

	<u>MGTC Requested</u>	<u>OCA Recommended</u>
Rate Base	\$4,169,388	\$3,633,518
Recommended Return on Rate Base	<u>7.98%</u>	<u>7.98%</u>
Recommended Operating Income After Taxes	\$332,717	\$289,955
Current Operating Income After Taxes	<u>\$16,162</u>	<u>\$258,795</u>
Operating Income Shortfall (Excess)	\$316,555	\$31,160
Tax Gross-up	<u>1.5385</u>	<u>1.4657</u>
Required Increase (Decrease) in Non-Gas Operating Revenue*	\$487,007	\$45,671
Current Non-Gas Operating Revenue	\$1,709,642	\$1,709,642
Proposed Non-Gas Operating Revenue	\$2,196,649	\$1,755,313
Percent Increase (decrease)	28.49%	2.67%

\* Slight difference shown from the Company reported request of \$486,936 due to calculation rounding.

COMPARATIVE INFORMATION TAKEN FROM AUS UTILITY REPORTS, JULY 2011

Natural Gas Distribution, Transmission and Integrated Companies	Total Revenues Based on 3/11 Financials (\$ millions)	Percent Regulated Gas Revenues	Net Plant Based on 3/11 Financials (\$ millions)	Net Plant Per Dollars of Revenue	Common Equity Ratio	Earned Return on Book Value	Standard and Poor's Bond Rating	Moody's Bond Rating
AGL Resources Inc. (NYSE - AGL)	\$2,248	66%	\$4,518	\$2.01	46%	8.2%	A-	A3
Atmos Energy Corporation (NYSE - ATO)	\$4,331	64%	\$4,915	\$1.13	52%	7.9%	BBB+	Baa2
Delta Natural Gas Company (NDQ- DGAS)	\$80	62%	\$132	\$1.65	53%	8.8%	Not Rated	Not Rated
EI Paso Corporation (NYSE - EP)	\$4,204	67%	\$21,790	\$5.18	20%	7.9%	B+/B	Baa3
Energren Corporation (NYSE - EGN)	\$1,463	38%	\$3,812	\$2.61	77%	11.2%	BBB	A1
EQT Corporation (NYSE - EQT)	\$1,342	73%	\$6,088	\$4.54	62%	8.0%	BBB	Not Rated
Laclede Group, Inc. (NYSE- LG)	\$1,597	55%	\$898	\$0.56	61%	8.1%	A	A2
National Fuel Gas Company (NYSE-NFG)	\$1,744	58%	\$3,734	\$2.14	63%	11.6%	BBB	Baa1
New Jersey Resources Corp. (NYSE - NJR)	\$2,802	35%	\$1,167	\$0.42	57%	7.4%	A+	Not Rated
NICOR Inc. (NYSE-GAS)	\$2,554	80%	\$3,031	\$1.19	63%	9.1%	AA	Aa3
Northwest Natural Gas (NYSE-NWN)	\$371	93%	\$1,860	\$5.01	48%	7.7%	A+	A1
ONEOK, Inc. (NYSE-OKE)	\$12,973	35%	\$7,439	\$0.57	27%	7.2%	BBB	Baa2
Piedmont Natural Gas Co., Inc. (NYSE-PNV)	\$1,450	100%	\$2,485	\$1.71	56%	9.0%	A	A3
Questar Corporation (NYSE-STR)	\$1,179	86%	\$2,898	\$2.46	48%	5.9%	A	A3
RGC Resources, Inc. (NDQ-RGCO)	\$69	98%	\$83	\$1.21	64%	8.0%	Not Rated	Not Rated
South Jersey Industries, Inc. (NYSE - SJI)	\$928	49%	\$1,212	\$1.31	50%	9.7%	A	A2
Southern Union Company (NYSE-SUG)	\$2,478	60%	\$5,691	\$2.30	41%	8.5%	BBB-	Baa3
Southwest Gas Corporation (NYSE-SWX)	\$1,790	81%	\$3,069	\$1.71	52%	7.9%	BBB	Baa2
WGL Holdings, Inc. (NYSEA-WGL)	\$2,738	47%	\$2,385	\$0.87	64%	8.4%	AA-	A2
Williams Companies, Inc. (NYSE- WMB)	\$9,595	62%	\$20,341	\$2.12	42%	0.5%	BBB-	Baa2
SIMPLE AVERAGE	\$2,797	65%	\$4,877	\$2.03	52%	8.1%		
MEAN	\$1,767	63%	\$3,050	\$1.71	53%	8.1%		

<sup>1</sup> Piedmont Natural Gas information based on financial information one month later than that shown for other companies

GROWTH IN EARNINGS PER SHARE

Natural Gas Distribution, Transmission and Integrated Companies	December 2009		March 2010		June 2010		September 2010		December 2010		March 2011	
	Earnings Per Share (a)		Earnings Per Share (b)		Earnings Per Share (c)		Earnings per Share (d)		Earnings Per Share (e)		Earnings Per Share (f)	
AGL Resources Inc. (NYSE - AGL)	\$1.19	\$1.29	\$1.29	\$1.29	\$1.29	\$3.10	\$3.10	\$3.00	\$2.86			
Atmos Energy Corporation (NYSE - ATO)	\$2.25	\$2.06	\$2.06	\$2.00	\$2.21	\$2.21	\$2.02	\$2.25				
Delta Natural Gas Company (NDQ- DGAS)	\$1.53	\$1.54	\$1.54	\$1.70	\$1.75	\$1.97	\$1.96	\$1.96				
El Paso Corporation (NYSE - EP)	(\$0.83)	\$1.09	\$1.09	\$1.19	\$1.29	\$1.01	\$0.58	\$0.58				
Energen Corporation (NYSE - EGN)	\$3.57	\$3.86	\$3.86	\$3.87	\$4.24	\$4.03	\$3.71	\$3.71				
EQT Corporation (NYSE - EQT)	\$1.19	\$1.29	\$1.29	\$1.29	\$1.51	\$1.59	\$1.76	\$1.76				
Laclede Group, Inc. (NYSE- LG)	\$2.54	\$2.41	\$2.41	\$2.31	\$2.43	\$2.45	\$2.44	\$2.44				
National Fuel Gas Company (NYSE-NFG)	\$2.56	\$3.15	\$3.15	\$2.74	\$2.73	\$2.95	\$3.35	\$3.35				
New Jersey Resources Corp. (NYSE - NJR)	\$1.60	\$2.55	\$2.55	\$2.64	\$2.81	\$2.16	\$1.92	\$1.92				
NICOR Inc. (NYSE-GAS)	\$2.98	\$3.12	\$3.12	\$3.11	\$3.37	\$3.03	\$2.68	\$2.68				
Northwest Natural Gas (NYSE-NWN)	\$2.83	\$2.69	\$2.69	\$2.83	\$1.74	\$2.73	\$2.62	\$2.62				
ONEOK, Inc. (NYSE-OKE)	\$3.18	\$3.65	\$3.65	\$3.71	\$3.21	\$3.10	\$2.85	\$2.85				
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	\$2.49	\$2.41	\$2.41	\$2.01	\$1.95	\$1.56	\$1.57	\$1.57				
Questar Corporation (NYSE-STR)	\$2.27	\$2.74	\$2.74	\$2.68	\$2.40	\$1.91	\$1.45	\$1.45				
RGC Resources, Inc. (NDQ-RGCO)	\$2.11	\$2.14	\$2.14	\$2.09	\$1.97	\$2.02	\$1.90	\$1.90				
South Jersey Industries, Inc. (NYSE - SJI)	\$0.97	\$1.96	\$1.96	\$2.08	\$2.16	\$2.22	\$2.88	\$2.88				
Southern Union Company (NYSE-SUG)	\$1.37	\$1.65	\$1.65	\$1.55	\$1.67	\$1.86	\$1.91	\$1.91				
Southwest Gas Corporation (NYSE-SWX)	\$1.94	\$2.24	\$2.24	\$2.23	\$2.32	\$2.27	\$2.33	\$2.33				
WGL Holdings, Inc. (NYSEA-WGL)	\$2.24	\$2.31	\$2.31	\$2.46	\$2.18	\$2.50	\$2.49	\$2.49				
Williams Companies, Inc. (NYSE- WMB)	\$0.46	\$0.42	\$0.42	\$0.52	(\$1.87)	(\$1.89)	(\$1.02)	(\$1.02)				
SIMPLE AVERAGE	\$1.92	\$2.23	\$2.23	\$2.22	\$2.16	\$2.12	\$2.12	\$2.12				
MEDIAN	\$2.18	\$2.28	\$2.28	\$2.16	\$2.20	\$2.19	\$2.19	\$2.19				

<sup>1</sup> Piedmont Natural Gas information based on reported financial information one month later than that shown for other companies.

GROWTH IN CURRENT ANNUAL DIVIDEND PER SHARE

Natural Gas Distribution, Transmission and Integrated Companies	December 2009	March 2010	June 2010	September 2010	December 2010	March 2011
	Dividend per Share (a)	Dividend per Share (b)	Dividends per Share (c)	Dividends Per Share (d)	Dividends Per Share (e)	Dividend per Share (f)
AGL Resources Inc. (NYSE - AGL)	\$1.76	\$1.76	\$1.76	\$1.76	\$1.80	\$1.80
Atmos Energy Corporation (NYSE - ATO)	\$1.34	\$1.34	\$1.34	\$1.36	\$1.36	\$1.36
Delta Natural Gas Company (NDQ - DGAS)	\$1.30	\$1.30	\$1.36	\$1.36	\$1.36	\$1.36
El Paso Corporation (NYSE - EP)	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04	\$0.04
Energen Corporation (NYSE - EGN)	\$0.52	\$0.52	\$0.52	\$0.52	\$0.54	\$0.54
EQT Corporation (NYSE - EQT)	\$0.88	\$0.88	\$0.88	\$0.88	\$0.88	\$0.88
Laclede Group, Inc. (NYSE- LG)	\$1.58	\$1.58	\$1.58	\$1.62	\$1.62	\$1.62
National Fuel Gas Company (NYSE-NFG)	\$1.34	\$1.34	\$1.38	\$1.38	\$1.38	\$1.38
New Jersey Resources Corp. (NYSE - NJR)	\$1.36	\$1.36	\$1.36	\$1.44	\$1.44	\$1.44
NICOR Inc. (NYSE-GAS)	\$1.86	\$1.86	\$1.86	\$1.86	\$1.86	\$1.86
Northwest Natural Gas (NYSE-NWN)	\$1.66	\$1.66	\$1.66	\$1.74	\$1.74	\$1.74
ONEOK, Inc. (NYSE-OKE)	\$1.76	\$1.76	\$1.84	\$1.92	\$2.08	\$2.08
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	\$1.12	\$1.12	\$1.12	\$1.12	\$1.16	\$1.16
Questar Corporation (NYSE-STR)	\$0.52	\$0.52	\$0.56	\$0.56	\$0.61	\$0.61
RGC Resources, Inc. (NDQ-RGCO)	\$1.32	\$1.32	\$1.32	\$1.36	\$1.36	\$1.36
South Jersey Industries, Inc. (NYSE - SJI)	\$1.32	\$1.32	\$1.32	\$1.46	\$1.46	\$1.46
Southern Union Company (NYSE-SUG)	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60	\$0.60
Southwest Gas Corporation (NYSE-SWX)	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.06
WGL Holdings, Inc. (NYSEA-WGL)	\$1.51	\$1.51	\$1.51	\$1.51	\$1.55	\$1.55
Williams Companies, Inc. (NYSE- WMB)	\$0.44	\$0.50	\$0.50	\$0.50	\$0.50	\$0.80
SIMPLE AVERAGE	\$1.16	\$1.16	\$1.18	\$1.20	\$1.22	\$1.24
MEDIAN	\$1.32	\$1.32	\$1.33	\$1.36	\$1.36	\$1.36

<sup>1</sup> Piedmont Natural Gas information based on reported financial information one month later than that shown for other companies.

