

**Statement of Adjusted Operations - Public Gas**  
**Public Gas Company**  
**TYE 12/31/2011**

	Test Year	Pro Forma Adjustments	Pro forma Operations
<b><u>Operating Revenues</u></b>			
<b>Sales of Gas</b>			
480 Residential	\$562,759		\$0
481 Commercial & Industrial	180,744		
482 Other Sales to Public Authorities	217,451		
<b>Total Sales of Gas</b>	<u>\$960,954</u>	<u>(\$704,415)</u>	<u>\$256,539</u>
<b>Other Operating Revenues</b>			
487 Forfeited Discounts	\$12,718		\$12,718
488 Miscellaneous Service Revenues	16,254		16,254
495 Other Gas Revenues	4,782		4,782
<b>Total Operating Revenues</b>	<u>\$994,708</u>	<u>(\$704,415)</u>	<u>\$290,293</u>
<b><u>Operating Expenses</u></b>			
<b>Operation and Maintenance Expenses</b>			
807 Purchase Gas Expense	\$703,801	(\$703,801)	\$0
870-894 Distribution Expenses	168,986	21,066 A	190,052
Transmission Expenses			0
920-935 Administrative and General Expenses	35,432	149,277 B	184,709
901-905 Customer Accounts Expenses	8,951		8,951
907-916 Customer Service and Informational Expenses	7,803		7,803
<b>Total Operation and Maintenance Expenses</b>	<u>\$924,973</u>	<u>(\$533,459)</u>	<u>\$391,514</u>
403 Depreciation Expense	64,530		64,530
Amortization Expense			
431 Other Interest Expense	4,856		4,856
408.1 Taxes Other Than Income	22,622	8,029 C	30,651
Income Tax Expense			
<b>Total Operating Expenses</b>	<u>\$1,016,981</u>	<u>(\$525,429)</u>	<u>\$491,552</u>
<b>Utility Operating Income</b>	<u>(\$22,273)</u>	<u>(\$178,985)</u>	<u>(\$201,258)</u>

**Pro forma Adjustments  
Public Gas Company**

<b>870-894</b>	<b>Distribution Expenses</b>	<b>Actual</b>	<b>Pro- Forma</b>	<b>Adjustment</b>	
401087013	Op Exp Labor	\$ 29,264	\$ 42,000	\$ 12,736	
401087015	Op Exp 401 K Match	1,879	3,600	1,721	
401087064	Contract Labor	73,791	80,400	6,609	
				\$ 21,066	A

<b>920-935</b>	<b>Administrative and General Expenses</b>				
401092000	Wages - Administrative	44,072	78,000	\$ 33,928	
401092601	Group Insurance	-	14,160	14,160	
401093101	Op Exp Rent	18,012	7,200	(10,812)	
	Outside Service (Rate Case Expenses)	-	4,000	4,000	
	Corporate Overhead	-	108,000	108,000	
				\$ 149,277	B

<b>408.1</b>	<b>Taxes Other Than Income</b>				
408000001	Other Taxes FICA	\$ 6,671	\$ 13,200	\$ 6,529	
408000011	Payroll Taxes - Unemployed.	420	1,920	1,500	
				\$ 8,029	C

**870-894 Distribution Expenses**  
A. This adjustment restates both labor and contract labor at the current or going forward level. The current level reflects the change in ownership of Public Gas Company (PGC.) The adjustment restates labor cost for PGC employees.

The 401K match follows the increase in labor costs.

**920-935 Administrative and General Expenses**  
B. An adjustment to administrative wages was made to restate labor at the current or going forward level. This level of expense reflects the change in ownership of Public Gas Company. This pro-forma adjustment restates labor cost for PGC employees  
Group insurance is now covered by the new owner and is include in Account 926.  
Rent has decreased as a result of changing market conditions.  
\$12,000 in rate case expense for this filing is amortized over three years . (\$12,000/3)  
Corporate overheads reflect a 3% allocation of corporate expenses for Gas Natural, (the parent corporation of PGC.) Corporate Expenses include corporate officers (CEO, CFO, and COO) expense, IT expense, accounting expense and legal expense.

