

  
MACFARLANE FERGUSON & MCMULLEN

ATTORNEYS & COUNSELORS AT LAW EST. 1884

One Tampa City Center, Suite 2000  
201 N. Franklin Street  
P.O. Box 1531 (33601)  
Tampa, FL 33602  
813.273.4200 Fax: 813.273.4396

[WWW.MFMLLEGAL.COM](http://WWW.MFMLLEGAL.COM)  
EMAIL: [INFO@MFMLLEGAL.COM](mailto:INFO@MFMLLEGAL.COM)

625 Court Street, Suite 200  
P.O. Box 1669 (33757)  
Clearwater, FL 33756  
727.441.8966 Fax: 727.442.8470

January 13, 2017

**VIA E-PORTAL FILING**

Ms. Carlotta S. Stauffer  
Commission Clerk  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0850

**Re: Docket No. 160159-GU – Petition for approval of Settlement Agreement Pertaining to Peoples Gas System’s 2016 Depreciation Study, Environmental Reserve Account, Problematic Plastic Pipe Replacement, and Authorized ROE**

Dear Ms. Stauffer:

Attached for filing with the Commission in the above docket on behalf of Peoples Gas System (“Peoples”) please find Peoples’ Responses to Staff’s Fourth Data Request.

Thank you for your usual assistance.

Sincerely,

  
ANSLEY WATSON, JR. *Kf*

AWjr/a  
Attachment

cc: Walter Trierweiler, Esquire  
J. R. Kelly, Esquire  
Charles Rehwinkel, Esquire  
Stephanie Morse, Esquire  
Ms. Kandi M. Floyd

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 1  
BATES STAMPED PAGES: 1 - 2  
FILED: JANUARY 13, 2017**

1. Please refer to Exhibit B of the Settlement for the following questions.
  - a. Please provide the rationale for the proposed depreciation curve-life combination of R2-55 years for Account 37600 - Main Steel.
  - b. Please provide the rationale for the proposed depreciation curve-life combination of R3-45 years for Account 37602 - Main Plastic.
  - c. Please provide the rationale for the proposed depreciation curve-life combination of R0.5-45 years for Account 38000 - Service Steel.
  - d. Please provide the rationale for the proposed depreciation curve-life combination of R3-40 years for Account 38002 - Service Plastic.
  
- A.
  - a. The proposed depreciation curve-life is the result of the overall Settlement negotiations between the Office of Public counsel and PGS. The settled upon depreciation curve-life of R2-55 years for Account 37600 – Main Steel represents a middle ground between the initial curve-life filed by PGS and the curve-life proposed by OPC’s depreciation consultant.
  - b. The proposed depreciation curve-life is the result of the overall Settlement negotiations between the Office of Public counsel and PGS. The settled upon depreciation curve-life of R3-45 years for Account 37602 – Main Plastic represents a middle ground between the initial curve-life filed by PGS and the curve-life proposed by OPC’s depreciation consultant.
  - c. The proposed depreciation curve-life is the result of the overall Settlement negotiations between the Office of Public counsel and PGS. The settled upon depreciation curve-life of R0.5-45 years for Account 38000 – Service Steel represents a middle ground between the initial curve-life filed by PGS and the curve-life proposed by OPC’s depreciation consultant.
  - d. The proposed depreciation curve-life is the result of the overall Settlement negotiations between the Office of Public counsel and PGS. The settled upon depreciation curve-life of R3-40 years for Account 38002 – Service Plastic represents a middle ground

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 1  
BATES STAMPED PAGES: 1 - 2  
FILED: JANUARY 13, 2017**

between the initial curve-life filed by PGS and the curve-life proposed by OPC's depreciation consultant.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 2  
BATES STAMPED PAGE: 3  
FILED: JANUARY 13, 2017**

- 2.** Referring to the Settlement, Exhibit B, and PGS's response to Staff's Revised Report, pages 3 - 4, please confirm that PGS maintains its position that "Peoples agrees with staff's proposal" that Account 38600 – Other Property Customer Premise is closed. If your response is negative, please provide reasons to justify your decision.
  
- A.** Yes, PGS has closed Account 38600 – Other Property Customer Premise.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 3  
BATES STAMPED PAGES: 4 - 7  
FILED: JANUARY 13, 2017**

- 3.** Referring to PGS' response to Staff's Third Data Request, No. 11, please provide the 2015 year-end 10-K filing pages 1, 108, and 138.
  - A.** See attached.

**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549**

**FORM 10-K**

**Annual Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the fiscal year ended December 31, 2015**

**OR**

**Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

Commission File No.	Exact name of each Registrant as specified in its charter, state of incorporation, address of principal executive offices, telephone number	I.R.S. Employer Identification Number
1-8180	<b>TECO ENERGY, INC.</b> (a Florida corporation) TECO Plaza 702 N. Franklin Street Tampa, Florida 33602 (813) 228-1111	59-2052286
1-5007	<b>TAMPA ELECTRIC COMPANY</b> (a Florida corporation) TECO Plaza 702 N. Franklin Street Tampa, Florida 33602 (813) 228-1111	59-0475140

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Name of each exchange on which registered
TECO Energy, Inc. Common Stock, \$1.00 par value	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act: NONE

Indicate by check mark if TECO Energy, Inc. is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
YES  NO

Indicate by check mark if Tampa Electric Company is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
YES  NO

Indicate by check mark if the registrants are not required to file reports pursuant to Section 13 or Section 15(d) of the Exchange Act.  
YES  NO

Indicate by check mark whether the registrants (1) have filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) have been subject to such filing requirements for the past 90 days.  
YES  NO

Also on Apr. 18, 2014, TGH separately filed an application for partial annulment of the Award on the basis of certain deficiencies in the ICSID Tribunal's determination of the amount of TGH's damages. If TGH's application is successful, TGH will be able to seek additional damages from Guatemala in a new arbitration proceeding.

While the duration of the annulment proceedings is uncertain, a hearing was held in October 2015, with a decision by the ad hoc committee expected in mid- to late-2016. Pending the outcome of annulment proceedings, results to date do not reflect any benefit of this decision.

#### *Proceedings in connection with the Pending Merger with Emera*

Twelve securities class action lawsuits were filed against the company and its directors by holders of TECO Energy securities following the announcement of the Emera transaction. Eleven suits were filed in the Circuit Court for the 13th Judicial Circuit, in and for Hillsborough County, Florida. They alleged that TECO Energy's board of directors breached its fiduciary duties in agreeing to the Merger Agreement and sought to enjoin the Merger. In addition, several of these suits alleged that one or more of TECO Energy, Emera and an Emera affiliate aided and abetted such alleged breaches. The securities class action lawsuits have been consolidated per court order. Since the consolidation, two of the complaints have been amended. One of those complaints has added a claim against the individual defendants for breach of fiduciary duty to disclose. The twelfth suit was filed in the Middle District of Florida Federal Court and has subsequently been voluntarily dismissed.

The company also received two separate shareholder demand letters from purported shareholders of the company. Both of these letters demanded that the company maximize shareholder value and remove alleged conflicts of interest as well as eliminate allegedly preclusive deal protection devices. One of the letters also demanded that the company refrain from consummating the transaction with Emera. Both of these demand letters have subsequently been withdrawn.

In November 2015, the parties to the lawsuits entered into a Memorandum of Understanding with the various shareholder plaintiffs to settle, subject to court approval, all of the pending shareholder lawsuits challenging the proposed Merger. As a result of the Memorandum of Understanding, the company made additional disclosures related to the proposed Merger in a proxy supplement. Per the terms of the Memorandum of Understanding, the parties will negotiate a settlement agreement and submit it to the court for approval after the Merger is complete. There can be no assurance that the parties will ultimately enter into a stipulation of settlement or that the court will approve the settlement even if the parties were to enter into a stipulation of settlement.

#### **PGS Compliance Matter**

In 2015, FPSC staff presented PGS with a summary of alleged safety rule violations, many of which were identified during PGS' implementation of an action plan it instituted as a result of audit findings cited by FPSC audit staff in 2013. Following the 2013 audit and 2015 discussions with FPSC staff, PGS took immediate and significant corrective actions. The FPSC audit staff published a follow-up audit report that acknowledged the progress that had been made and found that further improvements were needed. As a result of this report, the Office of Public Counsel (OPC) filed a petition with the FPSC pointing to the violations of rules for safety inspections seeking fines or possible refunds to customers by PGS. On Feb. 25, 2016, the FPSC staff issued a notice informing PGS that the staff would be making a recommendation to the FPSC to initiate a show cause proceeding against PGS for alleged safety rule violations, with total potential penalties of up to \$3.9 million. PGS is continuing to work with the OPC and FPSC staff to resolve the issues.

#### **Superfund and Former Manufactured Gas Plant Sites**

TEC, through its Tampa Electric and Peoples Gas divisions, is a PRP for certain superfund sites and, through its Peoples Gas division, for certain former manufactured gas plant sites. While the joint and several liability associated with these sites presents the potential for significant response costs, as of Dec. 31, 2015, TEC has estimated its ultimate financial liability to be \$33.9 million, primarily at PGS. This amount has been accrued and is primarily reflected in the long-term liability section under "Deferred credits and other liabilities" on the Consolidated Condensed Balance Sheets. The environmental remediation costs associated with these sites, which are expected to be paid over many years, are not expected to have a significant impact on customer rates.

The estimated amounts represent only the portion of the cleanup costs attributable to TEC. The estimates to perform the work are based on TEC's experience with similar work, adjusted for site-specific conditions and agreements with the respective governmental agencies. The estimates are made in current dollars, are not discounted and do not assume any insurance recoveries.

In instances where other PRPs are involved, most of those PRPs are creditworthy and are likely to continue to be creditworthy for the duration of the remediation work. However, in those instances that they are not, TEC could be liable for more than TEC's actual percentage of the remediation costs.

Factors that could impact these estimates include the ability of other PRPs to pay their pro-rata portion of the cleanup costs, additional testing and investigation which could expand the scope of the cleanup activities, additional liability that might arise from the cleanup activities themselves or changes in laws or regulations that could require additional remediation. Under current regulations, these costs are recoverable through customer rates established in subsequent base rate proceedings.

than a fiscal year; and the advance recovery of expenditures for approved costs such as future storm damage or the future removal of property. All regulatory assets are recovered through the regulatory process.