GROWTH IN BOOK VALUE PER SHARE

<u>Natural Gas Distribution, Transmission and Integrated Companies</u>	December 2009	March 2010	June 2010	September 2010	December 2010	March 2011
	<u>Book Value Per Share</u> (a)	<u>Book Value Per Share</u> (b)	<u>Book Value Per Share</u> (c)	<u>Book Value Per Share</u> (d)	<u>Book Value Per Share</u> (e)	<u>Book Value per Share</u> (f)
AGL Resources Inc. (NYSE - AGL)	\$23.09	\$23.63	\$23.26	\$23.20	\$23.42	\$24.34
Atmos Energy Corporation (NYSE - ATO)	\$24.41	\$25.19	\$24.97	\$24.16	\$25.10	\$26.28
Delta Natural Gas Company (NDQ- DGAS)	\$17.58	\$18.56	\$17.73	\$17.82	\$18.31	\$19.50
El Paso Corporation (NYSE - EP)	\$4.48	\$5.03	\$4.14	\$4.40	\$4.50	\$5.51
Energen Corporation (NYSE - EGN)	\$27.66	\$29.56	\$30.30	\$30.21	\$28.80	\$29.86
EQT Corporation (NYSE - EQT)	\$13.65	\$20.73	\$20.28	\$20.51	\$20.64	\$21.10
Laclede Group, Inc. (NYSE- LG)	\$24.16	\$25.13	\$24.79	\$24.02	\$24.52	\$25.41
National Fuel Gas Company (NYSE-NFG)	\$20.28	\$20.70	\$20.99	\$21.27	\$21.31	\$22.01
New Jersey Resources Corp. (NYSE - NJR)	\$17.21	\$18.43	\$17.93	\$18.87	\$17.81	\$18.98
NICOR Inc. (NYSE-GAS)	\$22.81	\$23.64	\$23.76	\$23.69	\$24.24	\$24.79
Northwest Natural Gas (NYSE-NWN)	\$24.84	\$26.07	\$25.93	\$25.35	\$25.97	\$27.11
ONEOK, Inc. (NYSE-OKE)	\$20.76	\$22.16	\$22.14	\$22.68	\$23.02	\$23.33
Piedmont Natural Gas Co., Inc. (NYSE-PNV) <sup>1</sup>	\$13.50	\$14.05	\$13.29	\$13.35	\$14.15	\$14.55
Questar Corporation (NYSE-STR)	\$19.87	\$21.59	\$5.47	\$5.53	\$5.89	\$6.14
RGC Resources, Inc. (NDQ-RGCO)	\$20.65	\$21.52	\$20.40	\$20.36	\$21.14	\$22.04
South Jersey Industries, Inc. (NYSE - SJI)	\$18.22	\$18.92	\$18.50	\$18.62	\$19.08	\$20.37
Southern Union Company (NYSE-SUG)	\$18.93	\$20.19	\$19.70	\$19.86	\$20.08	\$20.71
Southwest Gas Corporation (NYSE-SWX)	\$24.63	\$25.48	\$25.12	\$24.61	\$25.60	\$26.86
WGL Holdings, Inc. (NYSEA-WGL)	\$22.35	\$23.65	\$23.42	\$22.63	\$23.51	\$24.70
Williams Companies, Inc. (NYSE- WMB)	\$14.33	\$12.97	\$12.88	\$12.03	\$12.46	\$12.84
SIMPLE AVERAGE	\$19.67	\$20.86	\$19.75	\$19.66	\$19.98	\$20.82
MEDIAN	\$20.47	\$21.56	\$20.70	\$20.89	\$21.23	\$22.03

<sup>1</sup> Piedmont Natural Gas information based on reported financial information one month later than that shown for other companies.

STOCK PRICE

Natural Gas Distribution, Transmission and Integrated Companies	March 15, 2010	June 18, 2010	September 17, 2010	December 16, 2010	March 21, 2011	June 20, 2011
	<u>Stock Price</u> (a)	<u>Stock Price</u> (b)	<u>Stock Price</u> (c)	<u>Stock Price</u> (d)	<u>Stock Price</u> (e)	<u>Stock Price</u> (f)
AGL Resources Inc. (NYSE - AGL)	\$37.50	\$37.92	\$37.70	\$35.98	\$39.30	\$39.84
Atmos Energy Corporation (NYSE - ATO)	\$28.80	\$28.67	\$28.49	\$31.31	\$33.90	\$32.17
Delta Natural Gas Company (NDQ- DGAS)	\$29.90	\$28.75	\$30.00	\$30.83	\$31.60	\$32.51
El Paso Corporation (NYSE - EP)	\$11.08	\$12.68	\$12.08	\$13.15	\$17.85	\$19.69
Energen Corporation (NYSE - EGN)	\$47.20	\$48.68	\$44.50	\$46.96	\$63.15	\$55.40
EQT Corporation (NYSE - EQT)	\$43.50	\$40.97	\$33.89	\$43.62	\$47.73	\$50.09
Laclede Group, Inc. (NYSE- LG)	\$33.62	\$34.17	\$33.37	\$36.83	\$37.51	\$36.74
National Fuel Gas Company (NYSE-NFG)	\$51.53	\$51.74	\$45.28	\$63.55	\$70.97	\$69.02
New Jersey Resources Corp. (NYSE - NJR)	\$36.82	\$36.52	\$37.70	\$43.54	\$42.07	\$43.59
NICOR Inc. (NYSE-GAS)	\$42.84	\$42.94	\$44.20	\$50.12	\$53.51	\$54.31
Northwest Natural Gas (NYSE-NWN)	\$46.19	\$46.12	\$46.24	\$47.16	\$46.74	\$44.43
ONEOK, Inc. (NYSE-OKE)	\$46.57	\$47.00	\$43.94	\$53.85	\$66.17	\$70.69
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	\$27.36	\$27.03	\$28.19	\$29.79	\$29.64	\$29.77
Questar Corporation (NYSE-STR)	\$43.05	\$49.58	\$17.14	\$17.34	\$17.38	\$17.77
RGC Resources, Inc. (NDQ-RGCO)	\$31.07	\$31.44	\$30.55	\$31.75	\$31.25	\$32.55
South Jersey Industries, Inc. (NYSE - SJI)	\$41.02	\$45.53	\$47.46	\$53.37	\$54.97	\$51.26
Southern Union Company (NYSE-SUG)	\$25.32	\$23.57	\$24.24	\$24.26	\$28.50	\$33.70
Southwest Gas Corporation (NYSE-SWX)	\$29.60	\$31.19	\$32.42	\$36.46	\$38.60	\$37.40
WGL Holdings, Inc. (NYSEA-WGL)	\$33.78	\$35.24	\$36.08	\$36.30	\$38.46	\$37.76
Williams Companies, Inc. (NYSE- WMB)	\$22.70	\$21.42	\$18.40	\$23.65	\$30.75	\$28.54
SIMPLE AVERAGE	\$35.47	\$36.06	\$33.59	\$37.49	\$41.00	\$40.86
MEDIAN	\$35.30	\$35.88	\$33.63	\$36.38	\$38.53	\$37.58

GROWTH BASED ON EARNINGS PER SHARE

	Price as of August 22, 2011 (a)	June 2011 Quarterly Dividend Annualized (b)	Dividend Yield (c)	Historic 10 Year Growth in Earnings (d)	Historic 5 Year Growth in Earnings (e)	Value Line Forecast Growth in Earnings (f)	Yield plus 10 year Earnings Growth (g)	Yield plus 5 year Earnings Growth (h)	Yield plus Forecast Earnings Growth (i)
<b>Natural Gas Distribution, Transmission and Integrated Companies</b>									
AGL Resources Inc. (NYSE - AGL)	\$37.37	\$1.80	4.82%	9.0%	4.5%	5.0%	13.82%	9.32%	9.82%
Atmos Energy Corporation (NYSE - ATO)	\$31.54	\$1.36	4.31%	5.0%	4.0%	5.0%	9.31%	8.31%	9.31%
Delta Natural Gas Company (NDQ- DGAS)	\$31.35	\$1.36	4.34%	NA	5.0%	7.5%	NA	9.34%	11.84%
El Paso Corporation (NYSE - EP)	\$17.00	\$0.04	0.24%	-5.5%	63.5%	5.5%	-5.26%	63.74%	5.74%
Energen Corporation (NYSE - EGN)	\$44.04	\$0.54	1.23%	18.5%	16.0%	4.5%	19.73%	17.23%	5.73%
EQT Corporation (NYSE - EQT)	\$51.98	\$0.88	1.69%	12.0%	0.5%	12.0%	13.69%	2.19%	13.69%
Laclede Group, Inc. (NYSE- LG)	\$35.95	\$1.62	4.51%	6.0%	7.5%	2.5%	10.51%	12.01%	7.01%
National Fuel Gas Company (NYSE-NFG)	\$55.03	\$1.38	2.51%	6.5%	8.0%	6.5%	9.01%	10.51%	9.01%
New Jersey Resources Corp. (NYSE - NJR)	\$43.54	\$1.44	3.31%	8.5%	8.5%	4.0%	11.81%	11.81%	7.31%
NICOR Inc. (NYSE-GAS)	\$51.92	\$1.86	3.58%	1.0%	5.5%	-0.5%	4.58%	9.08%	3.08%
Northwest Natural Gas (NYSE-NWN)	\$42.21	\$1.74	4.12%	6.0%	9.5%	4.5%	10.12%	13.62%	8.62%
ONEOK, Inc. (NYSE-OKE)	\$65.60	\$2.08	3.17%	9.5%	5.0%	5.5%	12.67%	8.17%	8.67%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	\$28.10	\$1.16	4.13%	5.0%	5.0%	3.0%	9.13%	9.13%	7.13%
Questar Corporation (NYSE-STR)	\$17.58	\$0.61	3.48%	18.5%	24.0%	NA	21.98%	27.48%	NA
RGC Resources, Inc. (NDQ-RGCO)	\$34.50	\$1.36	3.94%	NA	6.5%	-10.0%	NA	10.44%	-6.06%
South Jersey Industries, Inc. (NYSE - SJI)	\$47.37	\$1.46	3.08%	10.5%	9.5%	9.0%	13.58%	12.58%	12.08%
Southern Union Company (NYSE-SUG)	\$40.96	\$0.60	1.46%	21.5%	9.0%	5.0%	22.96%	10.46%	6.46%
Southwest Gas Corporation (NYSE-SWX)	\$33.89	\$1.06	3.13%	3.5%	6.0%	8.0%	6.63%	9.13%	11.13%
WGL Holdings, Inc. (NYSEA-WGL)	\$37.50	\$1.56	4.16%	4.0%	2.5%	1.5%	8.16%	6.66%	5.66%
Williams Companies, Inc. (NYSE- WMB)	\$23.94	\$0.80	3.34%	4.0%	28.5%	10.0%	7.34%	31.84%	13.34%
SIMPLE AVERAGE	\$38.57	\$1.24	3.23%	7.97%	11.43%	4.66%	11.10%	14.65%	7.87%
MEDIAN	\$37.44	\$1.36	3.41%	6.25%	7.00%	5.00%	10.31%	10.45%	8.62%