**408.1 Taxes Other Than Income**  
C. Both payroll related taxes follow/track the increase/restatement of labor costs.

**Calculations to Verify Test Period Billing Determinates  
For the 12 months ended December 31, 2011  
Public Gas Company**

Date	Customers	Mcf's sold per PUCO Filing	Base Rate First MCF	\$	Base Rate over 1 Mcf	\$	Calculated Net Revenue	GCA Revenue	Calculated	Income Statement
11-Jan	1,593	24,233	3.2705	\$5,209.91	\$2.15	\$48,687.32	\$53,897.23	\$135,280.94	\$189,178.17	\$189,178.17
Feb-11	1,596	19,454	3.2705	\$5,219.72	\$2.15	\$38,403.63	\$43,623.35	\$106,697.40	\$150,320.75	\$150,320.75
Mar-11	1,590	13,676	3.2705	\$5,200.10	\$2.15	\$25,990.94	\$31,191.04	\$76,734.53	\$107,925.57	\$107,925.57
Apr-11	1,560	6,841	3.2705	\$5,101.98	\$2.15	\$11,356.79	\$16,458.77	\$42,350.74	\$58,809.51	\$58,809.51
May-11	1,512	3,616	3.2705	\$4,945.00	\$2.15	\$4,524.65	\$9,469.65	\$29,262.37	\$38,732.02	\$38,732.02
Jun-11	1,491	2,141	3.2705	\$4,876.32	\$2.15	\$1,397.83	\$6,274.14	\$25,522.89	\$31,797.03	\$31,797.03
Jul-11	1,479	1,546	3.2705	\$4,837.07	\$2.15	\$144.08	\$4,981.15	\$22,685.11	\$27,666.26	\$27,666.26
Aug-11	1,471	1,591	3.2705	\$4,810.91	\$2.15	\$258.06	\$5,068.97	\$22,947.23	\$28,016.20	\$28,016.20
Sep-11	1,494	1,842	3.2705	\$4,886.13	\$2.15	\$748.37	\$5,634.50	\$22,923.12	\$28,557.62	\$28,557.62
Oct-11	1,539	4,336	3.2705	\$5,033.30	\$2.15	\$6,014.95	\$11,048.25	\$33,973.59	\$45,021.84	\$45,021.84
Nov-11	1,614	12,120	3.2705	\$5,278.59	\$2.15	\$22,593.15	\$27,871.74	\$74,922.63	\$102,794.37	\$102,794.37
Dec-11	1,632	18,225	3.2705	\$5,337.46	\$2.15	\$35,683.25	\$41,020.70	\$111,114.01	\$152,134.71	\$152,134.71
Total 2011	18,571	109,621		\$60,736.46		\$195,803.03	\$256,539.48	\$704,414.57	\$940,954.05	\$940,954.05

**REVENUE REQUIREMENT CALCULATION  
OPERATING RATIO METHOD  
Public Gas Company  
TYE 12/31/2011**

Pro forma operating expenses before income tax	\$491,552
Operating Ratio	88.00%
Sub Total	\$558,581
Less: Pro forma Operating Expenses	(491,552)
Net Income Allowable	\$67,030
Add: Provision for Income Tax	42,675
Interest Expense	4,856
Pro forma Operating Expenses	491,552
<b>Total Revenue Requirement</b>	<b>\$606,113</b>
Less: Other Operating Revenues	\$0
Total Revenue Requirement from Rates for Service	<b>\$606,113</b>
Less: Revenue from Sales at Present Rates	(256,539)
<b>Requested Increase - Base Gas Rates</b>	<b>\$349,573</b>

**Provision fro Income Taxes - Calculation if Tax Gross-up factor**

Revenue	1
Less: 6% Sate Tax	-0.06
Sub total	0.94
Less: Federal Tax 35% of subtotal	-0.3290
Percent change in NOI	0.6110
Factor (Revenue of 1 divided by change in NOI)	1.6367
Times allowable Net Income	\$ 109,705
Net Income before Taxes	\$ 67,030
Difference equals Provision for Taxes	\$ 42,675

**Public Gas Company  
Proposed Base Rate Adjustment  
August 2012**

Description	Current Rate		Proposed	
	Billing Units	Rate	Billing Units	Rate
				Calculated Billings
<b>Base Rate First Mcf</b>	Customer Months	Per Customer	Customer Months	Per Customer
	18,571	\$3.271	18,571	\$13.00
				Service Charge
				\$241,423.00
<b>Base Rate over 1 Mcf</b>	Mcf		Mcf	
	109,621	\$2.151	109,621	\$3.3268
				\$364,687.14
				<b>\$606,110.14</b>
GSC (Gas Cost)		\$256,539	GSC (Gas Cost)	\$704,414.57
<b>Total Revenue</b>		\$960,954.05	<b>Total Revenue</b>	\$1,310,524.71
			Pctg. Increase	36.38%

**Number of Customers  
Public Gas Company**

Jan-11	1,593
Feb-11	1,596
Mar-11	1,590
Apr-11	1,560
May-11	1,512
Jun-11	1,491
Jul-11	1,479
Aug-11	1,471
Sep-11	1,494
Oct-11	1,539
Nov-11	1,614
Dec-11	1,632
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	18,571