Details of the regulatory assets and liabilities as of Dec. 31, 2015 and 2014 are presented in the following table:

**Regulatory Assets and Liabilities**

<i>(millions)</i>	<i>Dec. 31, 2015</i>	<i>Dec. 31, 2014</i>
<b>Regulatory assets:</b>		
Regulatory tax asset <sup>(1)</sup>	\$ 74.6	\$ 69.2
Cost-recovery clauses - deferred balances <sup>(2)</sup>	5.2	0.9
Cost-recovery clauses - offsets to derivative liabilities <sup>(2)</sup>	26.2	42.7
Environmental remediation <sup>(3)</sup>	54.0	53.1
Postretirement benefits <sup>(4)</sup>	238.3	187.8
Deferred bond refinancing costs <sup>(5)</sup>	6.5	7.2
Competitive rate adjustment <sup>(2)</sup>	2.6	2.8
Other	10.7	8.0
Total regulatory assets	418.1	371.7
Less: Current portion	44.3	52.1
Long-term regulatory assets	<u>\$ 373.8</u>	<u>\$ 319.6</u>
<b>Regulatory liabilities:</b>		
Regulatory tax liability	\$ 5.7	\$ 5.1
Cost-recovery clauses <sup>(2)</sup>	54.2	23.5
Transmission and delivery storm reserve	56.1	56.1
Accumulated reserve—cost of removal <sup>(6)</sup>	570.0	591.5
Other	0.7	1.9
Total regulatory liabilities	686.7	678.1
Less: Current portion	83.2	54.7
Long-term regulatory liabilities	<u>\$ 603.5</u>	<u>\$ 623.4</u>

- (1) The regulatory tax asset is primarily associated with the depreciation and recovery of AFUDC-equity. This asset does not earn a return but rather is included in capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be recovered over the expected life of the related assets.
- (2) These assets and liabilities are related to FPSC clauses and riders. They are recovered or refunded through cost-recovery mechanisms approved by the FPSC on a dollar-for-dollar basis in the next year. In the case of the regulatory asset related to derivative liabilities, recovery occurs in the year following the settlement of the derivative position.
- (3) This asset is related to costs associated with environmental remediation primarily at manufactured gas plant sites. The balance is included in rate base, partially offsetting the related liability, and earns a rate of return as permitted by the FPSC. The timing of recovery is impacted by the timing of the expenditures related to remediation.
- (4) This asset is related to the deferred costs of postretirement benefits. It is included in rate base and earns a rate of return as permitted by the FPSC. It is amortized over the remaining service life of plan participants.
- (5) This asset represents the past costs associated with refinancing debt. It does not earn a return but rather is included in capital structure, which is used in the calculation of the weighted cost of capital used to determine revenue requirements. It will be amortized over the term of the related debt instruments.
- (6) This item represents the non-ARO cost of removal in the accumulated reserve for depreciation.

**4. Income Taxes**

**Income Tax Expense**

TEC is included in the filing of a consolidated federal income tax return with TECO Energy and its affiliates. TEC's income tax expense is based upon a separate return computation. For the three years presented, TEC's effective tax rate differs from the statutory rate principally due to state income taxes.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 4  
BATES STAMPED PAGES: 8 - 31  
FILED: JANUARY 13, 2017**

- 4.** Please provide a continuation of Exhibit E of the Settlement Agreement, by year, from 2018 through 2028.
  
- A.** See attached. All figures on the attached are estimates, also see Response to No. 6.

6

2017 CI/BSR Rates			2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
	*with Current Depreciation Rates	with Proposed Depreciation Rates	Estimated Rates with Proposed Depreciation Rates and Proposed Problematic Plastic Replacement Expenditures											
RS & RS-SG	\$ 0.02309	\$ 0.02109	\$ 0.02147	\$ 0.0436	\$ 0.0540	\$ 0.0635	\$ 0.0722	\$ 0.0801	\$ 0.0853	\$ 0.0876	\$ 0.0897	\$ 0.0920	\$ 0.0944	\$ 0.0972
SGS	\$ 0.01453	\$ 0.01327	\$ 0.01351	\$ 0.0274	\$ 0.0340	\$ 0.0399	\$ 0.0454	\$ 0.0504	\$ 0.0537	\$ 0.0551	\$ 0.0564	\$ 0.0579	\$ 0.0594	\$ 0.0611
GS-1 & CS-SG	\$ 0.00806	\$ 0.00737	\$ 0.00750	\$ 0.0152	\$ 0.0188	\$ 0.0222	\$ 0.0252	\$ 0.0280	\$ 0.0298	\$ 0.0306	\$ 0.0313	\$ 0.0321	\$ 0.0330	\$ 0.0339
GS-2	\$ 0.00747	\$ 0.00682	\$ 0.00695	\$ 0.0141	\$ 0.0175	\$ 0.0205	\$ 0.0233	\$ 0.0259	\$ 0.0276	\$ 0.0283	\$ 0.0290	\$ 0.0297	\$ 0.0305	\$ 0.0314
GS-3	\$ 0.00628	\$ 0.00574	\$ 0.00584	\$ 0.0119	\$ 0.0147	\$ 0.0173	\$ 0.0196	\$ 0.0218	\$ 0.0232	\$ 0.0238	\$ 0.0244	\$ 0.0250	\$ 0.0257	\$ 0.0264
GS-4	\$ 0.00421	\$ 0.00384	\$ 0.00391	\$ 0.0079	\$ 0.0098	\$ 0.0116	\$ 0.0132	\$ 0.0146	\$ 0.0155	\$ 0.0160	\$ 0.0164	\$ 0.0168	\$ 0.0172	\$ 0.0177
GS-5	\$ 0.00229	\$ 0.00210	\$ 0.00213	\$ 0.0043	\$ 0.0054	\$ 0.0063	\$ 0.0072	\$ 0.0080	\$ 0.0085	\$ 0.0087	\$ 0.0089	\$ 0.0091	\$ 0.0094	\$ 0.0097
NGVS	\$ 0.01635	\$ 0.01494	\$ 0.01520	\$ 0.0318	\$ 0.0405	\$ 0.0491	\$ 0.0575	\$ 0.0657	\$ 0.0721	\$ 0.0763	\$ 0.0805	\$ 0.0850	\$ 0.0898	\$ 0.0953
CSLS	\$ 0.01026	\$ 0.00937	\$ 0.00954	\$ 0.0199	\$ 0.0254	\$ 0.0308	\$ 0.0361	\$ 0.0412	\$ 0.0452	\$ 0.0479	\$ 0.0505	\$ 0.0533	\$ 0.0563	\$ 0.0598
WHS	\$ 0.00281	\$ 0.00257	\$ 0.00261	\$ 0.0055	\$ 0.0070	\$ 0.0084	\$ 0.0099	\$ 0.0113	\$ 0.0124	\$ 0.0131	\$ 0.0138	\$ 0.0146	\$ 0.0154	\$ 0.0164

\*approved by Order No. PSC-16-0524-TRF-GU

*2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates*

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2018 Through December 2018

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$3,117,116	71,540,020	\$0.04357
SGS	5,474,814	5,937,386	11,412,200	2.87%	255,977	9,338,711	\$0.02741
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	1,314,821	86,411,829	\$0.01522
GS-2	81,315,915	8,975,978	90,291,893	22.67%	2,025,260	143,699,070	\$0.01409
GS-3	46,157,083	2,496,659	48,653,742	12.21%	1,091,310	92,034,795	\$0.01186
GS-4	25,447,491	447,292	25,894,783	6.50%	580,824	73,133,811	\$0.00794
GS-5	22,396,181	427,101	22,823,282	5.73%	511,930	118,286,560	\$0.00433
NGVS	244,131	48,338	292,469	0.07%	6,560	206,420	\$0.03178
CSLS	534,119	10,816	544,935	0.14%	12,223	613,200	\$0.01993
WHS	786,453	35,448	821,901	0.21%	18,435	3,376,000	\$0.00546
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$8,934,456	598,640,416	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2019 Through December 2019

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$3,976,879	73,686,220	\$0.05397
SGS	5,474,814	5,937,386	11,412,200	2.87%	326,581	9,618,873	\$0.03395
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	1,677,475	89,004,184	\$0.01885
GS-2	81,315,915	8,975,978	90,291,893	22.67%	2,583,868	148,010,042	\$0.01746
GS-3	46,157,083	2,496,659	48,653,742	12.21%	1,392,316	94,795,839	\$0.01469
GS-4	25,447,491	447,292	25,894,783	6.50%	741,027	75,327,825	\$0.00984
GS-5	22,396,181	427,101	22,823,282	5.73%	653,130	121,835,156	\$0.00536
NGVS	244,131	48,338	292,469	0.07%	8,370	206,420	\$0.04055
CSLS	534,119	10,816	544,935	0.14%	15,594	613,200	\$0.02543
WHS	786,453	35,448	821,901	0.21%	23,520	3,376,000	\$0.00697
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$11,398,758	616,473,760	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2020 Through December 2020

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$4,818,261	75,896,807	\$0.06348
SGS	5,474,814	5,937,386	11,412,200	2.87%	395,675	9,907,439	\$0.03994
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	2,032,376	91,674,310	\$0.02217
GS-2	81,315,915	8,975,978	90,291,893	22.67%	3,130,533	152,450,343	\$0.02053
GS-3	46,157,083	2,496,659	48,653,742	12.21%	1,686,886	97,639,714	\$0.01728
GS-4	25,447,491	447,292	25,894,783	6.50%	897,804	77,587,660	\$0.01157
GS-5	22,396,181	427,101	22,823,282	5.73%	791,312	125,490,211	\$0.00631
NGVS	244,131	48,338	292,469	0.07%	10,140	206,420	\$0.04912
CSLS	534,119	10,816	544,935	0.14%	18,894	613,200	\$0.03081
WHS	786,453	35,448	821,901	0.21%	28,496	3,376,000	\$0.00844
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$13,810,377	634,842,104	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2021 Through December 2021

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$5,641,350	78,173,711	\$0.07216
SGS	5,474,814	5,937,386	11,412,200	2.87%	463,267	10,204,662	\$0.04540
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	2,379,560	94,424,539	\$0.02520
GS-2	81,315,915	8,975,978	90,291,893	22.67%	3,665,312	157,023,853	\$0.02334
GS-3	46,157,083	2,496,659	48,653,742	12.21%	1,975,052	100,568,906	\$0.01964
GS-4	25,447,491	447,292	25,894,783	6.50%	1,051,174	79,915,290	\$0.01315
GS-5	22,396,181	427,101	22,823,282	5.73%	926,489	129,254,917	\$0.00717
NGVS	244,131	48,338	292,469	0.07%	11,872	206,420	\$0.05752
CSLS	534,119	10,816	544,935	0.14%	22,121	613,200	\$0.03607
WHS	786,453	35,448	821,901	0.21%	33,364	3,376,000	\$0.00988
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$16,169,562	653,761,499	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2022 Through December 2022