GROWTH BASED ON BOOK VALUE

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)
	Price as of August 22, 2011	June 2011 Quarterly Dividend Annualized	Dividend Yield	Historic 10 Year Growth in Book Value	Historic 5 Year Growth in Book Value	Value Line Forecast Growth in Book Value	Yield plus 10 Year Book Value Growth	Yield plus 5 year Book Value Growth	Yield plus Forecast Book Value Growth
<b>Natural Gas Distribution, Transmission and Integrated Companies</b>									
AGL Resources Inc. (NYSE - AGL)	\$37.37	\$1.80	4.82%	7.0%	5.5%	6.0%	11.82%	10.32%	10.82%
Atmos Energy Corporation (NYSE - ATO)	\$31.54	\$1.36	4.31%	6.5%	5.0%	4.5%	10.81%	9.31%	8.81%
Delta Natural Gas Company (NDQ- DGAS)	\$31.35	\$1.36	4.34%	NA	3.5%	2.5%	NA	7.84%	6.84%
El Paso Corporation (NYSE - EP)	\$17.00	\$0.04	0.24%	-12.0%	-5.5%	16.0%	-11.76%	-5.26%	16.24%
Energren Corporation (NYSE - EGN)	\$44.04	\$0.54	1.23%	16.5%	21.0%	8.0%	17.73%	22.23%	9.23%
EQT Corporation (NYSE - EQT)	\$51.98	\$0.88	1.69%	13.5%	24.0%	14.0%	15.19%	25.69%	15.69%
Laclede Group, Inc. (NYSE- LG)	\$35.95	\$1.62	4.51%	4.5%	7.0%	5.0%	9.01%	11.51%	9.51%
National Fuel Gas Company (NYSE-NFG)	\$55.03	\$1.38	2.51%	5.5%	7.0%	7.0%	8.01%	9.51%	9.51%
New Jersey Resources Corp. (NYSE - NJR)	\$43.54	\$1.44	3.31%	8.5%	10.0%	6.0%	11.81%	13.31%	9.31%
NICOR Inc. (NYSE-GAS)	\$51.92	\$1.86	3.58%	3.5%	5.5%	3.5%	7.08%	9.08%	7.08%
Northwest Natural Gas (NYSE-NWN)	\$42.21	\$1.74	4.12%	3.5%	4.0%	6.5%	7.62%	8.12%	10.62%
ONEOK, Inc. (NYSE-OKE)	\$65.60	\$2.08	3.17%	7.5%	3.5%	9.0%	10.67%	6.67%	12.17%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	\$28.10	\$1.16	4.13%	5.0%	3.5%	3.0%	9.13%	7.63%	7.13%
Questar Corporation (NYSE-STR)	\$17.58	\$0.61	3.48%	13.0%	19.0%	NA	16.48%	22.48%	NA
RGC Resources, Inc. (NDQ-RGCO)	\$34.50	\$1.36	3.94%	NA	2.5%	2.0%	NA	6.44%	5.94%
South Jersey Industries, Inc. (NYSE - SJI)	\$47.37	\$1.46	3.08%	10.5%	8.0%	6.5%	13.58%	11.08%	9.58%
Southern Union Company (NYSE-SUG)	\$40.96	\$0.60	1.46%	7.0%	8.5%	6.5%	8.46%	9.96%	7.96%
Southwest Gas Corporation (NYSE-SWX)	\$33.89	\$1.06	3.13%	4.5%	5.0%	5.5%	7.63%	8.13%	8.63%
WGL Holdings, Inc. (NYSEA-WGL)	\$37.50	\$1.56	4.16%	4.0%	5.0%	3.5%	8.16%	9.16%	7.66%
Williams Companies, Inc. (NYSE- WMB)	\$23.94	\$0.80	3.34%	1.5%	9.5%	3.0%	4.84%	12.84%	6.34%
SIMPLE AVERAGE	\$38.57	\$1.24	3.23%	6.11%	7.58%	6.21%	9.24%	10.80%	9.42%
MEDIAN	\$37.44	\$1.36	3.41%	6.00%	5.50%	6.00%	9.07%	9.41%	9.23%

DIVIDEND YIELD HISTORY

**Natural Gas Distribution, Transmission  
and Integrated Companies**

**Dividend Yield**

Year 2001	4.1%
Year 2002	4.3%
Year 2003	4.0%
Year 2004	3.3%
Year 2005	3.1%
Year 2006	3.1%
Year 2007	2.9%
Year 2008	13.1%
Year 2009	3.8%
Year 2010	3.2%

SIMPLE AVERAGE  
MEDIAN

4.5%  
4.0%

HISTORIC EARNINGS

	2007		2008		2009		2010	
	Return on Total Capital <u>2007</u> (a)	Return on Total Capital <u>2008</u> (b)	Return on Total Capital <u>2009</u> (c)	Return on Total Capital <u>2010</u> (d)	Profit as Percent of Revenues (e)	Profit as Percent of Revenues (f)	Profit as Percent of Revenues (g)	Profit as Percent of Revenues (h)
<b>Natural Gas Distribution, Transmission and Integrated Companies</b>								
AGL Resources Inc. (NYSE - AGL)	7.7%	7.4%	6.9%	7.6%	8.5%	7.4%	9.6%	9.9%
Atmos Energy Corporation (NYSE - ATO)	5.9%	5.9%	5.9%	6.9%	2.9%	2.5%	3.6%	4.2%
Delta Natural Gas Company (NDQ- DGAS)	6.3%	7.6%	6.2%	6.5%	5.4%	6.1%	4.9%	7.4%
El Paso Corporation (NYSE - EP)	6.9%	8.1%	8.9%	7.3%	15.7%	17.0%	21.0%	16.4%
Energen Corporation (NYSE - EGN)	17.1%	13.6%	11.3%	12.1%	21.5%	20.1%	17.6%	18.4%
EQT Corporation (NYSE - EQT)	10.7%	8.6%	5.2%	5.8%	12.8%	16.2%	12.4%	17.2%
Laclede Group, Inc. (NYSE- LG)	8.5%	8.1%	8.7%	7.4%	2.5%	2.6%	3.4%	3.1%
National Fuel Gas Company (NYSE-NFG)	9.7%	11.7%	8.8%	9.4%	9.9%	11.2%	10.2%	12.4%
New Jersey Resources Corp. (NYSE - NJR)	7.7%	10.7%	9.7%	9.8%	2.2%	3.0%	3.9%	3.9%
NICOR Inc. (NYSE-GAS)	11.2%	9.7%	10.0%	9.5%	4.3%	3.2%	5.1%	5.1%
Northwest Natural Gas (NYSE-NWN)	8.5%	7.7%	7.3%	5.6%	7.2%	6.6%	7.4%	8.9%
ONEOK, Inc. (NYSE-OKE)	6.7%	6.4%	6.5%	7.3%	2.3%	1.9%	2.7%	2.6%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	7.8%	8.2%	91.0%	8.4%	6.1%	5.3%	7.5%	7.2%
Questar Corporation (NYSE-STR)	14.8%	13.6%	9.8%	11.1%	18.5%	20.1%	16.3%	17.1%
RGC Resources, Inc. (NDQ-RGCO)	0.1%	7.3%	8.0%	7.2%	4.2%	4.5%	5.9%	6.0%
South Jersey Industries, Inc. (NYSE - SJI)	8.6%	8.9%	9.0%	9.5%	6.5%	7.0%	8.4%	8.8%
Southern Union Company (NYSE-SUG)	6.1%	4.9%	4.9%	5.4%	8.7%	8.0%	9.3%	9.0%
Southwest Gas Corporation (NYSE-SWX)	5.5%	4.5%	5.4%	6.2%	3.9%	2.8%	4.6%	5.7%
WGL Holdings, Inc. (NYSEA-WGL)	7.6%	8.5%	8.8%	7.6%	3.9%	4.7%	4.8%	4.2%
Williams Companies, Inc. (NYSE- WMB)	8.6%	10.2%	4.6%	6.7%	8.3%	10.7%	5.3%	7.9%
SIMPLE AVERAGE	8.3%	8.6%	11.8%	7.9%	7.8%	8.0%	8.2%	8.8%
MEDIAN	7.8%	8.2%	8.4%	7.4%	6.3%	6.4%	6.7%	7.7%

MGTC, Inc.  
Docket No. 30003-52-GR-11  
Rate of Return

Debt Equity Ratios

	2007	2008	2009	2010	2007	2008	2009	2010	2009	2010
	Long-Term Debt Ratio (a)	Long-Term Debt Ratio (b)	Long-Term Debt Ratio (c)	Long-Term Debt Ratio (d)	Common Equity Ratio (e)	Common Equity Ratio (f)	Common Equity Ratio (g)	Common Equity Ratio (h)	Common Equity Ratio (e)	Common Equity Ratio (h)
<b>Natural Gas Distribution, Transmission and Integrated Companies</b>										
AGL Resources Inc. (NYSE - AGL)	50%	50%	53%	48%	50%	50%	47%	52%	47%	52%
Atmos Energy Corporation (NYSE - ATO)	52%	51%	50%	45%	48%	49%	50%	55%	50%	55%
Delta Natural Gas Company (NDQ- DGAS)	52%	50%	49%	48%	48%	50%	51%	52%	51%	52%
El Paso Corporation (NYSE - EP)	70%	76%	81%	78%	30%	24%	19%	22%	19%	22%
Energren Corporation (NYSE - EGN)	29%	23%	17%	16%	71%	77%	83%	84%	83%	84%
EQT Corporation (NYSE - EQT)	41%	38%	48%	39%	59%	62%	52%	61%	52%	61%
Laclede Group, Inc. (NYSE- LG)	45%	44%	43%	41%	55%	56%	57%	60%	57%	60%
National Fuel Gas Company (NYSE-NFG)	33%	38%	44%	38%	67%	62%	56%	62%	56%	62%
New Jersey Resources Corp. (NYSE - NJR)	37%	39%	40%	37%	63%	62%	60%	63%	60%	63%
NICOR Inc. (NYSE-GAS)	31%	32%	32%	31%	69%	68%	68%	69%	68%	69%
Northwest Natural Gas (NYSE-NWVN)	46%	45%	48%	47%	54%	55%	52%	54%	52%	54%
ONEOK, Inc. (NYSE-OKE)	68%	66%	66%	60%	32%	34%	34%	40%	34%	40%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	48%	47%	44%	41%	52%	53%	56%	59%	56%	59%
Questar Corporation (NYSE-STR)	28%	38%	38%	46%	72%	62%	62%	54%	62%	54%
RGC Resources, Inc. (NDQ-RGCO)	35%	34%	38%	38%	65%	66%	66%	62%	62%	62%
South Jersey Industries, Inc. (NYSE - SJI)	43%	39%	37%	37%	57%	61%	64%	63%	64%	63%
Southern Union Company (NYSE-SUG)	57%	58%	58%	58%	38%	40%	40%	42%	40%	42%
Southwest Gas Corporation (NYSE-SWX)	58%	55%	54%	49%	42%	45%	47%	51%	47%	51%
WGL Holdings, Inc. (NYSEA-WGL)	38%	36%	33%	33%	60%	62%	65%	65%	65%	65%
Williams Companies, Inc. (NYSE- WMB)	55%	48%	49%	54%	45%	52%	51%	46%	51%	46%
SIMPLE AVERAGE	43%	43%	44%	41%	52%	52%	51%	53%	51%	53%
MEDIAN	46%	45%	46%	43%	54%	55%	54%	57%	54%	57%

MGTC, Inc.  
Docket No. 30003-52-GR-11  
Rate of Return

AVERAGE INTEREST COST ON LONG TERM DEBT AS OF MARCH 2011

Natural Gas Distribution, Transmission <u>and Integrated Companies</u>	Calculated Long Term <u>Interest Rate</u>
AGL Resources Inc. (NYSE - AGL)	6.4%
Atmos Energy Corporation (NYSE - ATO)	6.1%
Delta Natural Gas Company (NDQ- DGAS)	NA
El Paso Corporation (NYSE - EP)	7.4%
Energen Corporation (NYSE - EGN)	6.2%
EQT Corporation (NYSE - EQT)	5.1%
Laclede Group, Inc. (NYSE- LG)	5.5%
National Fuel Gas Company (NYSE-NFG)	7.0%
New Jersey Resources Corp. (NYSE - NJR)	2.7%
NICOR Inc. (NYSE-GAS)	17.1%
Northwest Natural Gas (NYSE-NWN)	7.0%
ONEOK, Inc. (NYSE-OKE)	6.4%
Piedmont Natural Gas Co., Inc. (NYSE-PNY)	7.5%
Questar Corporation (NYSE-STR)	5.6%
RGC Resources, Inc. (NDQ-RGCO)	NA
South Jersey Industries, Inc. (NYSE - SJI)	6.0%
Southern Union Company (NYSE-SUG)	6.2%
Southwest Gas Corporation (NYSE-SWX)	0.6%
WGL Holdings, Inc. (NYSEA-WGL)	6.4%
Williams Companies, Inc. (NYSE- WMB)	7.4%
SIMPLE AVERAGE	6.5%
MEDIAN	6.3%

