	562,000
	Underground storage expenses - Maintenance	Maintenance supervision and engineering	830	-		-				-		-
		Maintenance of structures and improvements	831	-		-				-		-
		Maintenance of reservoirs and wells	832	-		-				-		-
		Maintenance of lines	833	-		-				-		-
		Maintenance of compressor station equipment	834	-		-				-		-
		Maintenance of measuring and regulating station equipment	835	-		-				-		-
Maintenance of purification equipment		836	-		-				-		-	
Maintenance of other equipment		837	971,000	-	(1,000)	970,000			970,000		970,000	
		Total underground storage expenses - maintenance		971,000	-	(1,000)	970,000	-	-	970,000	-	970,000
Other storage expenses - operation	Operation supervision and engineering	840	-		-				-		-	
	Operation labor and expenses	841	-		-				-		-	
	Rents	842	-		-				-		-	
	Fuel	842.1	-		-				-		-	
	Power	842.2	-		-				-		-	
	Gas losses	842.3	-		-				-		-	
	Other storage expenses - operation		-	-	-	-	-	-	-	-	-	
Other storage expenses - maintenance	Maintenance supervision and engineering	843.1	-		-				-		-	
	Maintenance of structures and improvements	843.2	-		-				-		-	
	Maintenance of gas holders	843.3	-		-				-		-	
	Maintenance of purification equipment	843.4	-		-				-		-	
	Maintenance of liquefaction equipment	843.5	-		-				-		-	
	Maintenance of vaporizing equipment	843.6	-		-				-		-	
	Maintenance of compressor equipment	843.7	-		-				-		-	
	Maintenance of measuring and regulating equipment	843.8	-		-				-		-	
	Maintenance of other equipment	843.9	-		-				-		-	
		Other storage expenses - maintenance		-	-	-	-	-	-	-	-	-
	Total natural gas storage, terminaling and processing expenses		1,533,000	-	(1,000)	1,532,000	-	-	1,532,000	-	1,532,000	
Total transmission expenses	Transmission expenses - operation	Operation supervision and engineering	850	-		-			-		-	
		System control and load dispatching	851	-		-			-		-	
		Communication system expenses	852	-		-			-		-	
		Compressor station labor and expenses	853	-		-			-		-	
		Gas for compressor station fuel	854	-		-			-		-	
		Other fuel and power for compressor stations	855	-		-			-		-	
		Mains expenses	856	-		-			-		-	
		Measuring and regulating station expenses	857	-		-			-		-	
		Transmission and compression of gas by others	858	-		-			-		-	
		Other expenses	859	-		-			-		-	
	Rents	860	-		-			-		-		
		Other storage expenses - operation		-	-	-	-	-	-	-	-	
	Transmission expenses - maintenance	Maintenance supervision and engineering	861	-		-				-		-
		Maintenance of structures and improvements	862	-		-				-		-
		Maintenance of mains	863	-		-				-		-
		Maintenance of compressor station equipment	864	-		-				-		-
		Maintenance of measuring and regulating station equipment	865	-		-				-		-

	FERC Acct #	Natural gas Results of Operations	Restating Adjustment 1	Restating Adjustment N	Restated Results of Operations	Proforma Adjustment 1	Proforma Adjustment N	Proforma Adjusted Results of Operations	Revenue Requirement Sufficiency/ Deficiency	Revenue Requirement after Rate Change
	Total amortization expenses	4,368,000	232,000	-	4,600,000	-	-	4,600,000	-	4,600,000
Regulatory debits and credits	Regulatory debits and credits									
	407.3, 407.4	(1,561,000)	1,070,000		(491,000)	2,581,000		2,090,000		2,090,000
	Total regulatory debits and credits	(1,561,000)	1,070,000	-	(491,000)	2,581,000	-	2,090,000	-	2,090,000
Taxes	Taxes other than income	14,431,000	(4,748,000)		9,683,000	(1,754,000)		7,929,000	496,000	8,425,000
	Income taxes - federal taxes utility operating income	2,557,000	64,000	(4,000)	2,617,000	(1,162,000)		1,455,000	2,596,000	4,051,000
	Income taxes - other taxes utility operating income	409.1	-		-	-		-	-	-
	Provision for deferred income taxes	410.1 - 411.1	54,000	339,000	393,000	-		393,000	-	393,000
	Investment tax credit adjustment	411.4	(15,000)		(15,000)			(15,000)		(15,000)
	Total taxes	17,027,000	(4,345,000)	(4,000)	12,678,000	(2,916,000)	-	9,762,000	3,092,000	12,854,000
Various utility operating income items	Various utility operating income items									
	411.6, 411.7, 411.8, 411.9, 412, 413, 414	-	-	-	-	-	-	-	-	-
	Total various utility operating income items	-	-	-	-	-	-	-	-	-
Other income and deductions	Various other income and deduction items									
	421	-	-	-	-	-	-	-	-	-
	Total other income and deductions	-	-	-	-	-	-	-	-	-
	Natural gas operating expenses	171,780,000	(48,127,000)	(3,000)	123,650,000	(49,845,000)	-	73,805,000	3,167,000	76,972,000
	Net operating income =natural gas operating revenues - natural gas operating expenses	24,614,000	(653,000)	3,000	23,964,000	(3,729,000)	-	20,235,000	9,768,000	30,003,000