**Public Gas Company  
Depreciation Schedule  
For the Year Ended 12/31/11**

Asset Property Description	Date in Service	Cost	Salvage	Depreciable Value	12/31/11 A/D	12/31/11 Remaining	12/31/11 NBV	Useful Life (Years)	Useful Life (Months)	Monthly Depreciation
<b>EQUIPMENT</b>										
44 SQUEEZE TOOL	01/30/93	\$406.00	\$40.00	\$366.00	\$346.18	\$19.82	\$59.82	20	240	\$1.53
46 INDEXES	09/31/93	1,769.00	176.00	1,593.00	1,593.00	-	176.00	15	180	\$0.00
47 FUSION MACHINE	10/31/93	471.00	47.00	424.00	424.00	-	47.00	10	120	\$0.00
48 EQUIPMENT	07/30/93	8,004.00	800.00	7,204.00	7,204.00	-	800.00	10	120	\$0.00
49 BACKHOE	02/01/93	21,189.00	2,118.00	19,071.00	19,071.00	-	2,118.00	15	180	\$0.00
50 BORING EQUIPMENT	06/15/93	10,000.00	1,000.00	9,000.00	9,000.00	-	1,000.00	10	120	\$0.00
51 EQUIPMENT	07/01/94	1,489.00	143.00	1,286.00	1,286.00	-	143.00	10	120	\$0.00
53 MISC EQUIPMENT	09/30/95	3,665.00	366.00	3,299.00	3,299.00	-	366.00	10	120	\$0.00
54 PIPELINE LOCATOR	04/29/98	938.00	94.00	844.00	844.00	-	94.00	10	120	\$0.00
59 FUSION HEATERS	08/02/99	165.00	17.00	148.00	148.00	-	17.00	10	120	\$0.00
96 SUPPLIES	07/30/93	541.00	54.00	487.00	487.00	-	54.00	10	120	\$0.00
148 PIPE CUTTER	11/04/03	461.00	46.00	415.00	338.92	76.08	122.08	15	180	\$2.31
159 SOFTWARE	10/14/08	4,592.12	-	4,592.12	2,984.87	1,607.25	1,607.25	5	60	\$76.54
<b>Total Equipment</b>		<b>\$53,640.12</b>	<b>\$4,901.00</b>	<b>\$48,739.12</b>	<b>\$47,085.97</b>	<b>\$1,703.15</b>	<b>\$5,604.15</b>			<b>\$80.37</b>
<b>METERS</b>										
45 3 AFV SER	02/28/93	\$2,419.00	\$241.00	\$2,178.00	\$2,050.95	\$127.05	\$368.05	20	240	\$9.08
67 HOUSE METERS	07/06/90	990.00	99.00	891.00	891.00	-	99.00	20	240	\$0.00
73 METERS	09/30/92	1,070.00	107.00	963.00	926.89	36.11	143.11	20	240	\$4.01
74 INSTALLATION PARTS	09/30/92	930.00	93.00	837.00	805.61	31.39	124.39	20	240	\$3.49
78 METERS	11/30/92	15,545.00	1,554.00	13,991.00	13,349.75	641.25	2,195.25	20	240	\$58.30
79 METERS	03/31/93	888.00	88.80	800.00	750.00	50.00	138.00	20	240	\$3.33
80 METER HOUSING	04/30/93	498.00	49.80	448.00	419.07	29.93	78.93	20	240	\$1.87
81 METERS	06/30/93	2,225.00	222.50	2,003.00	1,852.78	150.22	372.22	20	240	\$8.35
83 2" METER	09/30/93	270.00	27.00	243.00	221.74	21.26	48.26	20	240	\$1.01
84 METERS	07/01/94	13,591.00	1,359.00	12,232.00	10,703.00	1,529.00	2,888.00	20	240	\$50.97
85 METERS	06/25/95	20,883.00	2,088.00	18,795.00	15,505.88	3,289.12	5,377.12	20	240	\$78.51
86 METERS INSTALLATION PARTS	07/01/96	55,052.00	5,505.00	49,547.00	38,398.93	11,148.07	16,653.07	20	240	\$206.45
89 1995 METERS	07/01/99	13,410.00	1,341.00	12,069.00	7,543.13	4,525.87	5,866.87	20	240	\$50.29
90 METERS	07/01/01	9,796.00	980.00	8,816.00	5,069.20	3,746.80	4,726.80	20	240	\$36.73
91 METERS	07/01/01	4,001.00	400.00	3,601.00	1,890.53	1,710.47	2,110.47	20	240	\$15.00
92 METERS	09/10/02	16,064.00	1,606.00	14,458.00	6,747.07	7,710.93	9,316.93	20	240	\$60.24
97 METER INSTALLATION	07/30/93	1,412.00	141.00	1,271.00	1,170.38	100.62	241.62	20	240	\$5.30
100 METER INSTALLATIONS	09/30/95	4,420.00	442.00	3,978.00	3,232.13	745.87	1,187.87	20	240	\$16.58
106 METER INSTALLATIONS	07/01/00	11,107.00	1,111.00	9,996.00	5,747.70	4,248.30	5,359.30	20	240	\$41.65
109 METER INSTALLED	07/01/02	24,465.00	2,447.00	22,018.00	10,458.55	11,559.45	14,006.45	20	240	\$91.74
146 METERS	07/01/03	22,134.00	2,213.00	19,921.00	8,466.43	11,454.57	13,667.57	20	240	\$83.00
149 METER INSTALLATIONS	06/30/03	24,936.00	2,494.00	22,442.00	9,537.85	12,904.15	15,398.15	20	240	\$93.51
151 METER INSTALLATIONS	06/30/04	17,450.00	1,745.00	15,705.00	5,889.38	9,815.62	11,560.62	20	240	\$65.44
154 METRIX METER	09/30/06	3,723.75	372.00	3,351.75	879.85	2,471.90	2,843.90	20	240	\$13.97
<b>Total Meters</b>		<b>\$267,279.75</b>	<b>\$26,724.00</b>	<b>\$240,555.75</b>	<b>\$152,507.80</b>	<b>\$88,047.95</b>	<b>\$114,771.95</b>			<b>\$998.60</b>

