

**Pinedale Natural Gas, Inc.
Revenue Requirement**

**Change From
Test Year
with
Current
Rates**

1	Rate Base	\$	735,320
2			
3	Return on Rate Base		8.8%
4			
5	Stipulated Earnings Requirement	\$	64,880
6			
7	Test Year Net Earnings (@ Current Rates)	\$	107,505
8			
9	Earnings (Excess)/Defficiency	\$	(42,625)
10			
11	Revenue Multiplier		1.39
12			
13	Revenue Requirement	\$	(59,202)

	A	B	C	
	Rate Case Adjusted Test Year Current Rates	Rate Case Adjusted Test Year Company Proposed Rates	Stipulated Adjusted Test Year	
Income Statement				
1	Revenues			
2	Residential or Domestic Gas Sales	\$ 535,500	\$ 458,280	\$ 447,048
3	Monthly Fee	\$ 48,750	\$ 78,000	\$ 78,000
4	Other Income			
5	TOTAL REVENUES	\$ 584,250	\$ 536,280	\$ 525,048
6				
7	Expenses			
8	Officer Compensation			
9	Officer Wages	\$ 80,000	\$ 80,000	\$ 80,000
10	Life Insurance	\$ 3,000	\$ 3,000	\$ 3,000
11	Health/Disability Insurance	\$ 18,000	\$ 18,000	\$ 18,000
12	Company SEPP Officer Contributions	\$ 20,000	\$ 20,000	\$ 20,000
13	Total Officer Compensation	\$ 121,000	\$ 121,000	\$ 121,000
14				
15	Employee Compensation			
16	Employee Wages	\$ 82,000	\$ 82,000	\$ 82,000
17	Health/Disability Insurance	\$ 3,000	\$ 3,000	\$ 3,000
18	Company Retirement Savings	\$ 20,500	\$ 20,500	\$ 20,500
19	Total Employee Compensation	\$ 105,500	\$ 105,500	\$ 105,500
20				
21	Bad Debt	\$ 2,000	\$ 2,000	\$ 2,000
22	Office Rent	\$ 6,000	\$ 6,000	\$ 6,000
23	Advertising	\$ 1,500	\$ 1,500	\$ 1,500
24	Total	\$ 9,500	\$ 9,500	\$ 9,500
25				
26	Repairs and Maintenance	\$ 24,000	\$ 24,000	\$ 24,000
27	Total Repairs Maintenance Expense	\$ 24,000	\$ 24,000	\$ 24,000
28				
29	Taxes and Licensing			
30	Workman's Compensation	\$ 1,000	\$ 1,000	\$ 1,000
31	FICA	\$ 12,500	\$ 12,500	\$ 12,500
32	Property Taxes	\$ 15,000	\$ 15,000	\$ 15,000
33	Other Taxes & Licensing	\$ 2,500	\$ 2,500	\$ 2,500
34	Total Taxes & Licensing	\$ 31,000	\$ 31,000	\$ 31,000

	A	B	C
	Rate Case Adjusted Test Year Current Rates	Rate Case Adjusted Test Year Company Proposed Rates	Stipulated Adjusted Test Year
1 Other Deductions			
2 Bank Charges	\$ 100	\$ 100	\$ 100
3 Freight	\$ -	\$ -	\$ -
4 Accounting	\$ 10,000	\$ 10,000	\$ 10,000
5 General Liability Insurance	\$ 23,000	\$ 23,000	\$ 23,000
6 Office Supplies, postage	\$ 5,000	\$ 5,000	\$ 5,000
7 Other Professional Services	\$ 2,000	\$ 2,000	\$ 2,000
8 Telephone/Alarm/Answering Service	\$ 5,000	\$ 5,000	\$ 5,000
9 Travel	\$ 8,000	\$ 8,000	\$ 8,000
10 Office Utilities	\$ 1,200	\$ 1,200	\$ 1,200
11 Training	\$ 2,000	\$ 2,000	\$ 2,000
12 Pickup Allowance	\$ 12,000	\$ 12,000	\$ 12,000
13 Meals	\$ 1,000	\$ 1,000	\$ 1,000
14 Legal/Collection	\$ 2,000	\$ 2,000	\$ 2,000
15 Dues & Fees	\$ -	\$ -	\$ -
16 Other Operating Expense	\$ -	\$ -	\$ -
17 Total Other Deductions	\$ 71,300	\$ 71,300	\$ 71,300
18			
19 TOTAL EXPENSES	\$ 362,300	\$ 362,300	\$ 362,300
20			
24 Depreciation	\$ 79,000	\$ 79,000	\$ 79,000
26 Total Depreciation	\$ 79,000	\$ 79,000	\$ 79,000
27			
28 Interest Expense	\$ 17,000	\$ 17,000	\$ 17,000
29			
30 TOTAL DEDUCTIONS	\$ 458,300	\$ 458,300	\$ 458,300
31			
32 TAXABLE INCOME	\$ 125,950	\$ 77,980	\$ 66,748
33			
34 PSC Rate Calculations			
35 Gross Margin less Expenses	\$ 221,950	\$ 173,980	\$ 162,748
36 Depreciation (Rate Making)	\$ (79,179)	\$ (79,179)	\$ (79,179)
37 Income Tax	\$ (35,266)	\$ (21,834)	\$ (18,689)
39 RETURN	\$ 107,505	\$ 72,967	\$ 64,880
40			
41 RATE BASE	\$ 735,320	\$ 735,320	\$ 735,320
42			
43 Percent Return on Rate Base	14.6%	9.9%	8.8%