Natural gas plant in service	Intangible plant	Organization	301								
		Franchises and consents	302								
		Miscellaneous intangible plant	303	36,603,000			36,603,000	(3,468,000)		33,135,000	33,135,000
		Total Intangible plant	303	36,603,000	-	-	36,603,000	(3,468,000)	-	33,135,000	33,135,000
	Underground storage plant	Land	910,000			910,000			910,000		910,000
		Rights-of-way	350			-			-		-
		Structures and improvements	350.2	1,754,000	122,000	1,876,000	-		1,876,000		1,876,000
		Wells	351	13,294,000	122,000	13,416,000	-		13,416,000		13,416,000
		Storage leaseholds and rights	352			-			-		-
		Reservoirs	352.1			-			-		-
		Nonrecoverable natural gas	352.2			-			-		-
		Lines	352.3	722,000		722,000	-		722,000		722,000
		Compressor station equipment	353	8,750,000	122,000	8,872,000	-		8,872,000		8,872,000
		Measuring and regulating equipment	354	921,000	122,000	1,043,000	-		1,043,000		1,043,000
		Purification equipment	355	279,000		279,000	-		279,000		279,000
		Other equipment	356	1,812,000	112,000	1,924,000	-		1,924,000		1,924,000
	Total underground storage plant	356	28,442,000	600,000	-	29,042,000	-	-	29,042,000	-	29,042,000
	Transmission Plant	Land and land rights	365.1			-			-		-
		Rights-of-way	365.2			-			-		-
		Structures and improvements	366			-			-		-
		Mains	367			-			-		-
		Compressor station equipment	368			-			-		-
		Measuring and regulating station equipment	369			-			-		-
		Communication equipment	370			-			-		-
		Other equipment	371			-			-		-
	Total transmission plant	371	-	-	-	-	-	-	-	-	
	Distribution plant	Land and land rights	374	261,000	116,000	377,000	8,000		385,000		385,000
		Structures and improvements	375	653,000	151,000	804,000	21,000		825,000		825,000
		Mains	376	226,876,000	15,322,000	242,198,000	7,156,000		249,354,000		249,354,000
		Compressor station equipment	377			-			-		-
		Measuring and regulating station equipment - general	378	3,832,000	177,000	4,009,000	121,000		4,130,000		4,130,000
		Measuring and regulating station equipment - city gate check stations	379	2,130,000	(243,000)	1,887,000	67,000		1,954,000		1,954,000
		Services	380	169,033,000	10,970,000	180,003,000	5,331,000		185,334,000		185,334,000
		Meters	381	57,192,000	(9,197,000)	47,995,000	1,804,000		49,799,000		49,799,000
		Meter installations	382			-			-		-
		House regulators	383			-			-		-
		House regulatory installations	384			-			-		-
		Industrial measuring and regulating station equipment	385	2,659,000	72,000	2,731,000	84,000		2,815,000		2,815,000
		Other property on customers' premises	386			-			-		-
		Other equipment	387			-			-		-
Total distribution plant	387	462,636,000	17,368,000	-	480,004,000	14,592,000	-	494,596,000	-	494,596,000	
Stores equipment	Land and land rights	389	4,444,000	102,000	4,546,000	684,000		5,230,000		5,230,000	
	Structures and improvements	390	27,044,000	12,161,000	39,205,000	4,165,000		43,371,000		43,371,000	
	Office furniture and equipment	391	11,748,000	1,615,000	13,363,000	1,809,000		15,172,000		15,172,000	
	Transportation equipment	392	11,977,000	833,000	12,810,000	1,844,000		14,654,000		14,654,000	
	Stores equipment	393	850,000	23,000	873,000	131,000		1,004,000		1,004,000	