**Public Gas Company  
Depreciation Schedule  
For the Year Ended 12/31/11**

Asset Property Description	Date in Service	Cost	Salvage	Depreciable Value	12/31/11 A/D	12/31/11 Remaining	12/31/11 NBV	Useful Life (Years)	Useful Life (Months)	Monthly Depreciation
<b>OFFICE EQUIPMENT</b>										
136 FILE CABINET	12/29/98	\$127.00	\$12.00	\$115.00	\$115.00	\$0.00	\$12.00	10	120	\$0.00
138 FILE CABINET	03/02/99	307.00	31.00	276.00	276.00	-	31.00	10	120	\$0.00
139 OFFICE FIXTURES	09/13/99	1,293.00	129.00	1,164.00	1,164.00	-	129.00	10	120	\$0.00
<b>Total Office Equipment</b>		<b>1,727.00</b>	<b>172.00</b>	<b>1,555.00</b>	<b>1,555.00</b>	<b>-</b>	<b>172.00</b>			<b>\$0.00</b>
<b>PIPELINES</b>										
2 STRUCTURES & IMPROVEMENTS	01/01/80	1,027.00	102.00	925.00	740.16	184.84	286.84	40	480	\$1.93
3 PIPELINES	01/01/80	123,944.00	12,945.00	110,999.00	88,799.36	22,199.64	35,144.64	40	480	\$231.25
4 PIPELINES	01/01/81	5,549.00	555.00	4,994.00	3,870.35	1,123.65	1,678.65	40	480	\$10.40
5 PIPELINES	01/01/82	7,156.00	715.00	6,441.00	4,830.90	1,610.10	2,325.10	40	480	\$13.42
6 PIPELINES	01/01/82	3,023.00	302.00	2,721.00	2,040.90	680.10	982.10	40	480	\$5.67
7 PIPELINES	01/01/83	17,218.00	1,722.00	15,496.00	11,234.60	4,261.40	5,983.40	40	480	\$32.28
8 PIPELINES	01/01/84	9,929.00	990.00	8,939.00	6,257.44	2,681.56	3,671.56	40	480	\$18.62
9 PIPELINES	01/01/85	111.00	11.00	100.00	67.50	32.50	43.50	40	480	\$0.21
10 PIPELINES	01/01/85	24,169.00	2,417.00	21,752.00	14,682.60	7,069.40	9,486.40	40	480	\$45.32
11 PIPELINES	01/01/86	1,777.00	177.00	1,600.00	1,040.00	560.00	737.00	40	480	\$3.33
12 PIPELINES	01/01/86	8,006.00	800.00	7,206.00	4,683.90	2,522.10	3,322.10	40	480	\$15.01
13 PIPELINES	01/01/86	17,021.00	1,702.00	15,319.00	9,957.48	5,361.52	7,063.52	40	480	\$31.91
14 PIPELINES	01/01/87	8,413.00	841.00	7,572.00	4,732.50	2,839.50	3,680.50	40	480	\$15.78
15 PIPELINES	01/01/87	376.00	37.00	339.00	212.00	127.00	164.00	40	480	\$0.71
16 PIPELINES	01/01/87	1,778.00	177.00	1,601.00	1,000.75	600.25	777.25	40	480	\$3.34
17 NEW LINES	09/30/88	54,000.00	5,400.00	48,600.00	28,248.75	20,351.25	25,751.25	40	480	\$101.25
18 NEW LINES	06/01/89	28,661.00	2,866.00	25,795.00	14,563.54	11,231.46	14,097.46	40	480	\$53.74