	A	B	C	D
OCA & Pinedale Stipulated Weighted Average Cost of Capital and Return on Equity				
		Weight	Cost	WACC
1	Debt	53%	7.00%	3.71%
2	Equity	47%	10.9%	5.12%
3		100%		8.8%

Stipulated Tariff Rates		
Residential Fixed Monthly Charge	\$	10.00
Residential Non-Commodity Rate (Per Decatherm)	\$	5.24
Large Commercial Fixed Monthly Charge	\$	10.00
Large Commercial Non-Commodity Rate (Per Decatherm)	\$	4.00

Stipulated Average Bill Calculation

	A	B	C	D	E	F	G	H
Residential - January				Average Monthly Usage (Dth)	Current Average Monthly Bill	Proposed Average Monthly Bill	Percent Change	Dollar Change
	Current	Stipulated Rate Case Proposed						
1	Base Gas Cost	\$ 5.00	\$ 5.00					
2	CBA Surcharge	\$ 0.35	\$ 0.35					
3	Incentive	\$ -						
4	Non Gas Rate	\$ 5.95	\$ 5.24					
5	Total Commodity per Dth	\$ 11.30	\$ 10.59 per Dth	12.07	\$ 136.39	\$ 127.82		
7								
8	Fixed Monthly Charge	\$ 6.25	\$ 10.00		\$ 6.25	\$ 10.00		
10	Total Monthly Bill				\$ 142.64	\$ 137.82	-3.38%	\$ (4.82)

	A	B	C	D	E	F	G	H
Residential - July				Average Monthly Usage (Dth)	Current Average Monthly Bill	Proposed Average Monthly Bill	Percent Change	Dollar Change
	Current Rates	Stipulated Proposed Rates						
15	Base Gas Cost	\$ 5.00	\$ 5.00					
16	CBA Surcharge	\$ 0.35	\$ 0.35					
17	Incentive	\$ -						
18	Non Gas Rate	\$ 5.95	\$ 5.24					
19	Total Commodity per Dth	\$ 11.30	\$ 10.59 per Dth	1.42	\$ 16.05	\$ 15.04		
21								
22	Fixed Monthly Charge	\$ 6.25	\$ 10.00		\$ 6.25	\$ 10.00		
24	Total Monthly Bill				\$ 22.30	\$ 25.04	12.30%	\$ 2.74

	A	B	C	D	E	F	G	H
New Class - Schools - January				Average Monthly Usage (Dth)	Current Average Monthly Bill	Proposed Average Monthly Bill	Percent Change	Dollar Change
	Current Rates	Stipulated Proposed Rates						
29	Base Gas Cost	\$ 5.00	\$ 5.00					
30	CBA Surcharge	\$ 0.35	\$ 0.35					
31	Incentive	\$ -	\$ -					
32	Non Gas Rate	\$ 5.95	\$ 4.00					
33	Total Commodity per Dth	\$ 11.30	\$ 9.35 per Dth	1360	\$15,368.00	\$12,716.00		
35								
36	Fixed Monthly Charge	\$ 6.25	\$ 10.00		\$ 31.25	\$ 50.00		
38	Total Monthly Bill				\$15,399.25	\$12,766.00	-17.10%	\$ (2,633.25)

	A	B	C	D	E	F	G	H
New Class - Schools - July				Average Monthly Usage (Dth)	Current Average Monthly Bill	Proposed Average Monthly Bill	Percent Change	Dollar Change
	Current Rates	Stipulated Proposed Rates						
43	Base Gas Cost	\$ 5.00	\$ 5.00					
44	CBA Surcharge	\$ 0.35	\$ 0.35					
45	Incentive	\$ -	\$ -					
46	Non Gas Rate	\$ 5.95	\$ 4.00					
47	Total Commodity per Dth	\$ 11.30	\$ 9.35 per Dth	160	\$ 1,808.00	\$ 1,496.00		
49								
50	Fixed Monthly Charge	\$ 6.25	\$ 10.00		\$ 31.25	\$ 50.00		
52	Total Monthly Bill				\$ 1,839.25	\$ 1,546.00	-15.94%	\$ (293.25)