		FERC Acct #	Natural gas Results of Operations	Restating Adjustment I	Restating Adjustment N	Restated Results of Operations	Proforma Adjustment I	Proforma Adjustment N	Proforma Adjusted Results of Operations	Revenue Requirement Sufficiency/ Deficiency	Revenue Requirement after Rate Change
	General plant	Tools, shop and garage equipment	394								
		Laboratory equipment	395	6,346,000	164,000		6,510,000	977,000	7,487,000		7,487,000
		Power operated equipment	396	338,000	27,000		365,000	52,000	417,000		417,000
		Communication equipment	397	3,222,000	4,000		3,226,000	496,000	3,722,000		3,722,000
		Miscellaneous equipment	398	11,412,000	1,469,000		12,881,000	1,757,000	14,638,000		14,638,000
		Other tangible property	399	69,000	5,000		74,000	11,000	85,000		85,000
		Total general plant	77,450,000	16,403,000	1,000	93,854,000	11,926,000	-	105,780,000	-	105,780,000
		Total natural gas plant in service	605,131,000	34,371,000	1,000	639,503,000	23,050,000	-	662,553,000	-	662,553,000
Property under capital leases	Intangible plant	101.1	-	-	-	-	-	-	-	-	-
	Underground storage plant	101.1	-	-	-	-	-	-	-	-	-
	Transmission plant	101.1	-	-	-	-	-	-	-	-	-
	Distribution plant	101.1	-	-	-	-	-	-	-	-	-
	General plant	101.1	-	-	-	-	-	-	-	-	-
			Total property under capital leases	-	-	-	-	-	-	-	-
Natural gas plant leased to others	Intangible plant	104	-	-	-	-	-	-	-	-	-
	Underground storage plant	104	-	-	-	-	-	-	-	-	-
	Transmission plant	104	-	-	-	-	-	-	-	-	-
	Distribution plant	104	-	-	-	-	-	-	-	-	-
	General plant	104	-	-	-	-	-	-	-	-	-
			Total natural gas plant leased to others	-	-	-	-	-	-	-	-
Natural gas plant held for future use	Intangible plant	105	-	-	-	-	-	-	-	-	-
	Underground storage plant	105	-	-	-	-	-	-	-	-	-
	Transmission plant	105	-	-	-	-	-	-	-	-	-
	Distribution plant	105	-	-	-	-	-	-	-	-	-
	General plant	105	-	-	-	-	-	-	-	-	-
			Total natural gas plant for future use	-	-	-	-	-	-	-	-
Completed construction not classified	Completed construction not classified	106	-	-	-	-	-	-	-	-	-
			Total completed construction not classified	-	-	-	-	-	-	-	-
Construction work in progress	Intangible plant	107	-	-	-	-	-	-	-	-	-
	Underground storage plant	107	-	-	-	-	-	-	-	-	-
	Transmission plant	107	-	-	-	-	-	-	-	-	-
	Distribution plant	107	-	-	-	-	-	-	-	-	-
	General plant	107	-	-	-	-	-	-	-	-	-
			Total construction work in progress	-	-	-	-	-	-	-	-
Accumulated provision for depreciation of natural gas utility plant	Intangible plant	108	-	-	-	-	-	-	-	-	-
	Underground storage plant	108	(10,933,000)	(431,000)		(11,364,000)	-	(11,364,000)		(11,364,000)	
	Transmission plant	108	-	-	-	-	-	-	-	-	-
	Distribution plant	108	(145,402,000)	(3,208,000)		(148,610,000)	277,000	(148,333,000)		(148,333,000)	
	General plant	108	(22,689,000)	(1,542,000)		(24,231,000)	(497,000)	(24,728,000)		(24,728,000)	
			Total accumulated provision for depreciation of natural gas utility plant	(179,024,000)	(5,181,000)	-	(184,205,000)	(220,000)	(184,425,000)	-	(184,425,000)
Accumulated provision for amortization of natural gas utility plant	Intangible plant	111	(9,028,000)	(796,000)		(9,824,000)	-	(9,824,000)		(9,824,000)	
	Underground storage plant	111	(118,000)			(118,000)		(118,000)		(118,000)	
	Transmission plant	111	-	-		-	-	-		-	
	Distribution plant	111	-	-		-	-	-		-	
	General plant	111	(637,000)			(637,000)		(637,000)		(637,000)	
			Total accumulated provision for amortization of natural gas utility plant	(9,783,000)	(796,000)	-	(10,579,000)	-	(10,579,000)	-	(10,579,000)
Natural gas plant acquisition adjustments	Electric plant acquisition adjustments	114	-	-	-	-	-	-	-	-	
Accumulated provision for asset acquisition adjustments	Accumulated provision for asset acquisition adjustments	115	-	-	-	-	-	-	-	-	
		Total accumulated provision for asset acquisition adjustments	-	-	-	-	-	-	-	-	-
Issue 7.4 Natural gas	Gas stored - base gas	117.1	3,960,000			3,960,000		3,960,000		3,960,000	
	System balancing gas	117.2	-			-		-		-	
	Gas stored in reservoirs and pipelines - noncurrent	117.3	4,395,000			4,395,000		4,395,000		4,395,000	
	Gas owed to system gas	117.4	-			-		-		-	
			Total net plant	424,679,000	28,394,000	1,000	453,074,000	22,830,000	475,904,000	-	475,904,000
Prepayments	Prepayments	165	-	-	-	-	-	-	-	-	
			Total prepayments	-	-	-	-	-	-	-	-
			Total current and accrued assets	-	-	-	-	-	-	-	-
Deferred debits	Other regulatory assets	182.3	8,472,000			8,472,000	95,000	8,567,000		8,567,000	
	Miscellaneous deferred debits	186	-			-		-		-	
	Accumulated deferred income taxes	190	-			-		-		-	
			Total deferred debits	8,472,000	-	-	8,472,000	95,000	8,567,000	-	8,567,000
Other non current liabilities	Accumulated provision for property insurance	228.1	-			-		-		-	
	Accumulated provision for injuries and damages	228.2	-			-		-		-	
	Accumulated provision for pensions and benefits	228.3	-			-		-		-	
	Accumulated miscellaneous operating provisions	228.4	-			-		-		-	
	Accumulated provision for rate refunds	229	-			-		-		-	
			Total non current liabilities	-	-	-	-	-	-	-	-
		Other non current liabilities	-	-	-	-	-	-	-	-	
		Customer deposits	235	(566,000)		(566,000)		(566,000)		(566,000)	

