

Public Counsel Revenue Requirement Summary
ADJUSTMENT 9.18 WAGE INCREASE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
2008 GENERAL RATE INCREASE
CONTESTED

| LINE NO. | DESCRIPTION | TEST YEAR | RATE YEAR | ADJUSTMENT |
|----------|---------------------------------------|---------------|---------------|---------------------|
| 1 | WAGES: | | | |
| 2 | PRODUCTION MANUF. GAS | \$ 157,210 | \$ 161,435 | \$ 4,225 |
| 3 | OTHER GAS SUPPLY | 513,380 | 529,101 | 15,721 |
| 4 | STORAGE, LNG T&G | 517,951 | 531,826 | 13,875 |
| 5 | TRANSMISSION | 168,404 | 172,804 | 4,400 |
| 6 | DISTRIBUTION | 20,616,696 | 21,147,963 | 531,267 |
| 7 | CUSTOMER ACCTS | 7,375,878 | 7,648,541 | 272,663 |
| 8 | CUSTOMER SERVICE | 1,087,202 | 1,123,995 | 36,793 |
| 9 | SALES | 27,852 | 28,763 | 911 |
| 10 | ADMIN. & GENERAL | 10,569,517 | 10,877,469 | 307,952 |
| 11 | TOTAL WAGE INCREASE | 41,034,090 | 42,221,897 | 1,187,807 |
| 12 | | | | |
| 13 | PAYROLL TAXES | 3,528,068 | 3,673,299 | 145,231 |
| 14 | TOTAL WAGES & TAXES | \$ 44,562,158 | \$ 45,895,196 | \$ 1,333,038 |
| 15 | | | | |
| 16 | INCREASE (DECREASE) OPERATING EXPENSE | | | \$ 1,333,038 |
| 17 | INCREASE (DECREASE) FIT @ 35% | | | (466,563) |
| 18 | INCREASE (DECREASE) NOI | | | <u>\$ (866,475)</u> |
| 19 | | | | |

20 The source for the Proforma Rate Year Wage/Payroll Tax Expense amount
21 being proposed by Public Counsel is a supporting Excel spreadsheet
22 entitled "Public Counsel PSE Wage Adjustment.xls"

23
24 **The impact of the change in this Company-proposed adjustment was reflected on**
25 **Schedule C-2 of Exhibit No. __ (JRD-3C)**

26
27 **Corrected per Stranik Rebuttal Testimony Exhibit No. MJS-12T.**