Based on March 2011 Financial Information from Value Line

Summary of Discounted Cash Flow Analysis

**Natural Gas Distribution, Transmission  
and Integrated Companies**

Dividend Yield	3.41% to 4.00%
Growth -- Earnings	5.00% to 7.00%
Growth -- Dividends	3.50% to 4.00%
Growth --Book Value	5.50% to 6.00%
<b>Discounted Cash Flow Results</b>	<b>6.91% to 11.00%</b>

	<u>Capitalization Ratio</u>	<u>Cost</u>	<u>Weighted Cost</u>
Industry Average Long Term Debt Ratio	45.00%	6.30%	2.835%
Industry Average Common Equity Ratio	55.00%	9.35%	5.145%
Total			7.980%

RATE BASE

	MGTC Per Book	MGTC Adjustments	MGTC As Proposed	OCA Adjustments	OCA Recommended
<u>Intangible Plant</u>					
Organization	\$64,796	\$0	\$64,796	\$0	\$64,796
Total Intangible Plant	\$64,796	\$0	\$64,796	\$0	\$64,796
Less: Accum. Prov. for Amortization & Depletion	<u>64,796</u>	<u>0</u>	<u>64,796</u>	<u>0</u>	<u>64,796</u>
Net intangible Plant	\$0	\$0	\$0	\$0	\$0
<u>Production and Gathering Plant</u>					
Field Lines	\$423,385	\$0	\$423,385	\$0	\$423,385
Other Equipment	1,091	0	1,091	0	1,091
Asset Retirement Cost	<u>136</u>	<u>0</u>	<u>136</u>	<u>0</u>	<u>136</u>
Total Production and Gathering Plant	\$424,612	\$0	\$424,612	\$0	\$424,612
Less: Accumul. Deprec. For Gathering	424,476	0	424,476	0	424,476
Less: Asset Retirement Obligation for Gathering	<u>2,582</u>	<u>(2,446)</u>	<u>136</u>	<u>0</u>	<u>136</u>
Net Gathering Plant	(\$2,446)	\$2,446	(\$0)	\$0	(\$0)
<u>Transmission Plant</u>					
Rights-of-Way	\$578,094	\$0	\$578,094	\$0	\$578,094
Structures and Improvements	75,769	0	75,769	0	75,769
Mains	5,704,143	2,679,916	8,384,059	0	8,384,059
Compressor Station Equipment	756,584	0	756,584	0	756,584
Measuring and Regulating Station Equipment	368,752	493,422	862,174	0	862,174
Asset Retirement Cost	<u>30,203</u>	<u>0</u>	<u>30,203</u>	<u>0</u>	<u>30,203</u>
Total Transmission Plant	\$7,513,545	\$3,173,338	\$10,686,883	\$0	\$10,686,883
Less: Accumul. Deprec. For Transmission	6,939,039	180,363	7,119,403	(152,969)	6,966,434
Less: Asset Retirement Obligation for Transmission	<u>51,098</u>	<u>(20,894)</u>	<u>30,203</u>	<u>0</u>	<u>30,203</u>
Net Transmission Plant	\$523,408	\$3,013,869	\$3,537,277	\$152,969	\$3,690,246
<u>Distribution Plant</u>					
Mains	\$1,076,297	\$200,000	\$1,276,297	\$0	\$1,276,297
Asset Retirement Cost	<u>230</u>	<u>0</u>	<u>230</u>	<u>0</u>	<u>230</u>
Total Distribution Plant	\$1,076,527	\$200,000	\$1,276,527	\$0	\$1,276,527
Less: Accumul. Deprec. For Distribution	739,673	25,957	765,630	(16,795)	748,835
Less: Asset Retirement Obligation for Distribution	<u>4,355</u>	<u>(4,126)</u>	<u>230</u>	<u>0</u>	<u>230</u>
Net Distribution Plant	\$332,499	\$178,169	\$510,667	\$16,795	\$527,463
<u>General Plant</u>					
Structures and improvements	\$38,746	\$0	\$38,746	\$0	\$38,746
Office Furniture and Equipment	98,875	0	98,875	0	98,875
Transportation and Equipment	188,991	36,000	224,991	0	224,991
Tools, Shop & Garage Equipment	36,269	0	36,269	0	36,269
Communications Equipment	<u>14,012</u>	<u>95,000</u>	<u>109,012</u>	<u>0</u>	<u>109,012</u>
Total General Plant	\$376,892	\$131,000	\$507,892	\$0	\$507,892
Less: Accumul. Deprec. For General Plant	340,330	14,406	354,736	0	354,736
Less: Asset Retirement Obligation for General Plant	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net General Plant	\$36,562	\$116,594	\$153,155	(\$0)	\$153,155
<b>TOTAL GROSS PLANT IN SERVICE</b>	<b>\$9,456,371</b>	<b>\$3,504,338</b>	<b>\$12,960,709</b>	<b>\$0</b>	<b>\$12,960,709</b>
Total Accumulated Deprec. & Amortiz.	<u>8,566,349</u>	<u>193,261</u>	<u>8,759,610</u>	<u>(169,764)</u>	<u>8,589,846</u>
<b>NET PLANT IN SERVICE</b>	<b>\$890,022</b>	<b>\$3,311,077</b>	<b>\$4,201,099</b>	<b>\$169,764</b>	<b>\$4,370,864</b>
<u>Other Rate Base Items</u>					
Less: Accumulated Deferred Income Taxes	(\$84,835)	\$116,547	\$31,712	\$1,004,506	\$1,036,218
Plus: Cash Working Capital	\$0	\$0	\$0	\$298,873	\$298,873
<b>TOTAL RATE BASE</b>	<b>\$974,857</b>	<b>\$3,194,531</b>	<b>\$4,169,388</b>	<b>(\$535,870)</b>	<b>\$3,633,518</b>

MGTC, Inc.  
Docket No. 30003-52-GR-11

DEPRECIATION  
TEST YEAR EXPENSE CALCULATION

	Per Books Asset Gross Value	Plant Adjustments	As Adjusted Asset Gross Value	MGTC Depreciation Life	MGTC Depreciation Expense	OCA Depreciation Life	OCA Depreciation Expense
<u>Intangible Plant</u>							
Organization	\$64,796	\$0	\$64,796	12	Fully Depreciated	25	Fully Depreciated
Total Intangible Plant	\$64,796	\$0	\$64,796		\$0		\$0
<u>Production and Gathering Plant</u>							
Field Lines	\$423,385	\$0	\$423,385	19.75	Fully Depreciated	34	Fully Depreciated
Other Equipment	1,091	0	1,091	12	Fully Depreciated	34	Fully Depreciated
Total Production and Gathering Plant	\$424,476	\$0	\$424,476		\$0		\$0
<u>Transmission Plant</u>							
Rights-of-Way <sup>1</sup>	\$578,094	\$0	\$578,094	12	\$991	34	\$350
Structures and Improvements	\$75,769	\$0	\$75,769	19.75 to 12	Fully Depreciated	34	Fully Depreciated
Mains <sup>2</sup>	\$5,704,143	\$2,679,916	\$8,384,059	12	\$278,815	34	\$19,585
Compressor Station Equipment <sup>2</sup>	\$756,584	\$0	\$756,584	12	\$31,382	34	\$11,076
Measuring and Regulating Station Equipment <sup>2</sup>	\$368,752	\$493,422	\$862,174	19.75 to 12	\$49,538	25	\$23,778
Total Transmission Plant	\$7,483,342	\$3,173,338	\$10,656,680		\$360,727		\$54,789
<u>Distribution Plant</u>							
Mains	\$1,076,297	\$200,000	\$1,276,297	5 to 12	\$51,914	34	\$18,323
Total Distribution Plant	\$1,076,297	\$200,000	\$1,276,297		\$51,914		\$18,323
<u>General Plant</u>							
Structures and Improvements <sup>2</sup>	\$38,746	\$0	\$38,746	10	\$2,931	10	\$2,931
Office Furniture and Equipment <sup>2</sup>	\$91,877	\$0	\$91,877	10	\$3,911	10	\$3,911
Transportation and Equipment	\$188,991	\$36,000	\$224,991	3	\$12,000	3	\$12,000
Tools, Shop & Garage Equipment	\$36,269	\$0	\$36,269	10	Fully Depreciated	10	Fully Depreciated
Communications Equipment <sup>2</sup>	\$21,010	\$95,000	\$116,010	10	\$9,970	10	\$9,970
Total General Plant	\$376,892	\$131,000	\$507,892		\$28,812		\$28,812
<b>TOTAL</b>			\$441,453				\$101,924
<b>OCA DEPRECIATION EXPENSE ADJUSTMENT</b>							(\$339,529)

<sup>1</sup> The individual rights of way not fully depreciated have original cost balances of \$3,240 and \$8,653. These balances are multiplied by the depreciation rate to determine the depreciation expense.

<sup>2</sup> To see the specific items that are subject to depreciation since they are not yet fully depreciated, see McFadden MJM-4, Schedule E.

DEPRECIATION

COMPARISON OF DEPRECIATION RATES FROM OTHER WYOMING GAS DISTRIBUTION COMPANIES

	<u>Cheyenne Light</u>	<u>Energy West</u>	<u>Montana Dakota</u>	<u>Pinedale</u>	<u>Questar</u>	<u>Town of Walden</u>	<u>Wyoming Gas</u>
Organizational Costs	0.00%	0.00%	0.00%	0.69%	0.00%	0.00%	0.00%
Franchise	0.00%	0.00%	0.00%	0.74%	2.00%	0.00%	0.00%
Buildings and Improvement	3.82%	3.50%	3.40%	2.37%	2.39%	0.00%	2.00%
Gas Producing Lands/Leases	0.00%	0.00%	0.00%	0.00%	2.65%	0.00%	0.00%
Rights of Way	3.57%	3.50%	0.70%	0.00%	0.00%	0.00%	0.00%
Other Power Plant Equipment	0.00%	3.50%	0.00%	0.00%	7.44%	0.00%	0.00%
Pump Regulating Equipment	3.15%	3.50%	2.90%	1.08%	0.00%	0.00%	2.00%
Main Transmission Pipelines	0.00%	3.50%	0.00%	1.18%	0.00%	2.50%	0.00%
Distribution Pipelines	2.06%	3.50%	3.00%	1.76%	2.49%	2.50%	2.00%
Property -- Customs Premises	0.00%	3.50%	0.00%	0.00%	0.00%	0.00%	2.00%
Meters Regulators	2.54%	3.50%	3.20%	2.66%	4.06%	10.00%	3.50%
Office Furniture and Equipment	3.72%	9.00%	2.60%	8.89%	11.06%	20.00%	14.00%
Transportation Equipment	9.00%	15.00%	0.00%	15.78%	8.23%	20.00%	20.00%
Tools and Other Work Equipment	3.72%	9.00%	3.40%	4.01%	9.13%	20.00%	14.00%
Other	8.02%	0.00%	4.40%	0.00%	7.19%	0.00%	33.33%