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$6,446,144	80,518,923	\$0.08006
SGS	5,474,814	5,937,386	11,412,200	2.87%	529,357	10,510,802	\$0.05036
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	2,719,028	97,257,275	\$0.02796
GS-2	81,315,915	8,975,978	90,291,893	22.67%	4,188,205	161,734,569	\$0.02590
GS-3	46,157,083	2,496,659	48,653,742	12.21%	2,256,812	103,585,973	\$0.02179
GS-4	25,447,491	447,292	25,894,783	6.50%	1,201,134	82,312,749	\$0.01459
GS-5	22,396,181	427,101	22,823,282	5.73%	1,058,662	133,132,565	\$0.00795
NGVS	244,131	48,338	292,469	0.07%	13,566	206,420	\$0.06572
CSLS	534,119	10,816	544,935	0.14%	25,277	613,200	\$0.04122
WHS	786,453	35,448	821,901	0.21%	38,124	3,376,000	\$0.01129
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$18,476,309	673,248,475	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2023 Through December 2023

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$7,073,606	82,934,490	\$0.08529
SGS	5,474,814	5,937,386	11,412,200	2.87%	580,884	10,826,126	\$0.05366
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	2,983,695	100,174,994	\$0.02978
GS-2	81,315,915	8,975,978	90,291,893	22.67%	4,595,881	166,586,606	\$0.02759
GS-3	46,157,083	2,496,659	48,653,742	12.21%	2,476,488	106,693,552	\$0.02321
GS-4	25,447,491	447,292	25,894,783	6.50%	1,318,051	84,782,131	\$0.01555
GS-5	22,396,181	427,101	22,823,282	5.73%	1,161,711	137,126,542	\$0.00847
NGVS	244,131	48,338	292,469	0.07%	14,887	206,420	\$0.07212
CSLS	534,119	10,816	544,935	0.14%	27,737	613,200	\$0.04523
WHS	786,453	35,448	821,901	0.21%	41,835	3,376,000	\$0.01239
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$20,274,774	693,320,061	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

**2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates**

**Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2024 Through December 2024**

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$7,483,046	85,422,525	\$0.08760
SGS	5,474,814	5,937,386	11,412,200	2.87%	614,507	11,150,910	\$0.05511
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	3,156,400	103,180,243	\$0.03059
GS-2	81,315,915	8,975,978	90,291,893	22.67%	4,861,903	171,584,204	\$0.02834
GS-3	46,157,083	2,496,659	48,653,742	12.21%	2,619,834	109,894,358	\$0.02384
GS-4	25,447,491	447,292	25,894,783	6.50%	1,394,344	87,325,595	\$0.01597
GS-5	22,396,181	427,101	22,823,282	5.73%	1,228,954	141,240,338	\$0.00870
NGVS	244,131	48,338	292,469	0.07%	15,748	206,420	\$0.07629
CSLS	534,119	10,816	544,935	0.14%	29,343	613,200	\$0.04785
WHS	786,453	35,448	821,901	0.21%	44,256	3,376,000	\$0.01311
<b>TOTAL</b>	<b>\$288,145,860</b>	<b>\$110,177,751</b>	<b>\$398,323,611</b>	<b>100%</b>	<b>\$21,448,337</b>	<b>713,993,794</b>	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2025 Through December 2025

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$7,893,226	87,985,201	\$0.08971
SGS	5,474,814	5,937,386	11,412,200	2.87%	648,191	11,485,437	\$0.05644
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	3,329,417	106,275,651	\$0.03133
GS-2	81,315,915	8,975,978	90,291,893	22.67%	5,128,406	176,731,730	\$0.02902
GS-3	46,157,083	2,496,659	48,653,742	12.21%	2,763,439	113,191,189	\$0.02441
GS-4	25,447,491	447,292	25,894,783	6.50%	1,470,774	89,945,363	\$0.01635
GS-5	22,396,181	427,101	22,823,282	5.73%	1,296,319	145,477,548	\$0.00891
NGVS	244,131	48,338	292,469	0.07%	16,612	206,420	\$0.08048
CSLS	534,119	10,816	544,935	0.14%	30,951	613,200	\$0.05048
WHS	786,453	35,448	821,901	0.21%	46,682	3,376,000	\$0.01383
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$22,624,017	735,287,739	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2026 Through December 2026

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$8,334,398	90,624,757	\$0.09197
SGS	5,474,814	5,937,386	11,412,200	2.87%	684,420	11,830,000	\$0.05785
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	3,515,506	109,463,920	\$0.03212
GS-2	81,315,915	8,975,978	90,291,893	22.67%	5,415,046	182,033,682	\$0.02975
GS-3	46,157,083	2,496,659	48,653,742	12.21%	2,917,895	116,586,925	\$0.02503
GS-4	25,447,491	447,292	25,894,783	6.50%	1,552,979	92,643,724	\$0.01676
GS-5	22,396,181	427,101	22,823,282	5.73%	1,368,773	149,841,875	\$0.00913
NGVS	244,131	48,338	292,469	0.07%	17,540	206,420	\$0.08497
CSLS	534,119	10,816	544,935	0.14%	32,681	613,200	\$0.05330
WHS	786,453	35,448	821,901	0.21%	49,292	3,376,000	\$0.01460
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$23,888,531	757,220,503	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2027 Through December 2027

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$8,808,638	93,343,500	\$0.09437
SGS	5,474,814	5,937,386	11,412,200	2.87%	723,365	12,184,900	\$0.05937
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	3,715,544	112,747,838	\$0.03295
GS-2	81,315,915	8,975,978	90,291,893	22.67%	5,723,170	187,494,693	\$0.03052
GS-3	46,157,083	2,496,659	48,653,742	12.21%	3,083,927	120,084,533	\$0.02568
GS-4	25,447,491	447,292	25,894,783	6.50%	1,641,346	95,423,035	\$0.01720
GS-5	22,396,181	427,101	22,823,282	5.73%	1,446,658	154,337,131	\$0.00937
NGVS	244,131	48,338	292,469	0.07%	18,538	206,420	\$0.08981
CSLS	534,119	10,816	544,935	0.14%	34,541	613,200	\$0.05633
WHS	786,453	35,448	821,901	0.21%	52,096	3,376,000	\$0.01543
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$25,247,824	779,811,249	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

2017 CIBSR Projection Filing Rates with Proposed Depreciation Rates

Peoples Gas System  
Cast Iron/Bare Steel Replacement Rider  
Summary of CI/BSR Surcharge Calculation  
ESTIMATED January 2028 Through December 2028

<u>RATE SCHEDULE</u>	<u>MAINS NET PLANT*</u>	<u>SERVICES NET PLANT*</u>	<u>TOTAL NET PLANT*</u>	<u>% OF TOTAL PLANT</u>	<u>CI/BSR REVENUES</u>	<u>THERMS</u>	<u>CI/BSR SURCHARGE PER THERM</u>
RS & RS-SG	\$59,806,570	\$79,163,368	\$138,969,938	34.89%	\$9,344,109	96,143,805	\$0.09719
SGS	5,474,814	5,937,386	11,412,200	2.87%	767,337	12,550,447	\$0.06114
GS-1 & CS-SG	45,983,103	12,635,366	58,618,469	14.72%	3,941,409	116,130,273	\$0.03394
GS-2	81,315,915	8,975,978	90,291,893	22.67%	6,071,078	193,119,534	\$0.03144
GS-3	46,157,083	2,496,659	48,653,742	12.21%	3,271,397	123,687,069	\$0.02645
GS-4	25,447,491	447,292	25,894,783	6.50%	1,741,122	98,285,726	\$0.01771
GS-5	22,396,181	427,101	22,823,282	5.73%	1,534,600	158,967,245	\$0.00965
NGVS	244,131	48,338	292,469	0.07%	19,665	206,420	\$0.09527
CSLS	534,119	10,816	544,935	0.14%	36,641	613,200	\$0.05975
WHS	786,453	35,448	821,901	0.21%	55,263	3,376,000	\$0.01637
TOTAL	\$288,145,860	\$110,177,751	\$398,323,611	100%	\$26,782,621	803,079,718	

\* Source: Data in these columns are from Schedule H-2 of the Cost of Service Study approved in Peoples' last rate case

**Cast Iron/Bare Steel Replacement Rider  
Calculation of the Projected Amount for the Period  
ESTIMATED PERIOD January 2018 to December 2018  
Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	\$ -	\$ 1,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 1,427,083	\$ 1,427,083	\$ 20,041,663
b.	Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant	\$ 431,609	\$ 1,089,331	\$ 1,822,207	\$ 1,871,863	\$ 1,909,106	\$ 1,937,038	\$ 1,957,986	\$ 1,973,698	\$ 1,985,482	\$ 1,994,320	\$ 1,555,635	\$ 1,523,497	\$ 20,051,772	
2.	Gross Plant-in-Service/Depreciation Base	\$ 61,580,525	\$ 62,012,134	\$ 63,101,465	\$ 64,923,672	\$ 66,795,536	\$ 68,704,641	\$ 70,641,679	\$ 72,599,665	\$ 74,573,363	\$ 76,558,845	\$ 78,553,165	\$ 80,108,800	\$ 81,632,298	
3.	Less: Accumulated Depreciation	\$ (3,221,737)	\$ (3,342,182)	\$ (3,463,490)	\$ (3,586,977)	\$ (3,714,109)	\$ (3,844,984)	\$ (3,979,677)	\$ (4,118,245)	\$ (4,260,728)	\$ (4,407,159)	\$ (4,557,561)	\$ (4,711,951)	\$ (4,869,453)	
4.	CWIP - NonInterest Bearing	\$ 1,726,435	\$ 1,294,826	\$ 1,226,328	\$ 1,424,954	\$ 1,573,924	\$ 1,685,651	\$ 1,769,447	\$ 1,832,293	\$ 1,879,428	\$ 1,914,779	\$ 1,941,293	\$ 1,812,740	\$ 1,716,326	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 60,085,224	\$ 59,964,779	\$ 60,864,303	\$ 62,761,649	\$ 64,655,351	\$ 66,545,309	\$ 68,431,448	\$ 70,313,714	\$ 72,192,064	\$ 74,066,466	\$ 75,936,897	\$ 77,209,590	\$ 78,479,171	
6.	Average Net Book Value		\$ 60,025,001	\$ 60,414,541	\$ 61,812,976	\$ 63,708,500	\$ 65,600,330	\$ 67,488,378	\$ 69,372,581	\$ 71,252,889	\$ 73,129,265	\$ 75,001,681	\$ 76,573,243	\$ 77,844,380	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 367,503	\$ 369,888	\$ 378,450	\$ 390,055	\$ 401,638	\$ 413,198	\$ 424,734	\$ 436,246	\$ 447,734	\$ 459,198	\$ 468,820	\$ 476,602	\$ 5,034,066
b.	Debt component (B)		\$ 88,192	\$ 88,764	\$ 90,819	\$ 93,604	\$ 96,383	\$ 99,157	\$ 101,926	\$ 104,688	\$ 107,445	\$ 110,196	\$ 112,505	\$ 114,373	\$ 1,208,052
8.	Investment Expenses														
a.	Depreciation (C)		\$ 125,745	\$ 126,608	\$ 128,787	\$ 132,431	\$ 136,175	\$ 139,993	\$ 143,867	\$ 147,783	\$ 151,731	\$ 155,702	\$ 159,690	\$ 162,802	\$ 1,711,316
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 87,052	\$ 1,044,622
d.	Depreciation Savings		\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)		\$ 663,192	\$ 667,012	\$ 679,808	\$ 697,842	\$ 715,948	\$ 734,100	\$ 752,279	\$ 770,469	\$ 788,662	\$ 806,848	\$ 822,767	\$ 835,529	\$ 8,934,456
10.	Est projected true-up over/(under)		\$ -												
11.	Revenue Requirements Net of Est Projected Recovery		\$ 663,192	\$ 1,330,204	\$ 2,010,012	\$ 2,707,854	\$ 3,423,802	\$ 4,157,903	\$ 4,910,182	\$ 5,680,651	\$ 6,469,313	\$ 7,276,160	\$ 8,098,928	\$ 8,934,456	