Attachment A

FERC Acct #		Natural gas Results of Operations	Restating Adjustment 1	Restating Adjustment N	Restated Results of Operations	Proforma Adjustment 1	Proforma Adjustment N	Proforma Adjusted Results of Operations	Revenue Requirement Sufficiency/ Deficiency	Revenue Requirement after Rate Change
Customer deposits	Total current and accrued liabilities	(566,000)	-	-	(566,000)	-	-	(566,000)	-	(566,000)
	Current and accrued liabilities	(566,000)	-	-	(566,000)	-	-	(566,000)	-	(566,000)
	Other deferred credits	253	-	-	-	-	-	-	-	-
	Accumulated deferred income taxes - accelerated amortization	281	-	-	-	-	-	-	-	-
	Accumulated deferred income taxes - other property	282	(88,579,000)	(373,000)	(88,952,000)	(607,000)	(89,559,000)	(89,559,000)	(89,559,000)	
	Accumulated deferred income taxes - other	283	(2,144,000)	-	(2,144,000)	-	(2,144,000)	(2,144,000)	(2,144,000)	
	Accumulated deferred investment tax credits	255	-	-	-	-	-	-	-	
	Customer advances for construction	252	-	-	-	-	-	-	-	
	Other regulatory liabilities	254	(753,000)	(7,000)	(760,000)	-	(760,000)	(760,000)	(760,000)	
	Total deferred credits	(91,476,000)	(380,000)	-	(91,856,000)	(607,000)	(92,463,000)	(92,463,000)	(92,463,000)	
	Total deferred credits	(91,476,000)	(380,000)	-	(91,856,000)	(607,000)	(92,463,000)	(92,463,000)	(92,463,000)	
	Working capital allowance	7,549,000	-	-	7,549,000	-	7,549,000	7,549,000	7,549,000	
	Total working capital allowance	7,549,000	-	-	7,549,000	-	7,549,000	7,549,000	7,549,000	
Working capital allowance	Total rate base	348,658,000	28,014,000	1,000	376,673,000	22,318,000	-	398,991,000	-	398,991,000