19 NEW LINES	06/01/90	38,543.00	3,854.00	34,689.00	18,717.71	15,971.29	19,825.29	40	480	\$72.27
20 NEW LINES	09/30/91	21,399.00	2,139.00	19,260.00	9,750.38	9,509.62	11,648.62	40	480	\$40.13
21 NEW LINES	12/03/91	6,380.00	638.00	5,742.00	2,882.96	2,859.04	3,497.04	40	480	\$11.96
22 NEW LINES	11/30/92	5,859.00	585.00	5,274.00	2,516.14	2,757.86	3,342.86	40	480	\$10.99
23 PIPELINES	09/31/93	1,860.00	186.00	1,674.00	784.69	889.31	1,075.31	40	480	\$3.49
24 3" BUTT FUSE	09/30/93	1,730.00	173.00	1,557.00	710.47	846.53	1,019.53	40	480	\$3.24
25 PLASTIC PIPE	10/31/93	825.00	83.00	742.00	449.26	292.74	375.74	30	360	\$2.06
26 MAINS	07/30/93	350.00	35.00	315.00	145.12	169.88	204.88	40	480	\$0.66
27 MAINS	07/30/93	905.00	90.00	815.00	375.33	439.67	529.67	40	480	\$2.65
28 CAPITALIZED LABOR	07/30/93	13,148.00	1,314.00	11,834.00	5,448.57	6,385.43	7,699.43	40	480	\$5.27
29 CAPITALIZED LABOR	07/30/93	2,812.00	281.00	2,531.00	1,165.40	1,365.60	1,646.60	40	480	\$1.33
30 ROWS	07/01/94	706.00	70.00	636.00	278.25	357.75	427.75	40	480	\$0.89
31 NEW MAINS	07/01/94	43,343.00	4,334.00	39,009.00	17,066.52	21,942.48	26,276.48	40	480	\$81.27
32 NEW MAINS	09/30/95	47,932.00	4,793.00	43,139.00	17,525.30	25,613.70	30,406.70	40	480	\$63.77
33 EASEMENTS	07/01/95	475.00	47.00	428.00	176.55	251.45	298.45	40	480	\$0.89
34 MAINS ADDITIONS	07/01/96	25,125.00	2,513.00	22,612.00	8,762.15	13,849.85	16,362.85	40	480	\$47.11
35 ADDITIONS	07/01/97	47,007.00	4,701.00	42,306.00	15,335.93	26,970.07	31,671.07	40	480	\$88.14
36 EXPENDITURES	07/01/97	224.00	22.00	202.00	78.23	123.77	150.77	40	480	\$0.42
37 LABOR CAPITALIZED	07/01/98	10,000.00	1,000.00	9,000.00	3,037.50	5,962.50	6,962.50	40	480	\$18.75
38 ROW	11/06/98	400.00	40.00	360.00	118.50	241.50	281.50	40	480	\$0.75
39 ROW	05/06/98	1,256.00	125.00	1,131.00	386.49	744.51	869.51	40	480	\$2.36
40 1999 ADDITIONS	07/01/99	259,985.00	25,999.00	233,986.00	73,120.65	160,865.37	186,864.37	40	480	\$487.47
41 NEW MAINS	07/01/00	233,449.00	23,344.00	210,104.00	60,404.90	149,699.10	173,044.10	40	480	\$437.72
42 2001 ADDITIONS	07/01/01	51,458.00	5,146.00	46,312.00	12,156.90	34,155.10	39,301.10	40	480	\$96.48
43 MAINS INSTALLED	07/01/02	55,030.00	5,503.00	49,527.00	11,762.71	37,764.29	43,267.29	40	480	\$103.18