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2019 to December 2019**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	\$ -	\$ 1,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 1,427,083	\$ 1,427,083	\$ 20,041,663
b.	Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant	\$ 429,082	\$ 1,087,436	\$ 1,820,785	\$ 1,870,797	\$ 1,908,306	\$ 1,936,438	\$ 1,957,537	\$ 1,973,361	\$ 1,985,229	\$ 1,994,130	\$ 1,555,493	\$ 1,523,391	\$ 20,041,983	
2.	Gross Plant-in-Service/Depreciation Base	\$ 81,632,298	\$ 82,061,379	\$ 83,148,815	\$ 84,969,600	\$ 86,840,397	\$ 88,748,703	\$ 90,685,141	\$ 92,642,678	\$ 94,616,038	\$ 96,601,267	\$ 98,595,397	\$ 100,150,890	\$ 101,674,281	
3.	Less: Accumulated Depreciation	\$ (4,869,453)	\$ (5,030,001)	\$ (5,191,408)	\$ (5,354,990)	\$ (5,522,213)	\$ (5,693,178)	\$ (5,867,959)	\$ (6,046,614)	\$ (6,229,183)	\$ (6,415,699)	\$ (6,606,186)	\$ (6,800,661)	\$ (6,998,247)	
4.	CWIP - NonInterest Bearing	\$ 1,716,326	\$ 1,287,245	\$ 1,220,642	\$ 1,420,689	\$ 1,570,725	\$ 1,683,252	\$ 1,767,647	\$ 1,830,944	\$ 1,878,416	\$ 1,914,020	\$ 1,940,724	\$ 1,812,313	\$ 1,716,006	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 78,479,171	\$ 78,318,622	\$ 79,178,048	\$ 81,035,300	\$ 82,888,909	\$ 84,738,778	\$ 86,584,829	\$ 88,427,008	\$ 90,265,271	\$ 92,099,588	\$ 93,929,935	\$ 95,162,543	\$ 96,392,040	
6.	Average Net Book Value		\$ 78,398,897	\$ 78,748,335	\$ 80,106,674	\$ 81,962,105	\$ 83,813,844	\$ 85,661,803	\$ 87,505,918	\$ 89,346,140	\$ 91,182,430	\$ 93,014,761	\$ 94,546,239	\$ 95,777,291	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)	\$ 479,997	\$ 482,137	\$ 490,453	\$ 501,813	\$ 513,150	\$ 524,464	\$ 535,755	\$ 547,022	\$ 558,264	\$ 569,483	\$ 578,859	\$ 586,396	\$ 6,367,793	
b.	Debt component (B)	\$ 115,188	\$ 115,701	\$ 117,697	\$ 120,423	\$ 123,143	\$ 125,859	\$ 128,568	\$ 131,272	\$ 133,970	\$ 136,662	\$ 138,912	\$ 140,721	\$ 1,528,116	
8.	Investment Expenses														
a.	Depreciation (C)	\$ 165,849	\$ 166,707	\$ 168,882	\$ 172,523	\$ 176,265	\$ 180,081	\$ 183,954	\$ 187,869	\$ 191,816	\$ 195,787	\$ 199,775	\$ 202,886	\$ 2,192,394	
b.	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
c.	Property Taxes (D)	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 114,505	\$ 1,374,055	
d.	Depreciation Savings	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)	
9.	Revenue Requirements (Lines 7 + 8)	\$ 870,239	\$ 873,749	\$ 886,236	\$ 903,964	\$ 921,762	\$ 939,609	\$ 957,482	\$ 975,368	\$ 993,255	\$ 1,011,136	\$ 1,026,750	\$ 1,039,207	\$ 11,398,758	
10.	Est projected true-up over/(under)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11.	Revenue Requirements Net of Est Projected Recovery	\$ 870,239	\$ 1,743,988	\$ 2,630,224	\$ 3,534,188	\$ 4,455,951	\$ 5,395,560	\$ 6,353,042	\$ 7,328,410	\$ 8,321,664	\$ 9,332,801	\$ 10,359,551	\$ 11,398,758		

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

22

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2020 to December 2020**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	\$ -	\$ -	\$ 1,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 1,427,083	\$ 1,427,083	\$ 20,041,663
b.	Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant	\$ 429,001	\$ 1,087,376	\$ 1,820,740	\$ 1,870,763	\$ 1,908,281	\$ 1,936,419	\$ 1,957,522	\$ 1,973,350	\$ 1,985,221	\$ 1,994,124	\$ 1,555,489	\$ 1,523,387	\$ 20,041,673	
2.	Gross Plant-in-Service/Depreciation Base	\$ 101,674,281	\$ 102,103,282	\$ 103,190,658	\$ 105,011,398	\$ 106,882,162	\$ 108,790,442	\$ 110,726,861	\$ 112,684,383	\$ 114,657,734	\$ 116,642,954	\$ 118,637,078	\$ 120,192,567	\$ 121,715,954	
3.	Less: Accumulated Depreciation	\$ (6,998,247)	\$ (7,198,879)	\$ (7,400,370)	\$ (7,604,035)	\$ (7,811,342)	\$ (8,022,391)	\$ (8,237,256)	\$ (8,455,993)	\$ (8,678,646)	\$ (8,905,246)	\$ (9,135,816)	\$ (9,370,374)	\$ (9,608,043)	
4.	CWIP - Noninterest Bearing	\$ 1,716,006	\$ 1,287,004	\$ 1,220,462	\$ 1,420,554	\$ 1,570,624	\$ 1,683,176	\$ 1,767,590	\$ 1,830,901	\$ 1,878,384	\$ 1,913,996	\$ 1,940,705	\$ 1,812,300	\$ 1,715,996	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 96,392,040	\$ 96,191,407	\$ 97,010,750	\$ 98,827,917	\$ 100,641,443	\$ 102,451,228	\$ 104,257,196	\$ 106,059,291	\$ 107,857,471	\$ 109,651,705	\$ 111,441,968	\$ 112,634,493	\$ 113,823,907	
6.	Average Net Book Value		\$ 96,291,724	\$ 96,601,078	\$ 97,919,333	\$ 99,734,680	\$ 101,546,336	\$ 103,354,212	\$ 105,158,244	\$ 106,958,381	\$ 108,754,588	\$ 110,546,836	\$ 112,038,230	\$ 113,229,200	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 589,546	\$ 591,440	\$ 599,511	\$ 610,626	\$ 621,717	\$ 632,786	\$ 643,831	\$ 654,853	\$ 665,850	\$ 676,823	\$ 685,954	\$ 693,246	\$ 7,666,183
b.	Debt component (B)		\$ 141,477	\$ 141,931	\$ 143,868	\$ 146,535	\$ 149,197	\$ 151,853	\$ 154,504	\$ 157,149	\$ 159,788	\$ 162,421	\$ 164,612	\$ 166,362	\$ 1,839,697
8.	Investment Expenses														
a.	Depreciation (C)		\$ 205,933	\$ 206,791	\$ 208,965	\$ 212,607	\$ 216,348	\$ 220,165	\$ 224,038	\$ 227,953	\$ 231,900	\$ 235,870	\$ 239,858	\$ 242,969	\$ 2,673,396
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 141,225	\$ 1,694,701
d.	Depreciation Savings		\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)		\$ 1,072,881	\$ 1,076,087	\$ 1,088,269	\$ 1,105,693	\$ 1,123,187	\$ 1,140,729	\$ 1,158,298	\$ 1,175,880	\$ 1,193,463	\$ 1,211,039	\$ 1,226,349	\$ 1,238,502	\$ 13,810,377
10.	Est projected true-up over/(under)		\$ -												
11.	Revenue Requirements Net of Est Projected Recovery		\$ 1,072,881	\$ 2,148,967	\$ 3,237,237	\$ 4,342,930	\$ 5,466,117	\$ 6,606,846	\$ 7,765,144	\$ 8,941,024	\$ 10,134,487	\$ 11,345,526	\$ 12,571,875	\$ 13,810,377	

Notes:  
(A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002  
(B) Line 7b = Line 6 x 1.7631% x 1/12  
(C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel  
(D) Ad Valorem Tax Rate is 1.79%