		FERC Acct #	Schedule X	Schedule X	Schedule X	Schedule X	TOTAL		
Total natural gas operating revenues	Residential sales	480	71,131,816				71,131,816		
	Commercial and industrial sales	481		17,418,557	201,030		17,619,587		
	Other sales to public authorities	482					-		
	Sales for resale	483					-		
	Interdepartmental sales	484					-		
	Intracompany transfers	485					-		
		Total sales of gas		71,131,816	17,418,557	201,030	-	88,751,403	
	Provision for rate refunds	496						-	
		Total revenues net of provision for rate refunds		71,131,816	17,418,557	201,030	-	88,751,403	
	Revenues from transportation of gas	489.1, 489.2, 489.3				3,235,597		3,235,597	
Revenues from storing gas of others	489.4						-		
Other operating revenues	490, 491, 492, 493, 494, 495, 496	1,691,772	259,781	2,949	98,498		2,053,000		
	Total other operating revenues	1,691,772	259,781	2,949	3,334,095		5,288,597		
Total natural gas operating revenues			72,823,588	17,678,338	203,979	3,334,095	94,040,000		
Total production expenses	Manufactured gas production	Manufactured gas production operation	710					-	
		Manufactured gas production labor and expenses	711, 712, 713, 714, 715, 716, 717, 718					-	
		Manufactured gas production gas fuels	719, 720, 721, 722, 723, 724					-	
		Manufactured gas production gas raw materials	725, 726, 727, 728, 728, 729, 730, 731, 732, 733, 734 735, 736					-	
		Manufactured gas production maintenance	740, 741, 742					-	
			Total manufactured gas production expenses		-	-	-	-	-
		Other gas supply expenses	Natural gas well head purchases	800					-
	Natural gas well head purchases, intracompany transfers		800.1					-	
	Natural gas field line purchases		801					-	
	Natural gas gasoline plant outlet purchases		802					-	
	Natural gas transmission line purchases		803					-	
	Natural gas city gate purchases		804					-	
	Liquefied natural gas purchases		804.1					-	
	Other gas purchases		805					-	
	Purchased gas cost adjustments		805.1					-	
	Exchange gas		806					-	
	Purchased gas expenses		807					-	
	Gas withdrawn from storage - debit		808.1					-	
	Gas delivered to storage - credit		808.2					-	
	Withdrawals of liquefied natural gas held for processing - debit		809.1					-	
	Deliveries of natural gas for processing - credit		809.2					-	
	Gas used for compressor station fuel - credit		810					-	
	Gas used for products extraction - credit		811					-	
	Gas used for other utility operations - credit		812					-	
	Other gas supply expenses		813	674,600	287,197	4,964	32,239		999,000