**Public Gas Company  
Depreciation Schedule  
For the Year Ended 12/31/11**

Asset	Property Description	Date In Service	Cost	Salvage	Depreciable Value	12/31/11 A/D	12/31/11 Remaining	12/31/11 NBV	Useful Life (Years)	Useful Life (Months)	Monthly Depreciation
55	PIPELINES	01/01/85	1,773.00	177.00	1,596.00	1,077.30	518.70	695.70	40	480	\$3.33
56	PIPELINES	01/01/86	1,000.00	100.00	900.00	585.00	315.00	415.00	40	480	\$1.88
57	PIPELINES	01/01/87	400.00	40.00	360.00	225.00	135.00	225.00	40	480	\$0.75
60	VARIOUS PIPELINE IMPROVEMENT	01/01/80	16,121.00	1,610.00	14,511.00	11,608.96	2,902.04	4,512.04	40	480	\$30.23
61	VARIOUS PIPELINE IMPROVEMENT	04/01/80	1,350.00	135.00	1,215.00	964.56	250.44	385.44	40	480	\$2.55
62	VARIOUS PIPELINES	01/01/82	1,772.00	177.00	1,595.00	1,196.40	398.60	575.60	40	480	\$3.32
64	VARIOUS PIPELINES	01/01/84	5,721.00	572.00	5,149.00	3,604.44	1,544.56	2,116.56	40	480	\$10.73
65	VARIOUS PIPELINES	01/01/85	7,966.00	796.00	7,170.00	4,475.25	2,154.75	2,890.75	40	480	\$13.81
66	VARIOUS PIPELINES	02/10/92	2,722.00	272.00	2,450.00	1,592.50	857.50	1,129.50	40	480	\$5.10
68	VARIOUS PIPELINES	03/26/92	1,070.00	107.00	963.00	479.59	483.41	590.41	40	480	\$2.01
69	VARIOUS PIPELINES	04/10/92	7,102.00	710.00	6,392.00	3,156.05	3,235.95	3,945.95	40	480	\$13.32
70	VARIOUS PIPELINES	04/13/92	401.00	40.00	361.00	178.34	182.66	222.66	40	480	\$0.75
71	VARIOUS PIPELINES	04/24/92	3,805.00	380.00	3,425.00	1,684.05	1,740.95	2,120.95	40	480	\$1.14
72	VARIOUS PIPELINES	07/31/92	467.00	46.00	421.00	204.46	216.54	262.54	40	480	\$0.88
77	INSTALLATION PARTS	07/31/92	808.00	81.00	727.00	352.99	374.01	455.01	40	480	\$1.51
87	1997 ADDITIONS	07/01/97	68,074.00	6,807.00	61,267.00	22,209.36	39,057.64	45,864.64	40	480	\$127.64
88	1998 ADDITIONS	07/01/98	17,542.00	1,754.00	15,788.00	5,328.45	10,459.55	12,213.55	40	480	\$32.89
93	VARIOUS PIPELINE IMPROVEMENT	01/01/80	1,532.00	153.00	1,379.00	1,103.36	275.64	428.64	40	480	\$2.87
94	CAPITALIZED LABOR	04/01/92	4,109.00	410.00	3,699.00	1,826.48	1,872.52	2,282.52	40	480	\$7.71
95	CAPITALIZED LABOR	11/30/92	2,169.00	216.00	1,953.00	931.84	1,021.16	1,237.16	40	480	\$4.07
98	CAP LABOR	07/01/94	12,777.00	1,277.00	11,500.00	5,031.25	6,468.75	7,745.75	40	480	\$23.96
99	NEW SERVICES	05/22/95	1,532.00	153.00	1,379.00	571.79	807.21	960.21	40	480	\$2.87
101	INSTALLATIONS	09/30/96	51,099.00	5,110.00	45,989.00	17,533.38	28,455.62	33,565.62	40	480	\$95.81
102	INSTALLATIONS	07/01/97	97,775.00	9,778.00	87,997.00	31,898.98	56,098.02	65,876.02	40	480	\$183.33
103	NEW SERVICES	07/01/98	212,557.00	21,256.00	191,301.00	64,564.15	126,736.85	147,992.85	40	480	\$398.54
104	1998 ADDITIONS	07/01/98	27,552.00	2,755.00	24,797.00	8,369.05	16,427.95	19,182.95	40	480	\$51.66