DEPRECIATION  
ACCUMULATED DEPRECIATION

	MGTC Per Books Accumulated Depreciation	MGTC Adjustments To Per Books	MGTC Test Year Accumulated Depreciation	OCA Per Books Accumulated Depreciation	OCA Adjustments to Per Books	OCA Test Year Accumulated Depreciation	OCA Adjustment to MGTC Application
Intangible Plant	\$64,796	\$0	\$64,796	\$64,796	\$0	\$64,796	\$0
Production and Gathering Plant	\$427,058	(\$2,446)	\$424,612	\$427,058	(\$2,446)	\$424,612	\$0
Transmission Plant	\$6,990,137	\$159,469	\$7,149,606	\$6,990,137	\$6,500	\$6,996,637	(\$152,969)
Distribution Plant	\$744,028	\$21,831	\$765,859	\$744,028	\$5,036	\$749,064	(\$16,795)
General Plant	<u>\$340,330</u>	<u>\$14,406</u>	<u>\$354,736</u>	<u>\$340,330</u>	<u>\$14,406</u>	<u>\$354,736</u>	<u>\$0</u>
TOTAL	\$8,566,349	\$193,261	\$8,759,610	\$8,566,349	\$23,496	\$8,589,846	(\$169,764)
Intangible Plant				\$64,796	\$0	\$64,796	\$0
Production and Gathering Plant				\$427,058	(\$2,446)	\$424,612	\$0
Transmission Plant				\$6,990,137	\$6,500	\$6,996,637	(\$152,969)
Distribution Plant				\$744,028	\$5,036	\$749,064	(\$16,795)
General Plant				<u>\$340,330</u>	<u>\$14,406</u>	<u>\$354,736</u>	<u>\$0</u>
TOTAL				\$8,566,349	\$23,496	\$8,589,846	(\$169,764)

DEPRECIATION

ACCUMULATED DEFERRED INCOME TAXES ADJUSTMENT TO REFLECT NEW PLANT INVESTMENTS

	Asset Cost	OCA Recommended Life (Years)	Book Depreciation	Tax Depreciation <sup>1</sup>	Difference	Tax Rate	Deferred Income Tax
Hannum Line Installation (Distribution Plant)	\$200,000	34	\$5,882	\$200,000	\$194,118	31.77%	\$61,679
MIGC/MGTC Asset Separation (Transmission Plant)	\$236,000	34	\$6,941	\$236,000	\$229,059	31.77%	\$72,781
Replacement of Above Ground Pipeline (Transmission Plant)	\$2,000,000	34	\$58,824	\$2,000,000	\$1,941,176	31.77%	\$616,786
Installation of Well Draw Lateral Line Heater (Transmission Plant)	\$50,000	34	\$1,471	\$50,000	\$48,529	31.77%	\$15,420
Installation of Wright Lateral Line Heater (Transmission Plant)	\$50,000	34	\$1,471	\$50,000	\$48,529	31.77%	\$15,420
Installation of ERT System and PD Meters (General Plant)	\$95,000	10	\$9,500	\$95,000	\$85,500	31.77%	\$27,167
Installation of City Gate 7 (Transmission Plant)	\$608,411	34	\$17,894	\$608,411	\$590,517	31.77%	\$187,630
New Maintenance Vehicle (General Plant)	\$36,000	3	\$12,000	\$36,000	\$24,000	31.77%	\$7,626
Total	\$3,275,411		\$113,983	\$3,275,411	\$3,161,428		\$1,004,506

TOTAL ADDITIONAL DEFERRED INCOME TAXES

\$1,004,506

<sup>1</sup> Under current Bonus Depreciation Tax Law, qualified property is able to recognize 100% first year depreciation if placed in service in 2011.

CASH WORKING CAPITAL

Purchased Gas Costs	\$1,075,268
Transmission Operation Expense	\$596,357
Transmission Maintenance Expense	\$284,898
Administrative and General Expense	\$262,310
Depreciation and Amortization	\$0
Taxes Other than Income Taxes	\$132,805
Federal Income Taxes	\$72,551
Total Cash Based Expenses	\$2,424,190
Portion of Expenses Traditionally Included in Working Capital	<u>45 days</u>
<b>TOTAL COMPUTED CASH WORKING CAPITAL</b>	<b>\$298,873</b>

INCOME STATEMENT

	<u>MGTC Per Book</u>	<u>MGTC Adjustments</u>	<u>As Proposed Before Rate Change</u>	<u>OCA Adjustments</u>	<u>Adjusted Before Rate Change</u>
<b>Revenues</b>					
Residential Sales	\$289,675	(\$170,806)	\$118,869	\$0	\$118,869
Commercial and Industrial Sales	1,035,029	(731,479)	303,550	0	303,550
Transportation	<u>1,251,796</u>	<u>35,427</u>	<u>1,287,223</u>	<u>0</u>	<u>1,287,223</u>
<b>TOTAL REVENUES</b>	<b>\$2,576,499</b>	<b>(\$866,857)</b>	<b>\$1,709,642</b>	<b>\$0</b>	<b>\$1,709,642</b>
<b>Purchased Gas Cost</b>					
Natural Gas Plant Outlet Purchase I/C	\$1,336,355	(\$1,336,355)	\$0	\$0	\$0
Purchased Gas Costs Adjustments	(440,535)	440,535	0	0	0
Exchange Gas	148,633	(148,633)	0	0	0
Other Gas Supply Expense	<u>30,814</u>	<u>(30,814)</u>	<u>0</u>	<u>0</u>	<u>0</u>
<b>Total Purchased Gas and Other Gas Supply</b>	<b>\$1,075,268</b>	<b>(\$1,075,268)</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Transmission Operation Expense</b>					
Field Lines Expense	\$866	\$0	\$866	\$0	\$866
Operation Supervision and Engineering, Labor	\$454,203	0	454,203	0	454,203
Communication System Expenses	\$17,758	0	17,758	0	17,758
Compressor Station labor and Expenses	\$2,657	0	2,657	0	2,657
Other Fuel and Power for Compressor Station	\$6,250	0	6,250	0	6,250
Mains Expense, Transmission	\$0	0	0	0	0
Transmission and Compression by Others	\$14,062	0	14,062	0	14,062
Other Expenses, Transmission	\$93,374	0	93,374	0	93,374
Rents, Transmission	<u>\$7,188</u>	<u>0</u>	<u>7,188</u>	<u>0</u>	<u>7,188</u>
<b>Total Transmission Operation Expense</b>	<b>\$596,357</b>	<b>\$0</b>	<b>\$596,357</b>	<b>\$0</b>	<b>\$596,357</b>
<b>Transmission Maintenance Expense</b>					
Maintenance Supervision and Engineering	\$44,491	\$0	\$44,491	\$0	\$44,491
Maintenance of Structures and Improvements	\$23,373	0	23,373	0	23,373
Maintenance of Mains	\$15,831	0	15,831	0	15,831
Maintenance of Compressor Station Equipment	\$95,954	0	95,954	0	95,954
Maint of Compression Station Equip., Labor	\$0	0	0	0	0
Maint Measuring & Regulating Station Equip.	\$79,291	0	79,291	0	79,291
Maintenance of Other Equipment	\$0	0	0	0	0
Maintenance of Other Equipment, Labor	<u>\$15,622</u>	<u>0</u>	<u>15,622</u>	<u>10,336</u>	<u>25,958</u>
<b>Total Transmission Maintenance Expense</b>	<b>\$274,562</b>	<b>\$0</b>	<b>\$274,562</b>	<b>\$10,336</b>	<b>\$284,898</b>
<b>Administrative and General Expense</b>					
Administrative and General Salaries	\$145,147	\$0	\$145,147	(\$53,108)	\$92,039
Office Supplies and Expenses	\$20,494	0	20,494	0	20,494
Outside Services Employed	\$35,321	0	35,321	0	35,321
Property Insurance	\$0	0	0	0	0
Injuries and Damages	\$943	0	943	0	943
Employees Pensions and Benefits	\$58,502	0	58,502	0	58,502
Regulatory Commission Expenses	\$4,645	41,250	45,895	(8,250)	37,645
General Advertising Expenses	\$54	0	54	0	54
Miscellaneous General Expenses	\$8,327	0	8,327	0	8,327
Rents	\$2,655	0	2,655	0	2,655
Maintenance of General Plant	<u>\$6,331</u>	<u>0</u>	<u>6,331</u>	<u>0</u>	<u>6,331</u>
<b>Total Administrative and General Expense</b>	<b>\$282,419</b>	<b>\$41,250</b>	<b>\$323,669</b>	<b>(\$61,358)</b>	<b>\$262,310</b>

INCOME STATEMENT

	<u>MGTC Per Book</u>	<u>MGTC Adjustments</u>	<u>MGTC As Proposed</u>	<u>OCA Adjustments</u>	<u>OCA Recommended</u>
<b><u>Depreciation and Amortization</u></b>					
Depreciation	\$173,443	\$268,009	\$441,453	(\$339,529)	\$101,924
Asset Retirement Obligation Amortization	<u>(74)</u>	<u>74</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Depreciation and Amortization	\$173,370	\$268,083	\$441,453	(\$339,529)	\$101,924
<b><u>Taxes Other than Income Taxes</u></b>					
Taxes Other than Income Taxes	<u>\$48,735</u>	<u>\$0</u>	<u>\$48,735</u>	<u>\$84,070</u>	<u>\$132,805</u>
Total Taxes Other than Income	\$48,735	\$0	\$48,735	\$84,070	\$132,805
<b><u>Other Expenses</u></b>					
Accretion Expense	\$16,488	(\$16,488)	\$0	\$0	\$0
Donations	<u>2,013</u>	<u>(2,013)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Expenses	\$18,501	(\$18,501)	\$0	\$0	\$0
<b><u>Federal Income Taxes</u></b>					
Federal Income Tax	\$272,628	(\$263,924)	\$8,703	\$63,848	\$72,551
Provision for Deferred Income Taxes	<u>8,483</u>	<u>(8,483)</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Federal Income Tax	\$281,110	(\$272,407)	\$8,703	\$63,848	\$72,551
<b>TOTAL EXPENSES</b>	<b>\$2,750,322</b>	<b>(\$1,056,843)</b>	<b>\$1,693,480</b>	<b>(\$242,633)</b>	<b>\$1,450,847</b>
<b>NET OPERATING INCOME</b>	<b>(\$173,823)</b>	<b>\$189,986</b>	<b>\$16,162</b>	<b>\$242,633</b>	<b>\$258,795</b>
Return on Rate Base	-17.83%		0.39%		7.12%

REVENUES

	<u>Current Deliveries</u>	<u>Current Non Gas Cost Rate</u>	<u>Current Non Gas Cost Revenues</u>
<u>Small General Sales Customers</u>			
January 2010	11,287	\$1.8872	\$21,301
February 2010	9,762	\$1.8872	\$18,423
March 2010	7,161	\$1.8872	\$13,514
April 2010	6,960	\$1.8872	\$13,135
May 2010	5,129	\$1.8872	\$9,679
June 2010	1,925	\$1.8872	\$3,633
July 2010	773	\$1.8872	\$1,459
August 2010	822	\$1.8872	\$1,551
September 2010	1,335	\$1.8872	\$2,519
October 2010	2,040	\$1.8872	\$3,850
November 2010	4,950	\$1.8872	\$9,342
December 2010	10,843	\$1.8872	\$20,463
<b>TOTAL</b>	<b>62,987</b>		<b>\$118,869</b>

Large General Sales Customers

January 2010	35,872	\$1.1957	\$42,892
February 2010	33,346	\$1.1957	\$39,872
March 2010	25,555	\$1.1957	\$30,556
April 2010	25,912	\$1.1957	\$30,983
May 2010	18,446	\$1.1957	\$22,056
June 2010	16,018	\$1.1957	\$19,153
July 2010	11,662	\$1.1957	\$13,944
August 2010	12,492	\$1.1957	\$14,937
September 2010	11,365	\$1.1957	\$13,589
October 2010	12,997	\$1.1957	\$15,541
November 2010	22,696	\$1.1957	\$27,138
December 2010	27,507	\$1.1957	\$32,890
<b>TOTAL</b>	<b>253,868</b>		<b>\$303,550</b>