Attachment A

		FERC Acct #	Schedule X	Schedule X	Schedule X	Schedule X	TOTAL
		Total other gas supply expenses	674,600	287,197	4,964	32,239	999,000
		Total production expenses	674,600	287,197	4,964	32,239	999,000
Total natural gas storage, terminaling and processing expenses	Underground storage expenses - operation	Operation supervision and engineering 814	9,513	4,122	73	293	14,000
		Maps and records 815					-
		Wells expenses 816					-
		Lines expenses 817					-
		Compressor station expenses 818					-
		Compressor station fuel and power 819					-
		Measuring and regulating station expenses 820					-
		Purification expenses 821					-
		Exploration and development 822					-
		Gas losses 823					-
		Other expenses 824	372,368	161,333	2,844	11,454	548,000
		Storage well royalties 825					-
		Rents 826					-
		Total underground storage expenses - operation	381,881	165,455	2,917	11,747	562,000
	Underground storage expenses - maintenance	Maintenance supervision and engineering 830					-
		Maintenance of structures and improvements 831					-
		Maintenance of reservoirs and wells 832					-
		Maintenance of lines 833					-
		Maintenance of compressor station equipment 834					-
		Maintenance of measuring and regulating station equipment 835					-
		Maintenance of purification equipment 836					-
		Maintenance of other equipment 837	659,119	285,572	5,035	20,275	970,000
		Total underground storage expenses - maintenance	659,119	285,572	5,035	20,275	970,000
	Other storage expenses - operation	Operation supervision and engineering 840					-
		Operation labor and expenses 841					-
		Rents 842					-
		Fuel 842.1					-
Power 842.2						-	
Gas losses 842.3						-	
Other storage expenses - operation	-	-	-	-	-		
Other storage expenses - maintenance	Maintenance supervision and engineering 843.1					-	
	Maintenance of structures and improvements 843.2					-	
	Maintenance of gas holders 843.3					-	
	Maintenance of purification equipment 843.4					-	
	Maintenance of liquefaction equipment 843.5					-	
	Maintenance of vaporizing equipment 843.6					-	
	Maintenance of compressor equipment 843.7					-	
	Maintenance of measuring and regulating equipment 843.8					-	
	Maintenance of other equipment 843.9					-	
Other storage expenses - maintenance	-	-	-	-	-		
Total natural gas storage, terminaling and processing expenses		1,041,000	451,027	7,952	32,022	1,532,000	
	Operation supervision and engineering 850					-	
	System control and load dispatching 851					-	
	Communication system expenses 852					-	

Attachment A

		FERC Acct #	Schedule X	Schedule X	Schedule X	Schedule X	TOTAL	
Total transmission expenses	Transmission expenses - operation	Compressor station labor and expenses	853					-
		Gas for compressor station fuel	854					-
		Other fuel and power for compressor stations	855					-
		Mains expenses	856					-
		Measuring and regulating station expenses	857					-
		Transmission and compression of gas by others	858					-
		Other expenses	859					-
		Rents	860					-
		Other storage expenses - operation		-	-	-	-	-
	Transmission expenses - maintenance	Maintenance supervision and engineering	861					-
		Maintenance of structures and improvements	862					-
		Maintenance of mains	863					-
		Maintenance of compressor station equipment	864					-
		Maintenance of measuring and regulating station equipment	865					-
		Maintenance of communication equipment	866					-
		Maintenance of other equipment	867					-
		Operation supervision and engineering	870	1,163,003	224,008	2,780	76,209	1,466,000
		Other storage expenses - maintenance		1,163,003	224,008	2,780	76,209	1,466,000
	Total transmission expenses		1,163,003	224,008	2,780	76,209	1,466,000	
	Total distribution expenses	Distribution expenses - operation	Distribution load dispatching	871				
Compressor station labor and expenses			872					-
Compressor station fuel and power (major only)			873					-
Mains and services expenses			874	2,576,637	493,130	6,046	179,187	3,255,000
Measuring and regulating station expenses - general			875	64,633	24,661	404	12,302	102,000
Measuring and regulating station expenses - industrial			876	-	11,042	187	1,771	13,000
Measuring and regulating station expenses - city gate check stations			877	41,821	15,957	262	7,960	66,000
Meter and house regulator expenses			878	290,615	37,939	424	4,023	333,000
Customer installations expenses			879	1,494,231	28,381	18	369	1,523,000
Other expenses			880	1,843,154	285,424	3,521	89,901	2,222,000
Rents			881	26,544	4,111	51	1,295	32,000
Total distribution expenses - operation				6,337,634	900,644	10,914	296,808	7,546,000
Distribution expenses - maintenance		Maintenance supervision and engineering	885	80,918	15,586	193	5,302	102,000
		Maintenance of structures and improvements	886	-	-	-	-	-
	Maintenance of mains	887	544,879	208,751	2,673	77,696	834,000	
	Maintenance of compressor station equipment	888					-	
	Maintenance of measuring and regulating station equipment - general	889	140,671	53,674	880	26,775	222,000	
	Maintenance of measuring and regulating station equipment - industrial	890	-	48,415	820	7,765	57,000	