105	CAPITALIZED LABOR	07/01/99	43,970.00	4,397.00	39,573.00	12,366.62	27,206.38	31,603.38	40	480	\$82.44
107	2001 ADDITIONS	07/01/01	45,261.00	4,526.00	40,735.00	10,692.99	30,042.01	34,568.01	40	480	\$84.86
108	2001 INSTALLATIONS	07/01/01	11,993.00	1,199.00	10,794.00	2,833.43	7,960.57	9,159.57	40	480	\$22.49
110	SERVICES	07/01/02	13,785.00	1,379.00	12,406.00	2,946.43	9,459.57	10,838.57	40	480	\$25.85
111	VARIOUS PIPELINE IMPROVEMENT	01/01/80	1,931.00	193.00	1,738.00	1,390.40	347.60	540.60	40	480	\$3.62
112	VARIOUS PIPELINES	01/01/83	134.00	13.00	121.00	87.87	33.13	46.13	40	480	\$0.25
113	VARIOUS PIPELINES	01/14/88	185.00	18.00	167.00	100.32	66.68	84.68	40	480	\$0.35
123	1997 PURCHASES	07/01/97	33,992.00	3,399.00	30,593.00	11,090.03	19,502.97	22,901.97	40	480	\$63.74
124	INSTALLATIONS	07/01/97	23,079.00	2,308.00	20,771.00	7,529.56	13,241.44	15,549.44	40	480	\$43.27
125	1998 PURCHASES	07/01/98	10,608.00	1,061.00	9,547.00	3,222.18	6,324.82	7,385.82	40	480	\$19.89
126	INSTALLATIONS	07/01/98	13,813.00	1,381.00	12,432.00	4,195.80	8,236.20	9,617.20	40	480	\$25.90
130	VARIOUS PIPELINES	01/01/85	2,597.00	259.00	2,338.00	1,578.15	759.85	1,018.85	40	480	\$4.87
131	VARIOUS PIPELINE	01/01/85	310.00	31.00	279.00	188.46	90.54	121.54	40	480	\$0.58
132	VARIOUS PIPELINES	01/01/86	126.00	12.00	114.00	74.10	39.90	51.90	40	480	\$0.24
133	VARIOUS PIPELINES	01/01/87	2,314.00	231.00	2,083.00	1,302.00	781.00	1,012.00	40	480	\$4.34
142	MAIN LINES	07/01/03	72,889.00	7,289.00	65,600.00	13,844.38	51,755.62	58,544.62	40	480	\$195.73
143	COMPRESSOR STATION EQUIP	05/19/03	780.00	78.00	702.00	150.64	551.36	629.36	40	480	\$1.46
145	CUSTOMER SERVICE LINES	06/01/03	58,055.00	5,806.00	52,250.00	11,212.66	41,040.34	46,846.34	40	480	\$108.86
150	LINE ADDITIONS	06/01/04	14,861.00	1,481.00	13,380.00	2,556.63	10,823.37	12,324.37	40	480	\$27.88
152	MAIN LINES	06/30/04	18,182.00	1,818.00	16,364.00	3,068.25	13,295.75	15,113.75	40	480	\$34.09
153	SERVICE LINES	06/01/05	39,855.00	3,985.00	35,870.00	5,903.60	29,966.40	33,951.40	40	480	\$74.73
156	CUSTOMER SVC LINES	06/01/06	31,177.21	3,117.00	28,060.21	9,916.76	24,143.45	27,260.45	40	480	\$58.46
157	2007 CUSTOMER SVC LINES	06/01/07	17,331.00	1,733.00	15,598.00	1,787.27	13,810.73	15,543.73	40	480	\$32.50
158	2008 CUST SVC LINE	07/01/08	7,164.00	716.00	6,448.00	641.78	6,522.22	7,632.50	40	480	\$14.93
160	2009 CUSTOMER SVC TAPS	07/01/09	2,808.00	-	2,808.00	175.50	2,632.50	2,632.50	40	480	\$5.85
161	2011 CUST SVC LINES	07/01/11	13,672.82	-	13,672.82	341.82	13,331.00	13,331.00	20	240	\$56.97
<b>Total Pipelines</b>											
			<b>\$2,211,942.03</b>	<b>\$219,352.00</b>	<b>\$1,992,590.03</b>	<b>\$754,316.09</b>	<b>\$1,238,273.94</b>	<b>\$1,457,625.94</b>			<b>\$4,180.23</b>