	<u>Current Transport Volumes</u>	<u>Current Transport Rate (Average)</u>	<u>Current Transport Revenues</u>
<u>Transportation Customers</u>			
January 2010	337,494	\$0.3936	\$132,826
February 2010	300,428	\$0.4467	\$134,204
March 2010	219,916	\$0.4857	\$106,820
April 2010	178,446	\$0.5397	\$96,300
May 2010	172,981	\$0.6466	\$111,844
June 2010	125,808	\$0.8111	\$102,037
July 2010	101,118	\$0.9856	\$99,663
August 2010	93,158	\$0.9424	\$87,788
September 2010	75,106	\$0.9352	\$70,240
October 2010	124,442	\$0.6418	\$79,870
November 2010	280,225	\$0.4367	\$122,380
December 2010	260,559	\$0.5498	\$143,252
<b>TOTAL</b>	<b>2,269,681</b>		<b>\$1,287,223</b>

ADDITIONAL COSTS AND SAVINGS ASSOCIATED WITH NEW CAPITAL PROJECTS

	Estimated Savings	Estimated Additional Costs
Wages and Benefits Associated with updated Meter Reading	\$53,108	
Wages and Benefits Associated with Other Capital Projects		\$10,336
Estimated Increased Property Taxes		\$84,070
<b><u>Meter Reading and Billing Savings</u></b>		
Savings of 900 hours per Year in Meter Reading Time	900	
Average Loaded Hourly Cost	\$50.42	
Meter Reading Savings	\$45,378	
Savings of 240 hours per year in Manual Entry of Data	240	
Average Loaded Hourly Cost	<u>\$32.21</u>	
Manual Meter Read Entry Savings	\$7,730	
<b><u>Costs Associated with New Capital Projects</u></b>		
Hannum Loop Line Surveys, Patrols, Maintenance	25 hours	
Average Wage including Benefits	\$50.42	
Estimated Incremental Labor Cost	<u>\$1,261</u>	
MGTC/MIGC Separation Meter Measurement and Testing	80 hours	
Average Wage including Benefits	\$50.42	
Estimated Incremental Labor Cost	\$4,034	
Gillette City Gate 7 Project Additional Labor	100 hours	
Average Wage including Benefits	<u>\$50.42</u>	
Estimated Incremental Labor Cost	\$5,042	
<b><u>Property Taxes Estimated Incremental Costs</u></b>		
Unadjusted Rate Base	\$974,857	
OCA Adjusted Rate Base	<u>\$3,633,518</u>	
Percent Increase	273%	
Current Property Taxes	<u>\$30,826</u>	
Estimated Increase in Property Taxes	\$84,070	

RATE CASE EXPENSE

MGTC Proposed Regulatory Expense Increase	\$165,000	
MGTC Amortization Period	<u>4 years</u>	
MGTC Adjustment to Operating Expenses	\$41,250	
OCA Recommended Rate Case Expense -- Legal	\$111,260	
OCA Recommended Rate Case Expense -- Consultant	<u>\$53,740</u>	
TOTAL	\$165,000	
OCA Recommended Amortization Period	<u>5 years</u>	
OCA Rate Case Expense	\$33,000	
<b>OCA RATE CASE ADJUSTMENT EXPENSE</b>		<b>(\$8,250)</b>

INCOME TAX EXPENSE

Revenues	\$1,709,642		
Less:			
Transmission Operation Expense	\$596,357		
Transmission Maintenance Expense	\$284,898		
Administrative and General Expense	\$262,310		
Depreciation and Amortization	\$101,924		
Taxes Other than Income Taxes	\$132,805		
Subtotal of Expenses	\$1,245,490		
		\$3,633,518	
Less:		<u>2.84%</u>	
Synchronized Interest			
Rate Base			
Weighted Average Cost of Debt			
Calculated Interest			<u>\$103,010</u>
Taxable Income			\$228,336
Multiplied By:			
Tax Rate <sup>1</sup>		31.77%	
Total OCA Income Taxes			\$72,551
MGTC Income Taxes			\$8,703
<b>OCA INCOME TAX ADJUSTMENT</b>			<b>\$63,848</b>

<sup>1</sup> Tax Rate at this income level is computed. Tax is based on \$22,250 + 39% of amount by which taxable income exceeds \$100,000.

DETERMINATION OF COSTS TO EACH CLASS  
ALLOCATION FACTORS

	<u>Small Sales</u>	<u>Large Sales</u>	<u>Transportation</u>	<u>Total</u>
Annual Deliveries/Transport (in Dth) Allocation Percentage	62,986 2.34%	253,868 9.45%	2,369,680 88.21%	2,686,534 100.00%
Demand Dth Allocation Percentage	5,389 2.20%	23,327 9.51%	216,473 88.29%	245,189 100.00%
Annual Number of Bills (Customers x 12) Allocation Percentage	4,542 76.35%	1,287 21.63%	120 2.02%	5,949 100.00%
General Allocator Based on 1/3 Throughput, 1/3 Demand, and 1/3 Customer Counts	26.96%	13.53%	59.50%	100.00%

	<u>Small Sales</u>	<u>Large Sales</u>	All Other <u>Transportation</u>	<u>SourceGas</u>	<u>Total</u>
Annual Deliveries/Transport (in Dth) Allocation Percentage	62,986 2.34%	253,868 9.45%			2,686,534 100.00%
Demand Dth Allocation Percentage	5,389 2.20%	23,327 9.51%			245,189 100.00%
Annual Number of Bills (Customers x 12) Allocation Percentage	4,542 76.35%	1,287 21.63%			5,949 100.00%
General Allocator Based on 1/3 Throughput, 1/3 Demand, and 1/3 Customer Counts	26.96%	13.53%			100.00%

DETERMINATION OF COSTS TO EACH CLASS  
RATE BASE

	OCA Total	Small General Sales	Large General Sales	All Other Transport	Source/Gas	Total Firm Transport	Allocation Factor
<b>Intangible Plant</b>							
Organization	\$64,796	\$1,424	\$6,165			\$57,208	Demand
Total Intangible Plant	\$64,796	\$1,424	\$6,165			\$57,208	
Less: Accum. Prov. for Amortization & Depletion	\$0	\$0	\$0			\$0	Demand
<b>Net Intangible Plant</b>							
<b>Production and Gathering Plant</b>							
Field Lines	\$423,385	\$9,306	\$40,280			\$373,799	Demand
Other Equipment	1,091	24	104			963	Demand
Asset Retirement Cost	136	3	13			120	Demand
Total Production and Gathering Plant	\$424,612	\$9,333	\$40,397			\$374,882	
Less: Accumul. Deprec. For Gathering	424,476	9,330	40,384			374,762	Demand
Less: Asset Retirement Obligation for Gathering	136	3	13			120	Demand
Net Gathering Plant	(\$0)	(\$0)	(\$0)			(\$0)	
<b>Transmission Plant</b>							
Rights-of-Way	\$578,094	\$12,706	\$54,999			\$510,389	Demand
Structures and Improvements	75,769	1,665	7,209			66,895	Demand
Mains	8,384,059	184,273	797,650			7,402,136	Demand
Compressor Station Equipment	756,584	16,629	71,981			667,974	Demand
Measuring and Regulating Station Equipment	862,174	18,950	82,026			761,198	75% Demand / 25% Bills
Asset Retirement Cost	30,203	664	2,874			26,666	Demand
Total Transmission Plant	\$10,686,883	\$234,887	\$1,016,738			\$9,435,258	
Less: Accumul. Deprec. For Transmission	6,966,434	153,115	662,779			6,150,540	Total Transmission Plant
Less: Asset Retirement Obligation for Transmission	30,203	664	2,874			26,666	Demand
Net Transmission Plant	\$3,690,246	\$81,108	\$351,086			\$3,258,052	
<b>Distribution Plant</b>							
Mains	\$1,276,297	\$28,519	\$121,220			\$1,126,557	75% Demand / 25% Deliveries
Asset Retirement Cost	230	\$5	\$22			\$203	75% Demand / 25% Deliveries
Total Distribution Plant	\$1,276,527	\$28,525	\$121,242			\$1,126,760	
Less: Accumul. Deprec. For Distribution	748,835	16,733	71,123			660,978	Total Distribution Plant
Less: Asset Retirement Obligation for Distribution	230	5	22			203	75% Demand / 25% Deliveries
Net Distribution Plant	\$527,463	\$11,786	\$50,097			\$465,579	
<b>General Plant</b>							
Structures and Improvements	\$38,746	\$10,447	\$5,243			\$23,055	General Allocator
Office Furniture and Equipment	98,875	26,660	13,380			58,834	General Allocator
Transportation and Equipment	224,991	60,666	30,447			133,878	General Allocator
Tools, Shop & Garage Equipment	36,269	9,779	4,908			21,581	General Allocator
Communications Equipment	109,012	29,394	14,752			64,866	General Allocator
Total General Plant	\$507,882	\$136,947	\$68,730			\$302,214	
Less: Accumul. Deprec. For General Plant	354,736	95,650	48,005			\$211,081	General Allocator
Net General Plant	\$153,155	\$41,297	\$20,726			\$91,133	
<b>TOTAL GROSS PLANT IN SERVICE</b>	\$12,960,709	\$411,115	\$1,253,272			\$11,296,322	
Total Accumulated Deprec. & Amortiz.	8,589,846	276,924	831,363			7,481,558	
<b>NET PLANT IN SERVICE</b>	\$4,370,864	\$134,191	\$421,909			\$3,814,764	
<b>Other Rate Base Items</b>							
Less: Accumulated Deferred Income Taxes	\$1,036,218	\$31,813	\$100,024			\$904,381	Net Plant in Service
Plus: Cash Working Capital	298,873	80,587	40,445			177,840	General Allocator
<b>TOTAL RATE BASE</b>	\$3,633,518	\$182,965	\$362,330			\$3,088,223	

DETERMINATION OF COSTS TO EACH CLASS  
RATE BASE

	OCA Total	Small General Sales	Large General Sales	Total Firm Transport
<u>Demand Portion of Rate Base</u>				
Intangible Plant	\$0	\$0	\$0	\$0
Production and Gathering Plant	0	0.00	0.00	0.00
Transmission Plant	3,615,208	\$79,459	\$343,947	\$3,191,803
Distribution Plant	395,597	\$8,840	\$37,573	\$349,184
General Plant	51,052	\$13,766	\$6,909	\$30,378
Cash Working Capital	99,624	\$26,862	\$13,482	\$59,280
Accumulated Deferred Income Taxes	<u>(962,961)</u>	<u>(\$24,197)</u>	<u>(\$92,086)</u>	<u>(\$846,678)</u>
<b>DEMAND PORTION OF RATE BASE</b>	<b>\$3,198,520</b>	<b>\$104,730</b>	<b>\$309,824</b>	<b>\$2,783,967</b>
<u>Deliveries (Throughput) Portion of Rate Base</u>				
Intangible Plant	\$0	\$0	\$0	\$0
Production and Gathering Plant	0	0	0	0
Transmission Plant	75,038	1,649	7,139	66,249
Distribution Plant	131,866	2,947	12,524	116,395
General Plant	51,052	13,766	6,909	30,378
Cash Working Capital	99,624	26,862	13,482	59,280
Accumulated Deferred Income Taxes	<u>(61,154)</u>	<u>(4,353)</u>	<u>(6,300)</u>	<u>(50,502)</u>
<b>DELIVERIES PORTION OF RATE BASE</b>	<b>\$296,425</b>	<b>\$40,871</b>	<b>\$33,754</b>	<b>\$221,800</b>
<u>Customer Count Portion of Rate Base</u>				
Intangible Plant	\$0	\$0	\$0	\$0
Production and Gathering Plant	0	0	0	0
Transmission Plant	0	0	0	0
Distribution Plant	0	0	0	0
General Plant	51,052	13,766	6,909	30,378
Cash Working Capital	99,624	26,862	13,482	59,280
Accumulated Deferred Income Taxes	<u>(12,103)</u>	<u>(3,263)</u>	<u>(1,638)</u>	<u>(7,202)</u>
<b>CUSTOMER COUNT PORTION OF RATE BASE</b>	<b>\$138,573</b>	<b>\$37,365</b>	<b>\$18,752</b>	<b>\$82,456</b>
<b>TOTAL RATE BASE</b>	<b>\$3,633,518</b>	<b>\$182,965</b>	<b>\$362,330</b>	<b>\$3,088,223</b>