23

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2021 to December 2021**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	\$ -	\$ 1,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 1,427,083	\$ 1,427,083	\$ 20,041,663
b.	Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant	\$ 428,999	\$ 1,087,374	\$ 1,820,739	\$ 1,870,762	\$ 1,908,280	\$ 1,936,418	\$ 1,957,522	\$ 1,973,350	\$ 1,985,221	\$ 1,994,124	\$ 1,555,488	\$ 1,523,387	\$ 20,041,663	
2.	Gross Plant-in-Service/Depreciation Base	\$ 121,715,954	\$ 122,144,953	\$ 123,232,327	\$ 125,053,065	\$ 126,923,828	\$ 128,832,108	\$ 130,768,526	\$ 132,726,048	\$ 134,699,398	\$ 136,684,618	\$ 138,678,742	\$ 140,234,230	\$ 141,757,617	
3.	Less: Accumulated Depreciation	\$ (9,608,043)	\$ (9,848,759)	\$ (10,090,333)	\$ (10,334,082)	\$ (10,581,472)	\$ (10,832,604)	\$ (11,087,552)	\$ (11,346,373)	\$ (11,609,109)	\$ (11,875,792)	\$ (12,146,445)	\$ (12,421,087)	\$ (12,698,839)	
4.	CWIP - NonInterest Bearing	\$ 1,715,996	\$ 1,286,997	\$ 1,220,456	\$ 1,420,550	\$ 1,570,621	\$ 1,683,174	\$ 1,767,589	\$ 1,830,900	\$ 1,878,383	\$ 1,913,996	\$ 1,940,705	\$ 1,812,299	\$ 1,715,995	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 113,823,907	\$ 113,583,191	\$ 114,362,450	\$ 116,139,534	\$ 117,912,977	\$ 119,682,678	\$ 121,448,563	\$ 123,210,575	\$ 124,968,671	\$ 126,722,822	\$ 128,473,001	\$ 129,625,443	\$ 130,774,773	
6.	Average Net Book Value		\$ 113,703,549	\$ 113,972,820	\$ 115,250,992	\$ 117,026,255	\$ 118,797,827	\$ 120,565,620	\$ 122,329,569	\$ 124,089,623	\$ 125,845,746	\$ 127,597,911	\$ 129,049,222	\$ 130,200,108	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 696,150	\$ 697,799	\$ 705,624	\$ 716,493	\$ 727,340	\$ 738,163	\$ 748,963	\$ 759,739	\$ 770,491	\$ 781,218	\$ 790,104	\$ 797,150	\$ 8,929,234
b.	Debt component (B)		\$ 167,059	\$ 167,455	\$ 169,333	\$ 171,941	\$ 174,544	\$ 177,141	\$ 179,733	\$ 182,319	\$ 184,899	\$ 187,473	\$ 189,606	\$ 191,297	\$ 2,142,800
8.	Investment Expenses														
a.	Depreciation (C)	\$ 246,016	\$ 246,874	\$ 249,049	\$ 252,690	\$ 256,432	\$ 260,248	\$ 264,121	\$ 268,036	\$ 271,983	\$ 275,953	\$ 279,942	\$ 283,053	\$ 3,154,396	
b.	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
c.	Property Taxes (D)	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 167,228	\$ 2,006,732
d.	Depreciation Savings	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)		\$ 1,271,153	\$ 1,274,056	\$ 1,285,933	\$ 1,303,052	\$ 1,320,243	\$ 1,337,480	\$ 1,354,745	\$ 1,372,022	\$ 1,389,300	\$ 1,406,572	\$ 1,421,579	\$ 1,433,427	\$ 16,169,562
10.	Est projected true-up over/(under)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11.	Revenue Requirements Net of Est Projected Recovery		\$ 1,271,153	\$ 2,545,209	\$ 3,831,142	\$ 5,134,194	\$ 6,454,437	\$ 7,791,917	\$ 9,146,662	\$ 10,518,684	\$ 11,907,984	\$ 13,314,556	\$ 14,736,135	\$ 16,169,562	

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2022 to December 2022**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains		\$ -	\$ 1,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 2,020,833	\$ 1,427,083	\$ 1,427,083	\$ 20,041,663
b.	Eligible Replacements - Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant		\$ 428,999	\$ 1,087,374	\$ 1,820,739	\$ 1,870,762	\$ 1,908,280	\$ 1,936,418	\$ 1,957,522	\$ 1,973,350	\$ 1,985,221	\$ 1,994,124	\$ 1,555,488	\$ 1,523,387	\$ 20,041,663
2.	Gross Plant-in-Service/Depreciation Base	\$ 141,757,617	\$142,186,616	\$143,273,990	\$145,094,729	\$146,965,491	\$148,873,771	\$150,810,189	\$152,767,711	\$154,741,061	\$156,726,281	\$158,720,405	\$160,275,893	\$161,799,280	
3.	Less: Accumulated Depreciation	\$ (12,698,839)	\$ (12,979,639)	\$ (13,261,296)	\$ (13,545,128)	\$ (13,832,602)	\$ (14,123,817)	\$ (14,418,848)	\$ (14,717,753)	\$ (15,020,572)	\$ (15,327,338)	\$ (15,638,075)	\$ (15,952,800)	\$ (16,270,636)	
4.	CWIP - NonInterest Bearing	\$ 1,715,995	\$ 1,286,996	\$ 1,220,456	\$ 1,420,550	\$ 1,570,621	\$ 1,683,174	\$ 1,767,589	\$ 1,830,900	\$ 1,878,383	\$ 1,913,996	\$ 1,940,705	\$ 1,812,299	\$ 1,715,995	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 130,774,773	\$130,493,974	\$131,233,150	\$132,970,150	\$134,703,510	\$136,433,128	\$138,158,929	\$139,880,858	\$141,598,871	\$143,312,938	\$145,023,035	\$146,135,393	\$147,244,640	
6.	Average Net Book Value		\$130,634,373	\$130,863,562	\$132,101,650	\$133,836,830	\$135,568,319	\$137,296,029	\$139,019,894	\$140,739,865	\$142,455,905	\$144,167,986	\$145,579,214	\$146,690,016	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 799,809	\$ 801,212	\$ 808,792	\$ 819,416	\$ 830,017	\$ 840,595	\$ 851,149	\$ 861,680	\$ 872,186	\$ 882,668	\$ 891,309	\$ 898,110	\$ 10,156,943
b.	Debt component (B)		\$ 191,935	\$ 192,271	\$ 194,090	\$ 196,640	\$ 199,184	\$ 201,722	\$ 204,255	\$ 206,782	\$ 209,303	\$ 211,819	\$ 213,892	\$ 215,524	\$ 2,437,417
8.	Investment Expenses														
a.	Depreciation (C)		\$ 286,099	\$ 286,957	\$ 289,132	\$ 292,774	\$ 296,515	\$ 300,332	\$ 304,204	\$ 308,119	\$ 312,066	\$ 316,037	\$ 320,025	\$ 323,136	\$ 3,635,396
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 192,513	\$ 2,310,152
d.	Depreciation Savings		\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)		\$ 1,465,056	\$ 1,467,653	\$ 1,479,227	\$ 1,496,042	\$ 1,512,929	\$ 1,529,861	\$ 1,546,821	\$ 1,563,794	\$ 1,580,768	\$ 1,597,736	\$ 1,612,439	\$ 1,623,983	\$ 18,476,309
10.	Est projected true-up over/(under)		\$ -												
11.	Revenue Requirements Net of Est Projected Recovery		\$ 1,465,056	\$ 2,932,709	\$ 4,411,936	\$ 5,907,978	\$ 7,420,907	\$ 8,950,768	\$ 10,497,589	\$ 12,061,384	\$ 13,642,151	\$ 15,239,888	\$ 16,852,326	\$ 18,476,309	

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

25

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2023 to December 2023**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 593,750	\$ 1,793,750	\$ 12,075,000
b.	Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant	\$ 428,999	\$ 462,374	\$ 1,143,656	\$ 1,154,617	\$ 1,162,838	\$ 1,169,003	\$ 1,173,627	\$ 1,177,096	\$ 1,179,697	\$ 1,181,647	\$ 737,798	\$ 1,601,786	\$ 12,573,137	
2.	Gross Plant-in-Service/Depreciation Base	\$ 161,799,280	\$ 162,228,279	\$ 162,690,653	\$ 163,834,309	\$ 164,988,926	\$ 166,151,763	\$ 167,320,766	\$ 168,494,394	\$ 169,671,489	\$ 170,851,186	\$ 172,032,833	\$ 172,770,631	\$ 174,372,417	
3.	Less: Accumulated Depreciation	\$ (16,270,636)	\$ (16,591,518)	\$ (16,913,259)	\$ (17,235,924)	\$ (17,560,877)	\$ (17,888,139)	\$ (18,217,727)	\$ (18,549,652)	\$ (18,883,925)	\$ (19,220,552)	\$ (19,559,539)	\$ (19,900,888)	\$ (20,243,714)	
4.	CWIP - NonInterest Bearing	\$ 1,715,995	\$ 1,286,996	\$ 1,012,122	\$ 1,055,967	\$ 1,088,850	\$ 1,113,513	\$ 1,132,009	\$ 1,145,882	\$ 1,156,287	\$ 1,164,090	\$ 1,169,942	\$ 1,025,894	\$ 1,217,858	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 147,244,640	\$ 146,923,757	\$ 146,789,517	\$ 147,654,351	\$ 148,516,899	\$ 149,377,137	\$ 150,235,049	\$ 151,090,623	\$ 151,943,851	\$ 152,794,724	\$ 153,643,237	\$ 153,895,637	\$ 155,346,562	
6.	Average Net Book Value		\$ 147,084,198	\$ 146,856,637	\$ 147,221,934	\$ 148,085,625	\$ 148,947,018	\$ 149,806,093	\$ 150,662,836	\$ 151,517,237	\$ 152,369,287	\$ 153,218,980	\$ 153,769,437	\$ 154,621,100	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)	\$ 900,523	\$ 899,130	\$ 901,366	\$ 906,654	\$ 911,928	\$ 917,188	\$ 922,433	\$ 927,664	\$ 932,881	\$ 938,083	\$ 941,453	\$ 946,668	\$ 11,045,971	
b.	Debt component (B)	\$ 216,103	\$ 215,769	\$ 216,306	\$ 217,575	\$ 218,840	\$ 220,103	\$ 221,361	\$ 222,617	\$ 223,869	\$ 225,117	\$ 225,926	\$ 227,177	\$ 2,650,763	
8.	Investment Expenses														
a.	Depreciation (C)	\$ 326,183	\$ 327,041	\$ 327,965	\$ 330,253	\$ 332,562	\$ 334,888	\$ 337,226	\$ 339,573	\$ 341,927	\$ 344,286	\$ 346,650	\$ 348,125	\$ 4,036,678	
b.	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
c.	Property Taxes (D)	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 217,080	\$ 2,604,963	
d.	Depreciation Savings	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)	
9.	Revenue Requirements (Lines 7 + 8)	\$ 1,654,589	\$ 1,653,720	\$ 1,657,418	\$ 1,666,262	\$ 1,675,110	\$ 1,683,959	\$ 1,692,800	\$ 1,701,634	\$ 1,710,457	\$ 1,719,267	\$ 1,725,809	\$ 1,733,751	\$ 20,274,774	
10.	Est projected true-up over/(under)	\$ -													
11.	Revenue Requirements Net of Est Projected Recovery	\$ 1,654,589	\$ 3,308,308	\$ 4,965,726	\$ 6,631,988	\$ 8,307,098	\$ 9,991,057	\$ 11,683,857	\$ 13,385,491	\$ 15,095,948	\$ 16,815,215	\$ 18,541,024	\$ 20,274,774		