Attachment A

		FERC Acct #	Schedule X	Schedule X	Schedule X	Schedule X	TOTAL	
Natural gas plant in service	Intangible plant	Organization	301					-
		Franchises and consents	302					-
		Miscellaneous intangible plant	303	28,799,771	3,384,134	41,868	909,227	33,135,000
		Total intangible plant		28,799,771	3,384,134	41,868	909,227	33,135,000
	Underground storage plant	Land		618,348	267,908	4,723	19,021	910,000
		Rights-of-way	350					-
		Structures and improvements	350.2	1,274,749	552,302	9,737	39,212	1,876,000
		Wells	351	9,116,221	3,949,723	69,635	280,421	13,416,000
		Storage leaseholds and rights	352					-
		Reservoirs	352.1					-
		Nonrecoverable natural gas	352.2					-
		Lines	352.3	490,602	212,560	3,747	15,091	722,000
		Compressor station equipment	353	6,028,557	2,611,952	46,049	185,442	8,872,000
		Measuring and regulating equipment	354	708,722	307,063	5,414	21,801	1,043,000
		Purification equipment	355	189,582	82,139	1,448	5,832	279,000
		Other equipment	356	1,307,365	566,433	9,986	40,215	1,924,000
		Total underground storage plant		19,734,146	8,550,079	150,740	607,035	29,042,000
		Transmission plant	Land and land rights	365.1				
	Rights-of-way		365.2					-
	Structures and improvements		366					-
	Mains		367					-
	Compressor station equipment		368					-
	Measuring and regulating station equipment		369					-
	Communication equipment		370					-
	Other equipment		371					-
	Total transmission plant			-	-	-	-	-
	Distribution plant	Land and land rights	374	305,427	58,829	730	20,014	385,000
		Structures and improvements	375	654,487	126,062	1,564	42,887	825,000
		Mains	376	162,911,121	62,413,590	799,220	23,230,069	249,354,000
		Compressor station equipment	377					-
		Measuring and regulating station equipment - general	378	2,616,985	998,529	16,374	498,112	4,130,000
		Measuring and regulating station equipment - city gate check stations	379	1,238,157	472,427	7,747	235,669	1,954,000
		Services	380	181,185,029	3,441,358	8,223	699,390	185,334,000
		Meters	381	43,460,404	5,673,579	63,406	601,611	49,799,000
		Meter installations	382					-
		House regulators	383					-
		House regulatory installations	384					-
		Industrial measuring and regulating station equipment	385	-	2,391,010	40,484	383,506	2,815,000
		Other property on customers' premises.	386					-
		Other equipment	387					-
		Total distribution plant		392,371,610	75,575,383	937,748	25,711,259	494,596,000
	General plant	Land and land rights	389	4,577,418	512,980	6,344	133,258	5,230,000
		Structures and improvements	390	37,959,307	4,254,010	52,611	1,105,071	43,371,000
		Office furniture and equipment	391	13,278,887	1,488,134	18,404	386,575	15,172,000
		Transportation equipment	392	12,825,521	1,437,326	17,776	373,377	14,654,000
		Stores equipment	393	878,724	98,477	1,218	25,581	1,004,000
		Tools, shop and garage equipment	394	6,552,796	734,357	9,082	190,765	7,487,000
Laboratory equipment		395	364,968	40,901	506	10,625	417,000	
Power operated equipment		396	3,257,581	365,069	4,515	94,835	3,722,000	
Communication equipment		397	12,811,518	1,435,757	17,757	372,969	14,638,000	