DETERMINATION OF COSTS TO EACH CLASS  
EXPENSE ALLOCATION

	OCA Total	Small General Sales	Large General Sales	All Other Transport	Source/Gas	Total Firm Transport	Allocation Factor
<u>Revenues</u>							
Revenues	\$1,709,642	\$118,869	\$303,550			\$1,287,223	
<u>Transmission Operation Expense</u>							
Field Lines Expense	\$866	\$19	\$82			\$765	15% Distrib. Net Plant/85% Transm. Net Plant
Operation Supervision and Engineering, Labor	454,203	10,008	43,201			400,993	15% Distrib. Net Plant/85% Transm. Net Plant
Communication System Expenses	17,758	391	1,689			15,678	15% Distrib. Net Plant/85% Transm. Net Plant
Compressor Station labor and Expenses	2,657	59	253			2,345	15% Distrib. Net Plant/85% Transm. Net Plant
Other Fuel and Power for Compressor Station	6,250	138	594			5,518	15% Distrib. Net Plant/85% Transm. Net Plant
Transmission and Compression by Others	14,062	310	1,337			12,415	15% Distrib. Net Plant/85% Transm. Net Plant
Other Expenses, Transmission	93,374	2,057	8,881			82,436	15% Distrib. Net Plant/85% Transm. Net Plant
Rents, Transmission	7,188	158	684			6,346	15% Distrib. Net Plant/85% Transm. Net Plant
Total Transmission Operation Expense	\$596,357	\$13,140	\$56,722			\$526,495	
<u>Transmission Maintenance Expense</u>							
Maintenance Supervision and Engineering	\$44,491	\$980	\$4,232			\$39,279	15% Distrib. Net Plant/85% Transm. Net Plant
Maintenance of Structures and Improvements	23,373	515	2,223			20,635	15% Distrib. Net Plant/85% Transm. Net Plant
Maintenance of Mains	15,831	349	1,506			13,977	15% Distrib. Net Plant/85% Transm. Net Plant
Maintenance of Compressor Station Equipment	95,954	2,114	9,127			84,713	15% Distrib. Net Plant/85% Transm. Net Plant
Maint Measuring & Regulating Station Equip.	79,291	1,747	7,542			70,002	15% Distrib. Net Plant/85% Transm. Net Plant
Maintenance of Other Equipment, Labor	25,958	572	2,469			22,917	15% Distrib. Net Plant/85% Transm. Net Plant
Total Transmission Maintenance Expense	\$284,898	\$6,277	\$27,098			\$251,523	
<u>Administrative and General Expense</u>							
Administrative and General Salaries	\$92,039	\$24,817	\$12,455			\$54,767	General Allocator
Office Supplies and Expenses	20,494	5,526	2,773			12,195	General Allocator
Outside Services Employed	35,321	9,524	4,780			21,017	General Allocator
Injuries and Damages	943	254	128			561	General Allocator
Employees Pensions and Benefits	58,502	15,774	7,917			34,811	General Allocator
Regulatory Commission Expenses	37,645	10,151	5,094			22,400	General Allocator
General Advertising Expenses	54	15	7			32	General Allocator
Miscellaneous General Expenses	8,327	2,245	1,127			4,955	General Allocator
Rents	2,655	82	256			2,317	General Allocator
Maintenance of General Plant	6,331	1,707	857			3,767	Net Plant
Total Administrative and General Expense	\$262,310	\$70,094	\$35,394			\$156,822	Net General Plant
<u>Depreciation and Amortization</u>							
Depreciation	\$101,924	\$3,129	\$9,839			\$88,957	Net Plant
Total Depreciation and Amortization	\$101,924	\$3,129	\$9,839			\$88,957	
<u>Taxes Other than Income Taxes</u>							
Taxes Other than Income Taxes	\$132,805	\$6,687	\$13,243			\$112,874	Rate Base
Total Taxes Other than Income	\$132,805	\$6,687	\$13,243			\$112,874	
<u>Federal Income Taxes</u>							
Federal Income Tax	\$72,551	\$4,561	\$47,973			\$20,018	Net Taxable Income
Total Federal Income Tax	\$72,551	\$4,561	\$47,973			\$20,018	
TOTAL EXPENSES	\$1,450,847	\$103,889	\$190,269			\$1,156,688	
NET OPERATING INCOME	\$258,795	\$14,980	\$113,281			\$130,534	
Return on Rate Base Prior to Rate Increase (Decrease)	7.12%	8.19%	31.26%			4.23%	
Required Increase for Uniform Return on Rate Base	\$45,671	(\$556)	(\$123,658)			\$169,885	
Required Increase (%)	2.67%	-0.47%	-40.74%			13.20%	

DETERMINATION OF COSTS TO EACH CLASS EXPENSE ALLOCATION

	OCA Total	Small General Sales	Large General Sales	All Other Transport	Source/Gas	Total Firm Transport
<u>Demand Portion of Expenses</u>						
Total Transmission Operation Expense	\$563,687	\$12,420	\$53,615			\$497,651
Total Transmission Maintenance Expense	\$269,290	\$5,934	\$25,614			237,743
Total Administrative and General Expense	89,019	23,400	11,949			53,671
Total Depreciation and Amortization	94,719	2,380	9,058			83,281
Total Taxes Other than Income	116,906	3,828	11,324			101,754
Total Federal Income Tax	<u>62,676</u>	<u>2,656</u>	<u>41,737</u>			18,284
<b>TOTAL DEMAND PORTION OF EXPENSE</b>	<b>\$1,196,297</b>	<b>\$50,617</b>	<b>\$153,295</b>			<b>\$992,384</b>
<u>Deliveries (Throughput) Portion of Expenses</u>						
Total Transmission Operation Expense	\$32,671	\$720	\$3,107			\$28,843
Total Transmission Maintenance Expense	15,608	344	1,485			13,779
Total Administrative and General Expense	86,708	23,349	11,729			51,631
Total Depreciation and Amortization	6,015	428	620			4,967
Total Taxes Other than Income	10,834	1,494	1,234			8,107
Total Federal Income Tax	<u>7,098</u>	<u>1,037</u>	<u>4,547</u>			<u>1,514</u>
<b>TOTAL THROUGHPUT PORTION OF EXPENSE</b>	<b>\$158,935</b>	<b>\$27,371</b>	<b>\$22,721</b>			<b>\$108,842</b>
<u>Customer Count Portion of Expenses</u>						
Total Transmission Operation Expense	\$0	\$0	\$0			\$0
Total Transmission Maintenance Expense	0	0	0			0
Total Administrative and General Expense	86,583	23,346	11,717			51,520
Total Depreciation and Amortization	1,190	321	161			708
Total Taxes Other than Income	5,065	1,366	685			3,014
Total Federal Income Tax	<u>4,043</u>	<u>948</u>	<u>2,526</u>			<u>569</u>
<b>TOTAL CUSTOMER COUNT PORTION OF EXPENSE</b>	<b>\$96,881</b>	<b>\$25,980</b>	<b>\$15,089</b>			<b>\$55,811</b>

DEVELOPMENT OF RATES

	OCA Total	Small General Sales	Large General Sales	All Other Transport	SourceGas	Total Firm Transport
<b>Demand Costs</b>						
Rate Base	\$3,198,520	\$104,730	\$309,824			\$2,783,967
OCA Recommended Return	7.98%	7.98%	7.98%			7.98%
Recommended Operating Income After Taxes	\$255,242	\$8,357	\$24,724			\$222,161
Operating Expenses	\$1,196,297	\$50,617	\$153,295			\$992,384
Total Revenue Required	\$1,451,539	\$58,975	\$178,019			\$1,214,545
<b>Deliveries (Throughput) Related Costs</b>						
Rate Base	\$296,425	\$40,871	\$33,754			\$221,800
OCA Recommended Return	7.98%	7.98%	7.98%			7.98%
Recommended Operating Income After Taxes	\$23,655	\$3,261	\$2,694			\$17,700
Operating Expenses	\$158,935	\$27,371	\$22,721			\$108,842
Total Revenue Required	\$182,589	\$30,633	\$25,415			\$126,542
<b>Customer Count Related Costs</b>						
Rate Base	\$138,573	\$37,365	\$18,752			\$82,456
OCA Recommended Return	7.98%	7.98%	7.98%			7.98%
Recommended Operating Income After Taxes	\$11,058	\$2,982	\$1,496			\$6,580
Operating Expenses	\$96,881	\$25,980	\$15,089			\$55,811
Additional Income Tax Required on Revenue Increase	\$13,245	\$3,554	\$2,035			\$7,656
Total Revenue Required	\$121,184	\$32,516	\$18,621			\$62,391
<b>Total</b>						
Rate Base	\$3,633,518	\$182,965	\$362,330			\$3,088,223
OCA Recommended Return	7.98%	7.98%	7.98%			7.98%
Recommended Operating Income After Taxes	\$289,955	\$14,601	\$28,914			\$246,440
Operating Expenses	\$1,465,358	\$107,523	\$193,141			\$1,164,694
Total Revenue Required	\$1,755,312	\$122,123	\$222,055			\$1,411,134
Current Revenues	\$1,709,642	\$118,869	\$303,550			\$1,287,223
Required Increase	\$45,671	\$3,254	(\$81,495)			\$123,911

DEVELOPMENT OF RATES

	OCA Total	Small General Sales	Large General Sales	Other Transport	SourceGas	Total Firm Transport
Demand Revenues Suggested by Cost of Service	\$1,451,539	\$58,975	\$178,019			\$1,214,545
Demand Dth		<u>5,389</u>	<u>23,327</u>			<u>216,473</u>
Per Demand Dth Charge		\$10.94	\$7.63			\$5.61
Converted into a Volumetric Charge						
Revenues from Cost of Service		\$58,975				
Throughput Volumes		62,986				
Rate to Collect Demand Costs on Volumetric Basis:		\$0.9363				
Deliveries (Throughput) Revenues Suggested by Cost of Servi	\$182,589	\$30,633	\$25,415			\$126,542
Annual Throughput (Deliveries or Transport)		<u>62,986</u>	<u>253,868</u>			<u>2,369,680</u>
Per Dth Charge		\$0.4863	\$0.1001			\$0.0534
Customer Related Revenues Suggested by Cost of Service	\$121,184	\$32,516	\$18,621			\$70,047
Number of Bills		<u>4,542</u>	<u>1,287</u>			<u>120</u>
Monthly Customer Charge		\$7.16	\$14.47			\$583.73

COMPARISON OF RATE IMPACT ON CUSTOMER CLASSES  
IMPACT INCLUDING CURRENT COMMODITY CHARGE

	Billing Determinants (Dth) (a)	Current Rate (b)	Current Revenue (c)	MGTC Proposed Rates (d)	MGTC Proposed Revenues (d)	OCA Proposed Rates (d)	OCA Proposed Revenues (e)	Overall Bill Increase (Decrease)
<u>Small General Service</u>								
Customer Charge	4,542	\$0.0000	\$0	\$5.3100	\$24,118	\$7.16	\$32,516	
Delivery Charge	62,986	\$1.8872	\$118,867	\$0.4088	\$25,749	\$1.4227	\$89,607	
Gas Supply (Commodity) Charge	<u>62,986</u>	<u>\$3.6024</u>	<u>\$226,901</u>	<u>\$3.6024</u>	<u>\$226,901</u>	<u>\$3.6024</u>	<u>\$226,901</u>	
TOTAL SMALL GENERAL SERVICE			\$345,768		\$276,767		\$349,024	0.94%
<u>Large General Service</u>								
Customer Charge	1,287	\$0.0000	\$0	\$0.0000	\$0	\$14.47	\$18,621	
Demand Charge	23,327	\$0.0000	\$0	\$4.4795	\$104,493	\$7.63	\$178,019	
Delivery charge	253,868	\$1.1957	\$303,550	\$0.4088	\$103,781	\$0.1001	\$25,415	
Gas Supply (Commodity) Charge	<u>253,868</u>	<u>\$3.6024</u>	<u>\$914,534</u>	<u>\$3.6024</u>	<u>\$914,534</u>	<u>\$3.6024</u>	<u>\$914,534</u>	
TOTAL LARGE GENERAL SERVICE			\$1,218,084		\$1,122,809		\$1,136,589	-6.69%
<u>Firm Transport Service</u>								
Customer Charge	120	\$0.0000	\$0	\$0.0000	\$0	\$583.73	\$70,047	
Demand Charge	216,473	\$0.0000	\$0	\$4.4795	\$969,691	\$5.61	\$1,214,545	
Transport per Dth	<u>2,369,680</u>	<u>Varies</u>	<u>\$1,287,223</u>	<u>\$0.4088</u>	<u>\$968,725</u>	<u>\$0.0534</u>	<u>\$126,542</u>	
TOTAL FIRM TRANSPORT SERVICE			\$1,287,223		\$1,938,416		\$1,411,134	9.63%
TOTAL COMPANY			\$2,851,075		\$3,337,992		\$2,896,747	1.60%