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

26

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2024 to December 2024**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 593,750	\$ 2,143,750	\$ 12,425,000
b.	Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant	\$ 304,465	\$ 368,973	\$ 1,073,605	\$ 1,102,079	\$ 1,123,434	\$ 1,139,451	\$ 1,151,463	\$ 1,160,472	\$ 1,167,229	\$ 1,172,297	\$ 730,785	\$ 1,859,026	\$ 12,353,279	
2.	Gross Plant-in-Service/Depreciation Base	\$ 174,372,417	\$ 174,676,882	\$ 175,045,855	\$ 176,119,460	\$ 177,221,539	\$ 178,344,973	\$ 179,484,424	\$ 180,635,887	\$ 181,796,359	\$ 182,963,588	\$ 184,135,885	\$ 184,866,670	\$ 186,725,697	
3.	Less: Accumulated Depreciation	\$ (20,243,714)	\$ (20,589,742)	\$ (20,936,380)	\$ (21,283,756)	\$ (21,633,279)	\$ (21,985,006)	\$ (22,338,980)	\$ (22,695,233)	\$ (23,053,789)	\$ (23,414,666)	\$ (23,777,877)	\$ (24,143,433)	\$ (24,510,450)	
4.	CWIP - NonInterest Bearing	\$ 1,217,858	\$ 913,394	\$ 731,920	\$ 845,815	\$ 931,236	\$ 995,302	\$ 1,043,352	\$ 1,079,389	\$ 1,106,417	\$ 1,126,687	\$ 1,141,891	\$ 1,004,855	\$ 1,289,579	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 155,346,562	\$ 155,000,533	\$ 154,841,395	\$ 155,681,520	\$ 156,519,497	\$ 157,355,269	\$ 158,188,795	\$ 159,020,042	\$ 159,848,987	\$ 160,675,610	\$ 161,499,899	\$ 161,728,093	\$ 163,504,825	
6.	Average Net Book Value		\$ 155,173,548	\$ 154,920,964	\$ 155,261,457	\$ 156,100,508	\$ 156,937,383	\$ 157,772,032	\$ 158,604,419	\$ 159,434,515	\$ 160,262,298	\$ 161,087,754	\$ 161,613,996	\$ 162,616,459	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)	\$ 950,050	\$ 948,504	\$ 950,588	\$ 955,725	\$ 960,849	\$ 965,959	\$ 971,056	\$ 976,138	\$ 981,206	\$ 986,260	\$ 989,482	\$ 995,619	\$ 11,631,436	
b.	Debt component (B)	\$ 227,989	\$ 227,618	\$ 228,118	\$ 229,351	\$ 230,580	\$ 231,807	\$ 233,030	\$ 234,249	\$ 235,465	\$ 236,678	\$ 237,451	\$ 238,924	\$ 2,791,260	
8.	Investment Expenses														
a.	Depreciation (C)	\$ 351,329	\$ 351,938	\$ 352,676	\$ 354,823	\$ 357,027	\$ 359,274	\$ 361,553	\$ 363,856	\$ 366,177	\$ 368,511	\$ 370,856	\$ 372,317	\$ 4,330,337	
b.	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
c.	Property Taxes (D)	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 229,909	\$ 2,758,904	
d.	Depreciation Savings	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)	
9.	Revenue Requirements (Lines 7 + 8)	\$ 1,753,977	\$ 1,752,668	\$ 1,755,990	\$ 1,764,508	\$ 1,773,065	\$ 1,781,649	\$ 1,790,248	\$ 1,798,851	\$ 1,807,456	\$ 1,816,058	\$ 1,822,397	\$ 1,831,469	\$ 21,448,337	
10.	Est projected true-up over/(under)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
11.	Revenue Requirements Net of Est Projected Recovery	\$ 1,753,977	\$ 3,506,645	\$ 5,262,636	\$ 7,027,143	\$ 8,800,208	\$ 10,581,857	\$ 12,372,104	\$ 14,170,956	\$ 15,978,412	\$ 17,794,470	\$ 19,616,868	\$ 21,448,337		

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

27

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2025 to December 2025**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains		\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 593,750	\$ 3,093,750	\$ 13,375,000
b.	Eligible Replacements - Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant		\$ 322,395	\$ 382,421	\$ 1,083,691	\$ 1,109,643	\$ 1,129,107	\$ 1,143,705	\$ 1,154,654	\$ 1,162,866	\$ 1,169,024	\$ 1,173,643	\$ 731,795	\$ 2,572,284	\$ 13,135,228
2.	Gross Plant-in-Service/Depreciation Base	\$ 186,725,697	\$187,048,091	\$187,430,512	\$188,514,203	\$189,623,846	\$190,752,954	\$191,896,659	\$193,051,313	\$194,214,179	\$195,383,203	\$196,556,846	\$197,288,641	\$199,860,925	
3.	Less: Accumulated Depreciation	\$ (24,510,450)	\$ (24,881,186)	\$ (25,252,566)	\$ (25,624,711)	\$ (25,999,024)	\$ (26,375,555)	\$ (26,754,345)	\$ (27,135,423)	\$ (27,518,809)	\$ (27,904,522)	\$ (28,292,572)	\$ (28,682,970)	\$ (29,074,831)	
4.	CWIP - NonInterest Bearing	\$ 1,289,579	\$ 967,184	\$ 772,263	\$ 876,072	\$ 953,929	\$ 1,012,322	\$ 1,056,116	\$ 1,088,962	\$ 1,113,597	\$ 1,132,073	\$ 1,145,929	\$ 1,007,885	\$ 1,529,351	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 163,504,825	\$163,134,090	\$162,950,210	\$163,765,565	\$164,578,752	\$165,389,720	\$166,198,430	\$167,004,853	\$167,808,966	\$168,610,754	\$169,410,203	\$169,613,556	\$172,315,444	
6.	Average Net Book Value		\$163,319,458	\$163,042,150	\$163,357,887	\$164,172,158	\$164,984,236	\$165,794,075	\$166,601,642	\$167,406,910	\$168,209,860	\$169,010,479	\$169,511,880	\$170,964,500	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 999,923	\$ 998,226	\$ 1,000,159	\$ 1,005,144	\$ 1,010,116	\$ 1,015,074	\$ 1,020,019	\$ 1,024,949	\$ 1,029,865	\$ 1,034,767	\$ 1,037,836	\$ 1,046,730	\$ 12,222,808
b.	Debt component (B)		\$ 239,957	\$ 239,550	\$ 240,014	\$ 241,210	\$ 242,403	\$ 243,593	\$ 244,779	\$ 245,963	\$ 247,142	\$ 248,319	\$ 249,055	\$ 251,190	\$ 2,933,175
8.	Investment Expenses														
a.	Depreciation (C)		\$ 376,035	\$ 376,680	\$ 377,445	\$ 379,612	\$ 381,832	\$ 384,090	\$ 386,377	\$ 388,687	\$ 391,012	\$ 393,350	\$ 395,698	\$ 397,161	\$ 4,627,981
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 241,971	\$ 2,903,653
d.	Depreciation Savings		\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)		\$ 1,852,586	\$ 1,851,127	\$ 1,854,289	\$ 1,862,638	\$ 1,871,022	\$ 1,879,428	\$ 1,887,846	\$ 1,896,270	\$ 1,904,691	\$ 1,913,108	\$ 1,919,260	\$ 1,931,752	\$ 22,624,017
10.	Est projected true-up over/(under)		\$ -												
11.	Revenue Requirements Net of Est Projected Recovery		\$ 1,852,586	\$ 3,703,714	\$ 5,558,003	\$ 7,420,641	\$ 9,291,662	\$ 11,171,090	\$ 13,058,937	\$ 14,955,207	\$ 16,859,897	\$ 18,773,005	\$ 20,692,265	\$ 22,624,017	

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

28

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2026 to December 2026**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains	\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 593,750	\$ 4,093,750	\$ 14,375,000
b.	Eligible Replacements - Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant	\$ 382,338	\$ 427,378	\$ 1,117,409	\$ 1,134,932	\$ 1,148,074	\$ 1,157,930	\$ 1,165,323	\$ 1,170,867	\$ 1,175,025	\$ 1,178,144	\$ 735,170	\$ 3,324,815	\$ 14,117,405	
2.	Gross Plant-in-Service/Depreciation Base	\$ 199,860,925	\$ 200,243,262	\$ 200,670,641	\$ 201,788,049	\$ 202,922,981	\$ 204,071,055	\$ 205,228,985	\$ 206,394,308	\$ 207,565,175	\$ 208,740,200	\$ 209,918,344	\$ 210,653,514	\$ 213,978,330	
3.	Less: Accumulated Depreciation	\$ (29,074,831)	\$ (29,471,837)	\$ (29,869,608)	\$ (30,268,233)	\$ (30,669,093)	\$ (31,072,223)	\$ (31,477,650)	\$ (31,885,392)	\$ (32,295,464)	\$ (32,707,879)	\$ (33,122,643)	\$ (33,539,764)	\$ (33,958,355)	
4.	CWIP - NonInterest Bearing	\$ 1,529,351	\$ 1,147,013	\$ 907,135	\$ 977,226	\$ 1,029,795	\$ 1,069,221	\$ 1,098,791	\$ 1,120,968	\$ 1,137,601	\$ 1,150,076	\$ 1,159,432	\$ 1,018,011	\$ 1,786,946	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 172,315,444	\$ 171,918,438	\$ 171,708,168	\$ 172,497,042	\$ 173,283,682	\$ 174,068,052	\$ 174,850,126	\$ 175,629,884	\$ 176,407,311	\$ 177,182,397	\$ 177,955,132	\$ 178,131,762	\$ 181,806,921	
6.	Average Net Book Value		\$ 172,116,941	\$ 171,813,303	\$ 172,102,605	\$ 172,890,362	\$ 173,675,867	\$ 174,459,089	\$ 175,240,005	\$ 176,018,598	\$ 176,794,854	\$ 177,568,765	\$ 178,043,447	\$ 179,969,341	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)	\$ 1,053,786	\$ 1,051,927	\$ 1,053,698	\$ 1,058,521	\$ 1,063,330	\$ 1,068,126	\$ 1,072,907	\$ 1,077,674	\$ 1,082,426	\$ 1,087,165	\$ 1,090,071	\$ 1,101,862	\$ 1,101,862	\$ 12,861,493
b.	Debt component (B)	\$ 252,883	\$ 252,437	\$ 252,862	\$ 254,019	\$ 255,173	\$ 256,324	\$ 257,471	\$ 258,615	\$ 259,756	\$ 260,893	\$ 261,590	\$ 264,420	\$ 264,420	\$ 3,086,443
8.	Investment Expenses														
a.	Depreciation (C)	\$ 402,306	\$ 403,071	\$ 403,925	\$ 406,160	\$ 408,430	\$ 410,726	\$ 413,042	\$ 415,373	\$ 417,714	\$ 420,064	\$ 422,421	\$ 423,891	\$ 423,891	\$ 4,947,124
b.	Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 254,756	\$ 3,057,071
d.	Depreciation Savings	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)	\$ 1,958,431	\$ 1,956,891	\$ 1,959,941	\$ 1,968,156	\$ 1,976,389	\$ 1,984,632	\$ 1,992,876	\$ 2,001,118	\$ 2,009,352	\$ 2,017,578	\$ 2,023,538	\$ 2,039,629	\$ 2,039,629	\$ 23,888,531
10.	Est projected true-up over/(under)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11.	Revenue Requirements Net of Est Projected Recovery	\$ 1,958,431	\$ 3,915,321	\$ 5,875,263	\$ 7,843,419	\$ 9,819,808	\$ 11,804,440	\$ 13,797,316	\$ 15,798,433	\$ 17,807,786	\$ 19,825,364	\$ 21,848,902	\$ 23,888,531	\$ 23,888,531	