Attachment A

		FERC Acct #	Schedule X	Schedule X	Schedule X	Schedule X	TOTAL	
		Miscellaneous equipment	398	74,394	8,337	103	2,166	85,000
		Other tangible property	399					-
		Total general plant	92,581,114	10,375,348	128,316	2,695,221		105,780,000
		Total natural gas plant in service	533,486,641	97,884,945	1,258,673	29,922,741		662,553,000
Property under capital leases		Intangible plant	101.1					-
		Underground storage plant	101.1					-
		Transmission plant	101.1					-
		Distribution plant	101.1					-
		General plant	101.1					-
		Total property under capital leases		-	-	-	-	
Natural gas plant leased to others		Intangible plant	104					-
		Underground storage plant	104					-
		Transmission plant	104					-
		Distribution plant	104					-
		General plant	104					-
		Total natural gas plant leased to others		-	-	-	-	
Natural gas plant held for future use		Intangible plant	105					-
		Underground storage plant	105					-
		Transmission plant	105					-
		Distribution plant	105					-
		General plant	105					-
		Total natural gas plant for future use		-	-	-	-	
Completed construction not classified		Completed construction not classified	106					-
		Total completed construction not classified		-	-	-	-	
Construction work in progress		Intangible plant	107					-
		Underground storage plant	107					-
		Transmission plant	107					-
		Distribution plant	107					-
		General plant	107					-
		Total construction work in progress		-	-	-	-	
Accumulated provision for depreciation of natural gas utility plant		Intangible plant	108					-
		Underground storage plant	108	(7,802,061)	(3,380,346)	(59,597)	(239,996)	(11,482,000)
		Transmission plant	108					-
		Distribution plant	108	(118,631,617)	(21,958,128)	(272,404)	(7,470,851)	(148,333,000)
		General plant	108	(21,642,520)	(2,425,426)	(29,996)	(630,057)	(24,728,000)
		Total accumulated provision for depreciation of natural gas utility plant		(148,076,199)	(27,763,900)	(361,996)	(8,340,905)	
Accumulated provision for amortization of natural gas utility plant		Intangible plant	111	(9,103,536)	(1,060,914)	(13,125)	(283,425)	(10,461,000)
		Underground storage plant	111					-
		Transmission plant	111					-
		Distribution plant	111					-
		General plant	111					-
		Total accumulated provision for amortization of natural gas utility plant		(9,103,536)	(1,060,914)	(13,125)	(283,425)	
Natural gas plant acquisition adjustments		Natural gas plant acquisition adjustments	114					-
		Total natural gas plant acquisition adjustments		-	-	-	-	
Accumulated provision for asset acquisition adjustments		Accumulated provision for asset acquisition adjustments	115					-
		Total accumulated provision for asset acquisition adjustments		-	-	-	-	
Natural gas		Gas stored - base gas	117.1	2,690,829	1,165,845	20,554	82,772	3,960,000
		System balancing gas	117.2					-
		Gas stored in reservoirs and pipelines - noncurrent	117.3	2,986,425	1,293,900	22,812	91,864	4,395,000
		Gas owed to system gas	117.4					-
		Total net plant		5,677,253	2,459,745	43,366	174,636	
Prepayments		Prepayments	165					-
		Total prepayments		-	-	-	-	

Attachment A

	FERC Acct #	Schedule X	Schedule X	Schedule X	Schedule X	TOTAL	
	Total current and accrued assets	-	-	-	-	-	
Deferred debits	Other regulatory assets	182.3	8,567,000			8,567,000	
	Miscellaneous deferred debits	186				-	
	Accumulated deferred income taxes	190				-	
	Total deferred debits		8,567,000	-	-	8,567,000	
	Total deferred debits		8,567,000	-	-	8,567,000	
Other non current liabilities	Accumulated provision for property insurance	228.1				-	
	Accumulated provision for injuries and damages	228.2				-	
	Accumulated provision for pensions and benefits	228.3				-	
	Accumulated miscellaneous operating provisions	228.4				-	
	Accumulated provision for rate refunds	229				-	
	Total non current liabilities		-	-	-	-	
	Other non current liabilities		-	-	-	-	
Customer deposits	Customer deposits	235	(566,000)			(566,000)	
	Total current and accrued liabilities		(566,000)	-	-	(566,000)	
	Current and accrued liabilities		(566,000)	-	-	(566,000)	
Deferred credits	Other deferred credits	253				-	
	Accumulated deferred income taxes - accelerated amortization property	281				-	
	Accumulated deferred income taxes - other property	282	(72,048,677)	(13,279,967)	(170,763)	(4,059,593)	(89,559,000)
	Accumulated deferred income taxes - other	283	(2,144,000)				(2,144,000)
	Accumulated deferred investment tax credits	255					-
	Customer advances for construction	252					-
	Other regulatory liabilities	254	(613,704)	(110,952)	(1,427)	(33,917)	(760,000)
	Total deferred credits		(74,806,381)	(13,390,919)	(172,190)	(4,093,510)	(92,463,000)
	Total deferred credits		(74,806,381)	(13,390,919)	(172,190)	(92,463,000)	
Working capital allowance	Working capital allowance		6,078,443	1,115,282	14,341	340,934	7,549,000
	Total working capital allowance		6,078,443	1,115,282	14,341	340,934	7,549,000
	Total rate base		321,257,221	59,244,238	769,069	17,720,472	398,991,000