COMPARISON OF RATE IMPACT ON CUSTOMER CLASSES  
IMPACT INCLUDING CURRENT COMMODITY CHARGE

	Billing Determinants (Dth) (a)	Current Rate (b)	Current Revenue (c)	MGTC Proposed Rates (d)	MGTC Proposed Revenues (d)	OCA Proposed Rates (d)	OCA Proposed Revenues (e)	Non-Commodity Increase (Decrease)
<u>Small General Service</u>								
Customer Charge	4,542	\$0.0000	\$0	\$5.3100	\$24,118	\$7.16	\$32,516	
Delivery Charge	62,986	\$1.8872	\$118,867	\$0.4088	\$25,749	\$1.4227	\$89,607	
Commodity Charge	<u>62,986</u>	<u>\$3.6024</u>	<u>\$226,901</u>	<u>\$3.6024</u>	<u>\$226,901</u>	<u>\$3.6024</u>	<u>\$226,901</u>	
TOTAL SMALL GENERAL SERVICE			\$345,768		\$276,767		\$349,024	0.94%
<u>Large General Service</u>								
Customer Charge	1,287	\$0.0000	\$0	\$0.0000	\$0	\$14.47	\$18,621	
Demand Charge	23,327	\$0.0000	\$0	\$4.4795	\$104,493	\$7.63	\$178,019	
Delivery charge	253,868	\$1.1957	\$303,550	\$0.4088	\$103,781	\$0.1001	\$25,415	
Commodity Charge	<u>253,868</u>	<u>\$3.6024</u>	<u>\$914,534</u>	<u>\$3.6024</u>	<u>\$914,534</u>	<u>\$3.6024</u>	<u>\$914,534</u>	
TOTAL LARGE GENERAL SERVICE			\$1,218,084		\$1,122,809		\$1,136,589	-6.69%

Firm Transport Service - All Other

Customer Charge								
Demand Charge								
Transport per Dth								
TOTAL FIRM TRANSPORT SERVICE								
<u>Source Gas Transport Service</u>								
Customer Charge								
Maximum Daily Quantity								
Demand Charge								
Transport per Dth								
TOTAL FIRM TRANSPORT SERVICE								

TOTAL COMPANY

\$2,851,075

\$3,337,992

\$2,896,747

1.60%

COMPARISON OF RATE IMPACT ON CUSTOMER CLASSES  
EXCLUDING CURRENT COMMODITY CHARGE

	Billing Determinants (Dth) (a)	Current Rate (b)	Current Revenue (c)	MGTC Proposed Rates (d)	MGTC Proposed Revenues (d)	OCA Proposed Rates (d)	OCA Proposed Revenues (e)	Overall Bill Increase (Decrease)
<u>Small General Service</u>								
Customer Charge	4,542	\$0.0000	\$0	\$5.3100	\$24,118	\$7.16	\$32,516	
Delivery Charge	<u>62,986</u>	<u>\$1.8872</u>	<u>\$118,867</u>	<u>\$0.4088</u>	<u>\$25,749</u>	<u>\$1.4227</u>	<u>\$89,607</u>	
TOTAL SMALL GENERAL SERVICE			<u>\$118,867</u>		<u>\$49,867</u>		<u>\$122,123</u>	2.74%
<u>Large General Service</u>								
Customer Charge	1,287	\$0.0000	\$0	\$0.0000	\$0	\$14.47	\$18,621	
Demand Charge	23,327	\$0.0000	\$0	\$4.4795	\$104,493	\$7.63	\$178,019	
Delivery charge	<u>253,868</u>	<u>\$1.1957</u>	<u>\$303,550</u>	<u>\$0.4088</u>	<u>\$103,781</u>	<u>\$0.1001</u>	<u>\$25,415</u>	
TOTAL LARGE GENERAL SERVICE			<u>\$303,550</u>		<u>\$208,275</u>		<u>\$222,055</u>	-26.85%
<u>Firm Transport Service</u>								
Customer Charge	120	\$0.0000	\$0	\$0.0000	\$0	\$583.73	\$70,047	
Demand Charge	216,473	\$0.0000	\$0	\$4.4795	\$969,691	\$5.61	\$1,214,545	
Transport per Dth	<u>2,369,680</u>	<u>\$0.5432</u>	<u>\$1,287,223</u>	<u>\$0.4088</u>	<u>\$968,725</u>	<u>\$0.0534</u>	<u>\$126,542</u>	
TOTAL FIRM TRANSPORT SERVICE			<u>\$1,287,223</u>		<u>\$1,938,416</u>		<u>\$1,411,134</u>	9.63%
TOTAL COMPANY			<u>\$1,709,640</u>		<u>\$2,196,557</u>		<u>\$1,755,312</u>	2.67%

COMPARISON OF RATE IMPACT ON CUSTOMER CLASSES  
IMPACT EXCLUDING CURRENT COMMODITY CHARGE

	Billing Determinants (Dth) (a)	Current Rate (b)	Current Revenue (c)	MGTC Proposed Rates (d)	MGTC Proposed Revenues (d)	OCA Proposed Rates (d)	OCA Proposed Revenues (e)	Non-Commodity Increase (Decrease)
<u>Small General Service</u>								
Customer Charge	4,542	\$0.0000	\$0	\$5.3100	\$24,118	\$7.16	\$32,516	
Delivery Charge	<u>62,986</u>	<u>\$1.8872</u>	<u>\$118,867</u>	<u>\$0.4088</u>	<u>\$25,749</u>	<u>\$1.4227</u>	<u>\$89,607</u>	
TOTAL SMALL GENERAL SERVICE			<u>\$118,867</u>		<u>\$49,867</u>		<u>\$122,123</u>	2.74%
<u>Large General Service</u>								
Customer Charge	1,287	\$0.0000	\$0	\$0.0000	\$0	\$14.47	\$18,621	
Demand Charge	23,327	\$0.0000	\$0	\$4.4795	\$104,493	\$7.63	\$178,019	
Delivery charge	<u>253,868</u>	<u>\$1.1957</u>	<u>\$303,550</u>	<u>\$0.4088</u>	<u>\$103,781</u>	<u>\$0.1001</u>	<u>\$25,415</u>	
TOTAL LARGE GENERAL SERVICE			<u>\$303,550</u>		<u>\$208,275</u>		<u>\$222,055</u>	-26.85%

Firm Transport Service -- All Other

Customer Charge								
Demand Charge								
Transport per Dth								
TOTAL FIRM TRANSPORT SERVICE								
<u>Source Gas Transport Service</u>								
Customer Charge								
Maximum Daily Quantity								
Demand Charge								
Transport per Dth								
TOTAL FIRM TRANSPORT SERVICE								
TOTAL COMPANY			\$1,709,640		\$2,196,557		\$1,755,312	2.67%

**BILL IMPACTS AT VARIOUS ILLUSTRATIVE USAGE LEVELS  
BASED ON SEPARATE RATES FOR SOURCEGAS AND OTHER TRANSPORT CUSTOMERS**

	Current Customer Charge	Current Demand Charges	Current Delivery Charges	Currently Tariffed Commodity Charges	Current Total Charges	OCA Proposed Customer Charge	OCA Proposed Demand Charges	OCA Proposed Delivery Charges	Currently Tariffed Commodity Charges	OCA Proposed Total Charges	Proposed Change
<b>Small General Service</b>											
1 dth	\$0.00	\$0.00	\$1.89	\$3.60	\$5.49	\$7.16	\$0.00	\$1.42	\$3.60	\$12.18	122%
5 dth	\$0.00	\$0.00	\$9.44	\$18.01	\$27.45	\$7.16	\$0.00	\$7.11	\$18.01	\$32.28	18%
10 dth	\$0.00	\$0.00	\$18.87	\$36.02	\$54.90	\$7.16	\$0.00	\$14.23	\$36.02	\$57.41	5%
15 dth	\$0.00	\$0.00	\$28.31	\$54.04	\$82.34	\$7.16	\$0.00	\$21.34	\$54.04	\$82.53	0%
20 dth	\$0.00	\$0.00	\$37.74	\$72.05	\$109.79	\$7.16	\$0.00	\$28.45	\$72.05	\$107.66	-2%
25 dth	\$0.00	\$0.00	\$47.18	\$90.06	\$137.24	\$7.16	\$0.00	\$35.57	\$90.06	\$132.78	-3%
50 dth	\$0.00	\$0.00	\$94.36	\$180.12	\$274.48	\$7.16	\$0.00	\$71.13	\$180.12	\$258.41	-6%
100 dth	\$0.00	\$0.00	\$188.72	\$360.24	\$548.96	\$7.16	\$0.00	\$142.26	\$360.24	\$509.66	-7%
150 dth	\$0.00	\$0.00	\$283.08	\$540.36	\$823.44	\$7.16	\$0.00	\$213.39	\$540.36	\$760.91	-8%
<b>Large General Service</b>											
20 dth demand; 250 dth delivery	\$0.00	\$0.00	\$298.93	\$900.60	\$1,199.53	\$14.47	\$152.63	\$25.03	\$900.60	\$1,092.73	-9%
50 dth demand; 600 dth delivery	\$0.00	\$0.00	\$717.42	\$2,161.44	\$2,878.86	\$14.47	\$381.57	\$60.07	\$2,161.44	\$2,617.55	-9%
60 dth demand; 700 dth delivery	\$0.00	\$0.00	\$836.99	\$2,521.68	\$3,358.67	\$14.47	\$457.89	\$70.08	\$2,521.68	\$3,064.11	-9%
100 dth demand; 1,000 dth delivery	\$0.00	\$0.00	\$1,195.70	\$3,602.40	\$4,798.10	\$14.47	\$763.15	\$100.11	\$3,602.40	\$4,480.13	-7%
150 dth demand; 1,700 dth delivery	\$0.00	\$0.00	\$2,032.69	\$6,124.08	\$8,156.77	\$14.47	\$1,144.72	\$170.19	\$6,124.08	\$7,453.46	-9%
500 dth demand; 5,000 dth delivery	\$0.00	\$0.00	\$5,978.50	\$18,012.00	\$23,990.50	\$14.47	\$3,815.74	\$500.55	\$18,012.00	\$22,342.76	-7%
<b>Transportation Service (Non-Source Gas)</b>											
20 dth demand; 250 dth delivery						\$178.83	\$100.17	\$13.27	\$0.00	\$292.27	
50 dth demand; 600 dth delivery						\$178.83	\$250.44	\$31.85	\$0.00	\$461.11	
60 dth demand; 700 dth delivery						\$178.83	\$300.52	\$37.16	\$0.00	\$516.51	
100 dth demand; 1,000 dth delivery						\$178.83	\$500.87	\$53.08	\$0.00	\$732.78	
150 dth demand; 1,700 dth delivery						\$178.83	\$751.31	\$90.24	\$0.00	\$1,020.38	
500 dth demand; 5,000 dth delivery						\$178.83	\$2,504.36	\$265.40	\$0.00	\$2,948.60	

Current transport customer rates vary based on different existing rate schedules