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2027 to December 2027**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains		\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 593,750	\$ 4,593,750	\$ 14,875,000
b.	Eligible Replacements - Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant		\$ 446,737	\$ 475,677	\$ 1,153,633	\$ 1,162,100	\$ 1,168,450	\$ 1,173,212	\$ 1,176,784	\$ 1,179,463	\$ 1,181,472	\$ 1,182,979	\$ 738,797	\$ 3,702,535	\$ 14,741,840
2.	Gross Plant-in-Service/Depreciation Base	\$ 213,978,330	\$214,425,066	\$214,900,743	\$216,054,376	\$217,216,476	\$218,384,926	\$219,558,138	\$220,734,923	\$221,914,386	\$223,095,858	\$224,278,838	\$225,017,635	\$228,720,170	
3.	Less: Accumulated Depreciation	\$ (33,958,355)	\$ (34,383,596)	\$ (34,809,730)	\$ (35,236,815)	\$ (35,666,208)	\$ (36,097,925)	\$ (36,531,979)	\$ (36,968,380)	\$ (37,407,133)	\$ (37,848,246)	\$ (38,291,722)	\$ (38,737,564)	\$ (39,184,883)	
4.	CWIP - NonInterest Bearing	\$ 1,786,946	\$ 1,340,210	\$ 1,052,032	\$ 1,085,899	\$ 1,111,299	\$ 1,130,349	\$ 1,144,637	\$ 1,155,353	\$ 1,163,390	\$ 1,169,417	\$ 1,173,938	\$ 1,028,891	\$ 1,920,106	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 181,806,921	\$181,381,680	\$181,143,046	\$181,903,460	\$182,661,567	\$183,417,350	\$184,170,796	\$184,921,896	\$185,670,642	\$186,417,029	\$187,161,054	\$187,308,962	\$191,455,392	
6.	Average Net Book Value		\$181,594,300	\$181,262,363	\$181,523,253	\$182,282,514	\$183,039,459	\$183,794,073	\$184,546,346	\$185,296,269	\$186,043,836	\$186,789,041	\$187,235,008	\$189,382,177	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 1,111,811	\$ 1,109,779	\$ 1,111,376	\$ 1,116,025	\$ 1,120,659	\$ 1,125,279	\$ 1,129,885	\$ 1,134,476	\$ 1,139,053	\$ 1,143,616	\$ 1,146,346	\$ 1,159,492	\$ 13,547,797
b.	Debt component (B)		\$ 266,807	\$ 266,320	\$ 266,703	\$ 267,819	\$ 268,931	\$ 270,039	\$ 271,145	\$ 272,247	\$ 273,345	\$ 274,440	\$ 275,095	\$ 278,250	\$ 3,251,141
8.	Investment Expenses														
a.	Depreciation (C)		\$ 430,541	\$ 431,434	\$ 432,386	\$ 434,693	\$ 437,017	\$ 439,354	\$ 441,700	\$ 444,054	\$ 446,413	\$ 448,776	\$ 451,142	\$ 452,619	\$ 5,290,128
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 268,530	\$ 3,222,358
d.	Depreciation Savings		\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)		\$ 2,072,389	\$ 2,070,763	\$ 2,073,694	\$ 2,081,767	\$ 2,089,837	\$ 2,097,902	\$ 2,105,960	\$ 2,114,007	\$ 2,122,041	\$ 2,130,062	\$ 2,135,813	\$ 2,153,591	\$ 25,247,824
10.	Est projected true-up over/(under)		\$ -												
11.	Revenue Requirements Net of Est Projected Recovery		\$ 2,072,389	\$ 4,143,152	\$ 6,216,846	\$ 8,298,613	\$ 10,388,450	\$ 12,486,351	\$ 14,592,311	\$ 16,706,318	\$ 18,828,359	\$ 20,958,420	\$ 23,094,233	\$ 25,247,824	

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

**Cast Iron/Bare Steel Replacement Rider**  
**Calculation of the Projected Amount for the Period**  
**ESTIMATED PERIOD January 2028 to December 2028**  
**Return on Capital Investments, Depreciation and Taxes for Eligible Replacements**

Line	Description	Beginning of Period Amount	January	February	March	April	May	June	July	August	September	October	November	December	End of Period Total
1.	Investments														
a.	Eligible Replacements - Mains		\$ -	\$ 187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 1,187,500	\$ 2,187,500	\$ 2,187,500	\$ 2,187,500	\$ 2,187,500	\$ 1,593,750	\$ 1,593,750	\$ 16,875,000
b.	Eligible Replacements - Services		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Eligible Replacements - Regulators		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
d.	Other		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
e.	Clearings to Plant		\$ 480,026	\$ 500,645	\$ 1,172,359	\$ 1,176,144	\$ 1,178,983	\$ 1,181,112	\$ 1,932,709	\$ 1,996,407	\$ 2,044,180	\$ 2,080,010	\$ 1,661,570	\$ 1,644,615	\$ 17,048,761
2.	Gross Plant-in-Service/Depreciation Base	\$ 228,720,170	\$ 229,200,196	\$ 229,700,841	\$ 230,873,200	\$ 232,049,344	\$ 233,228,327	\$ 234,409,439	\$ 236,342,148	\$ 238,338,555	\$ 240,382,735	\$ 242,462,745	\$ 244,124,315	\$ 245,768,930	
3.	Less: Accumulated Depreciation	\$ (39,184,883)	\$ (39,639,608)	\$ (40,095,292)	\$ (40,551,978)	\$ (41,011,008)	\$ (41,472,391)	\$ (41,936,132)	\$ (42,402,235)	\$ (42,872,203)	\$ (43,346,164)	\$ (43,824,214)	\$ (44,306,423)	\$ (44,791,956)	
4.	CWIP - NonInterest Bearing	\$ 1,920,106	\$ 1,440,079	\$ 1,126,934	\$ 1,142,076	\$ 1,153,432	\$ 1,161,949	\$ 1,168,337	\$ 1,423,128	\$ 1,614,221	\$ 1,757,540	\$ 1,865,030	\$ 1,797,210	\$ 1,746,345	
5.	Net Book Value (Lines 2 + 3 + 4)	\$ 191,455,392	\$ 191,000,668	\$ 190,732,484	\$ 191,463,298	\$ 192,191,767	\$ 192,917,885	\$ 193,641,644	\$ 195,363,041	\$ 197,080,573	\$ 198,794,111	\$ 200,503,562	\$ 201,615,102	\$ 202,723,320	
6.	Average Net Book Value		\$ 191,228,030	\$ 190,866,576	\$ 191,097,891	\$ 191,827,533	\$ 192,554,826	\$ 193,279,764	\$ 194,502,342	\$ 196,221,807	\$ 197,937,342	\$ 199,648,837	\$ 201,059,332	\$ 202,169,211	
7.	Return on Average Net Book Value														
a.	Equity component Grossed up for taxes (A)		\$ 1,170,794	\$ 1,168,581	\$ 1,169,997	\$ 1,174,464	\$ 1,178,917	\$ 1,183,355	\$ 1,190,841	\$ 1,201,368	\$ 1,211,871	\$ 1,222,350	\$ 1,230,986	\$ 1,237,781	\$ 14,341,305
b.	Debt component (B)		\$ 280,962	\$ 280,431	\$ 280,771	\$ 281,843	\$ 282,911	\$ 283,976	\$ 285,773	\$ 288,299	\$ 290,819	\$ 293,334	\$ 295,406	\$ 297,037	\$ 3,441,562
8.	Investment Expenses														
a.	Depreciation (C)		\$ 460,024	\$ 460,984	\$ 461,986	\$ 464,330	\$ 466,683	\$ 469,041	\$ 471,403	\$ 475,268	\$ 479,261	\$ 483,350	\$ 487,510	\$ 490,833	\$ 5,670,673
b.	Amortization		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
c.	Property Taxes (D)		\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 282,723	\$ 3,392,681
d.	Depreciation Savings		\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (5,300)	\$ (63,600)
9.	Revenue Requirements (Lines 7 + 8)		\$ 2,189,203	\$ 2,187,420	\$ 2,190,177	\$ 2,198,061	\$ 2,205,934	\$ 2,213,795	\$ 2,225,440	\$ 2,242,359	\$ 2,259,375	\$ 2,276,457	\$ 2,291,325	\$ 2,303,074	\$ 26,782,621
10.	Est projected true-up over/(under)		\$ -												
11.	Revenue Requirements Net of Est Projected Recovery		\$ 2,189,203	\$ 4,376,623	\$ 6,566,801	\$ 8,764,862	\$ 10,970,796	\$ 13,184,591	\$ 15,410,031	\$ 17,652,390	\$ 19,911,765	\$ 22,188,222	\$ 24,479,547	\$ 26,782,621	

Notes:

- (A) Line 7a = Line 6 x 7.5220% x 1/12. Based on ROE of 10.75%, and weighted income tax rate of 38.575%, expansion factor of 1.628002
- (B) Line 7b = Line 6 x 1.7631% x 1/12
- (C) Depreciation rates: 2.4% Mains Plastic, 2.2% Mains Steel, 3.3% Services Plastic, 3.7% Services Steel
- (D) Ad Valorem Tax Rate is 1.79%

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 5  
BATES STAMPED PAGE: 32  
FILED: JANUARY 13, 2017**

- 5.** Referring to Paragraph 17 on page 7 of the Settlement Agreement, what is the average per mile replacement cost of cast iron and bare steel (CI/BR) experienced by PGS under Rider CI/BSR?
  - A.** Based on historical data in the current cast iron / bare steel program, the average cost to replace Cast Iron Bare Steel is approximately \$260k per mile. Various factors such as location, population, area density and permitting can impact the average cost.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 6  
BATES STAMPED PAGES: 33 - 34  
FILED: JANUARY 13, 2017**

6. Please refer to paragraphs 17 and 19, on pages 7 and 8 respectively, of the Settlement Agreement for the following questions.
- a. Is it correct that the estimated total mileage of the problematic plastic pipe (PPP) to be replaced under the CI/BSR Rider is 550 miles as indicated in paragraph 17? If your response is negative, please provide the correct mileage with explanation.
  - b. Please provide a list of the gas utilities, in the United States, which have started a PPP replacement project.
  - c. Please provide a list of the regulated gas utilities, in the United States, which have specifically been authorized to recover the costs for a PPP replacement project.
- A.
- a. The first sentence of paragraph 17 of the Settlement Agreement reads:  
  
PGS estimates there are approximately 1,100 miles of this plastic pipe installed in its distribution system, approximately half of which is pre-1983 vintage (“problematic plastic pipe”).  
  
“[T]his plastic pipe” in the sentence refers to the types of plastic pipe referenced in the PHMSA advisories cited in paragraph 16 of the Settlement Agreement, so the total mileage of “problematic plastic pipe” or “PPP” could be greater or less than 1,100 miles, greater or less than 550 miles, or somewhere in between. Both mileages (*i.e.*, 550 and 1,100) are estimates or approximations
  - b. See response to 6c.
  - c. See attached document that provides a list of companies that have a mechanism or program in place for recovering PPP / Vintage / Aldyl-A pipe. (Note: data extracted from American Gas Association).