**Public Gas Company  
Depreciation Schedule  
For the Year Ended 12/31/11**

Asset Property Description	Date In Service	Cost	Salvage	Depreciable Value	12/31/11 A/D	12/31/11 Remaining	12/31/11 NBV	Useful Life (Years)	Useful Life (Months)	Monthly Depreciation
<b>REGULATORS</b>										
75 PRESSURE CHART	09/30/92	\$331.00	\$33.00	\$298.00	\$286.83	\$11.17	\$44.17	20	240	\$1.24
82 VALVES	08/31/93	63.00	6.00	57.00	52.25	4.75	10.75	20	240	\$0.24
114 2' REGULATORS	01/30/93	2,053.00	205.00	1,848.00	1,747.90	100.10	305.10	20	240	\$7.70
115 2' REGULATORS	03/31/93	798.00	79.00	719.00	674.06	44.94	123.94	20	240	\$3.00
116 REGULATORS	04/30/93	663.00	66.00	597.00	557.20	39.80	105.80	20	240	\$2.49
117 HOUSE REGULATORS	07/30/93	6,259.00	625.00	5,634.00	5,187.98	446.02	1,071.02	20	240	\$23.48
118 HOUQ REG INSTALLATION	07/30/93	244.00	24.00	220.00	202.58	17.42	41.42	20	240	\$0.92
119 REGULATORS	05/30/95	3,082.00	308.00	2,774.00	2,300.11	473.89	781.89	20	240	\$11.56
120 REGULATION INSTALLATION	08/30/95	785.00	79.00	706.00	576.57	129.43	208.43	20	240	\$2.94
121 REGULATORS	07/01/96	3,678.00	368.00	3,310.00	2,565.25	744.75	1,112.75	20	240	\$13.79
122 REGULATOR INSTALLATIONS	07/01/96	6,171.00	617.00	5,554.00	4,304.35	1,249.65	1,866.65	20	240	\$23.14
127 REGULATORS	07/01/99	7,296.00	730.00	6,566.00	4,103.75	2,462.25	3,192.25	20	240	\$27.36
128 REGULATORS	07/01/02	2,404.00	240.00	2,164.00	1,244.30	919.70	1,159.70	20	240	\$9.02
129 REGULATORS	07/01/02	2,335.00	234.00	2,101.00	997.98	1,103.02	1,337.02	20	240	\$8.75
144 REGULATOR STATION	04/09/03	406.00	41.00	365.00	159.69	205.31	246.31	20	240	\$1.52
147 HOUSE REGULATORS	01/06/03	540.00	54.00	486.00	218.70	267.30	321.30	20	240	\$2.03
155 REGULATORS	06/01/06	1,716.95	171.00	1,545.95	431.59	1,114.36	1,285.36	20	240	\$6.44
<b>Total Regulators</b>		<b>\$38,824.95</b>	<b>\$3,880.00</b>	<b>\$34,944.95</b>	<b>\$25,611.09</b>	<b>\$9,333.86</b>	<b>\$13,213.86</b>			<b>\$145.60</b>

**VEHICLES**

1 1990 FORD F250	09/30/93	\$14,190.00	\$1,419.00	\$12,771.00	\$12,771.00	\$0.00	\$1,419.00	5	60	\$0.00
		<u>\$14,190.00</u>	<u>\$1,419.00</u>	<u>\$12,771.00</u>	<u>\$12,771.00</u>	<u>\$0.00</u>	<u>\$1,419.00</u>			<u>\$0.00</u>

**TOTAL** \$2,587,603.85 \$256,448.00 \$2,331,155.85 \$993,796.95 \$1,337,358.90 \$4,593,806.90 \$5,404.80

**RETURN CHECK CHARGE  
PUBLIC GAS COMPANY**

<b>Assumptions</b>	<b>Hourly Rate</b>	<b>Est. Hrs. to Process</b>	<b>Charge</b>
Clerical hourly rate	\$25.00	0.5	\$13
Bank Fees	Fixed		\$3
Fringe Benefit rate	32%		\$4
<b>Calculated Returned Check Charge</b>			<b>\$20</b>

<b>Orwell Natural Gas Labor/Fringes</b>	<b>For 7 Mos. Ended 7-31-12</b>
Op Exp Field Labor	\$264,680.19
Op Exp Admin Salaries	369,124.86
<b>Total Direct Labor Expense</b>	<b>\$633,805.05</b>
Op Exp Group Insurance	\$78,928.37
Op Exp 401K Match	19,971.35
Op Exp Holiday & Vacation Benf	38,102.83
Other Taxes FICA	49,554.47
Other Taxes FUTA SUTA	15,097.40
Other Taxes Workers Comp	1,400.00
<b>Total Fringe Benefits/Taxes</b>	<b>\$203,054.42</b>
 Fringe Benefit Pctg of Direct Labor	 <b>32.04%</b>

**RECONNECTION CHARGE  
PUBLIC GAS COMPANY**

Reconnect after disconnection:	Actual cost based on one trip	Requested Rate
	\$38.04	<u><u>\$40.00</u></u>

Assumptions	Hourly Rate	Per Mile Cost	Hours	
Service Person hourly rate	\$ 12.00		1	\$12.00
Vehicle Charge		\$0.555	40	22.20
Fringe Benefit rate	32%			3.84
<b>Calculated Reconnection Fee</b>				<u><u>\$38.04</u></u>

## Public Gas

### Customer Deposit Requirements

(1) Proposed Revenue	\$	1,310,525
(2) Customer Months		18,571
(3) Deposit Requirement [(5) / (6)] * 2 months	\$	141
(4) Proposed Deposit Requirement	\$	140