## State Infrastructure Replacement Activity

State	Activity
Arkansas	On July 7, 2014, the Arkansas Public Service Commission adopted a settlement in SourceGas Arkansas' (SGA) base rate proceeding. The approved settlement allows SGA to implement a main replacement program (MRP) rider and an at risk meter relocation program rider. The primary purpose of the MRP Rider is to support the expedited replacement of Subject Mains and Associated Services. Eligible mains and services under the MRP are: 1) Bare steel mains; 2) Coated steel mains that are not cathodically protected; and 3) Mains that are the subject of an advisory issued by a federal or state agency and which the Company has determined to be in unsatisfactory condition.
Arkansas	On July 25, 2014, the Arkansas Public Service Commission adopted a settlement in Arkansas Oklahoma Gas' base rate proceeding. The approved settlement also allowed for the implementation of a system safety and enhancement rider (SSER). The SSER will provide AOG with the opportunity to earn the Commission approved rate of return on investments made in replacing aging infrastructure. The SSER is designed to prioritize the replacement of the riskiest pipe in the system each year, but at a rate which has minimal impact on customers' bills. Mains covered under the SSER are: 1) Bare steel mains; 2) Any mains associated with the replacement of low pressure systems (AOG's tariff defines a low pressure system as one that is composed of distribution mains operated at less than or equal to 12 ounces of pressure); and Mains that are the subject of an advisory issued by a federal or Arkansas state agency and which the Company has determined to be in unsatisfactory condition.
California	Southwest Gas has a Early Vintage Plastic Pipe (EEVP) replacement plan anticipated to be completed in 2026.
Georgia	In September of 2013, AGL received approval to replace 756 miles of vintage plastic pipe over 4 years.
Illinois	On April 7, 2014, Nicor Gas filed for its infrastructure replacement surcharge with the ICC. Nicor's plan calls for approximately \$171 million in spending in each of the three years beginning in 2015. Entitled the Qualifying Infrastructure Plant (QIP) tariff, this surcharge will allow NICOR to replace hundreds of miles of aging distribution lines and thousands of natural gas services. The company also plans to upgrade gas transmission and storage systems and refurbish regulating stations. This application was approved on July 30, 2014. This plan will allow the company to replace approximately 125 miles of gas mains and 15,000 natural gas service lines. The following projects are eligible for recovery under the QIP: 1) Replacing cast iron main and related services; 2) Replacing non-cast iron main, which may include wrought iron, ductile iron, unprotected coated steel, unprotected bare steel, pre-1973 DuPont Aldyl "A" polyethylene, polyvinylchloride ("PVC") plastic, or other vintage materials, and related services; 3) Replacing copper services; 4) Replacing high-pressure transmission pipelines and associated facilities; and 5) Replacing and/or installing regulator stations, regulators, valves, and associated facilities.
Louisiana	In January of 2015, Entergy Gulf States received permission to start replacing many of the old pipes that carry natural gas in Baton Rouge. In the first phase, Entergy is replacing about 25 miles of cast iron pipe, then another two miles of bare steel, Another 72 miles of vintage plastic will be replaced in phase three. The Louisiana Public Service Commission, voted 3-1 to approve a special rider to pay for the work.
New Jersey	On February 29, 2016, South Jersey Gas (SJG) filed a petition with the New Jersey Board of Public Utilities seeking to continue its Accelerated Infrastructure Replacement Program (AIRP) for a period of seven years with a total program investment of \$500 million. The proposed program will be referred to as AIRP II. Under the AIRP II program, SJG would continue its Distribution Integrity Management Program-based approach to addressing the most significant threats on its distribution system and would replace and retire a significant portion of the vintage and most leak prone mains and services in its distribution system. The company's targets for replacement include: All remaining cast iron and unprotected bare steel mains and associated services; The most leak prone coated steel mains that are 2" in diameter or less and associated services; and Other pipe materials and sizes found within replacement grids that would be logical and necessary to complete the modernization of the grid.
New York	On September 10, 2010, The New York PSC approved a leak prone replacement schedule for New York State Electric and Gas (NYSEG) and Rochester Gas and Electric (RGE). The schedule requires that NYSEG replace a minimum of 24 miles of leak prone main per year and a minimum of 1200 leak prone services per year. RGE shall be required to replace 24 miles of leak prone main per year and 1000 services. Additionally, various utility have replace programs for leak prone pipe in New York.
Ohio	Columbia Gas expanded the scope of its Accelerated Main Replacement Program component to expressly include first generation plastic pipe or Aldyl-A plastic pipe when such pipe is associated with priority pipe in replacement projects. For each calendar year of the program, the footage of such first generation plastic pipe and Aldyl-A plastic pipe that may be included in Rider IRP may not exceed five percent of the total AMRP program footage for that same calendar year.
Virginia	Virginia has a state plan "SAVE" (Steps to Advance Virginia's Energy Plan) Act. The law allows utilities to petition the Commission for a separate rider to recover a return on certain investments, including natural gas facility replacement projects that enhance safety and reliability, or have the potential to reduce greenhouse gas emissions by reducing system integrity risks. Washington Gas Light implemented a pre-1975 Plastic Service Replacement initiative under this program.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 7  
BATES STAMPED PAGE: 35  
FILED: JANUARY 13, 2017**

7. Please refer to paragraph 18 on page 7 of the Settlement Agreement for the following questions.
- a. Please provide PGS's estimate of the number of miles of PPP that are interspersed with or connected to the CI/SB pipe remaining in PGS's system.
  - b. Please provide PGS's best estimate of the future incremental costs which can be avoided if PGS removes PPP concurrently with its removal of CI/BS pipe rather than separate removal operations. Please also discuss any assumptions used in deriving the estimate.
  - c. Please provide an estimate of the number of miles of PPP that were interspersed with, or connected to, PGS's already replaced CI/BS pipe.
- A.
- a. Peoples does not have a future estimate of the amount of pipe remaining that is connected to cast iron or bare steel, however, PGS estimates that the amount interspersed with future cast iron and bare steel replacements will be consistent with the five percent that has been interspersed on a historical basis and may vary by region.
  - b. There is insufficient data to provide a reliable estimate of the future incremental costs that could be avoided if PGS removes PPP concurrently with the removal of CI/BS pipe. A very rough estimate could be calculated by multiplying the actual interspersed pipe percentage by the total costs of each specific CI/BS removal project.
  - c. PGS estimates that 5 percent of pipe that has been replaced (interspersed) in the Cast Iron / Bare Steel Rider has been PPP. See response to 7a.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 8  
BATES STAMPED PAGE: 36  
FILED: JANUARY 13, 2017**

- 8.** Please refer to PGS's response to Staff's Third Data Request, No. 5 on page 6. Please specify the "projected number of miles of PPP, by mains and service lines," associated with the projected \$7 M investment in 2017.
- A.** PGS estimates a range of approximately 27 to 35 miles to be replaced in 2017.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 9  
BATES STAMPED PAGE: 37  
FILED: JANUARY 13, 2017**

- 9.** Please refer to PGS' response to Staff's Third Data Request, No. 5.
- a. Has PGS replaced any of its PPP to date? If so, please provide details such as location, amount, project efficiencies gained, etc.
  - b. When does PGS expect to have a detailed replacement schedule for PPP available?
  - c. What actions is PGS currently taking to develop such a schedule?
  - d. How and when does PGS intend to make such information known to the Commission?
- A.**
- a. Peoples has not replaced any PPP except the portions identified as segments within the CI/BSR program.
  - b. As consistent with the Cast Iron / Bare Steel program, Peoples has not created a detailed replacement schedule for PPP but manages replacement annually according to DIMP guidelines as discussed in Peoples response to Staff's Third Data Request No. 5.
  - c. None. See response to No. 9b.
  - d. Peoples is willing to provide such information as it has available to Staff upon request.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 10  
BATES STAMPED PAGE: 38  
FILED: JANUARY 13, 2017**

- 10.** Please refer to PGS' response to Staff's Third Data Request, No. 12.
- a. What is the status of PGS's activities/efforts to recover MGP environmental expenses from past owners of the Tampa site? If there was no past owner, please so state.
  - b. What are the names of the responsible parties for each site?
  - c. What is the settlement amount of the Jacksonville MGP site, and what was the disposition of the funds collected?
  - d. When does PGS anticipate a resolution of the claims against the parties at the Miami and Orlando sites?
- A.**
- a. PGS has not pursued any action against the prior owner of the Tampa MGP Site because PGS is a successor to the prior owner by virtue of a corporate merger.
  - b. North Miami Beach: PGS  
Tampa: PGS  
Orlando: PGS, The Southern Gas Company, Duke Energy, Continental Holdings Inc, City of Orlando  
Jacksonville: PGS, Continental Holdings Inc.  
Miami: PGS, Continental Holdings Inc, Florida Power and Light  
Ocala: PGS
  - c. The Agreement between PGS and Continental Holdings Inc. ("CHI") has PGS paying 20 percent of future investigation and remediation costs. CHI paying 80 percent of future investigation and remediation costs. Funds are not collected and escrowed at this site like they are at other sites. Invoices from work performed at this site are paid directly by PGS (at 20%) and CHI (at 80%).
  - d. A resolution for Orlando is anticipated in early 2017 and Miami, later in 2017.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 11  
BATES STAMPED PAGE: 39  
FILED: JANUARY 13, 2017**

- 11.** Please refer to PGS's response to Staff's Third Data Request, No. 13. Please identify the name of the environmental consulting firm reviewing the status of each MGP site, and provide the written report to the extent it is now available or becomes available prior to February 1, 2017.
  - A.** The environmental firm that reviews and reports on the status of each MGP site is Arcadis, Inc. PGS will provide the Remediation Estimate Report from the consultant when available.

**PEOPLES GAS SYSTEM  
DOCKET NO. 160159-GU  
STAFF'S FOURTH DATA REQUEST  
REQUEST NO. 12  
BATES STAMPED PAGE: 40  
FILED: JANUARY 13, 2017**

- 12.** Please confirm that PGS will apply the proposed depreciation rates contained in the Attachment B of the Settlement Agreement to revise its 2016 ITC amortization if the Settlement Agreement is approved by the Commission. Please also confirm that PGS will apply the proposed depreciation rates contained in the Attachment B of the Settlement Agreement to revise its 2016 deferred taxes amortization if the Settlement Agreement is approved by the Commission.
  
- A.** Peoples confirms that it will apply the proposed depreciation rates contained in Attachment B of the Settlement Agreement to revise deferred taxes if the agreement is approved by the Commission. Currently Peoples does not have ITC amortization therefore no adjustment is anticipated.