

EXECUTIVE OFFICES

## INTERMOUNTAIN GAS COMPANY

555 SOUTH COLE ROAD • P.O. BOX 7608 • BOISE, IDAHO 83707 • (208) 377-6000 • FAX: 377-6097

RECEIVED

2008 NOV 21 PM 3: 52

IDAHO PUBLIC  
UTILITIES COMMISSION

November 21, 2008

Ms. Jean Jewell  
Idaho Public Utilities Commission  
472 W. Washington Street  
P.O. Box 83720  
Boise, ID 83720-0074

RE: Intermountain Gas Company  
Case No. INT-G-08-05

Dear Ms. Jewell:

Enclosed for filing with this Commission is an original and seven (7) copies of Intermountain Gas Company's Application seeking approval to place into effect a change in its Composite Depreciation Rate, effective January 1, 2009.

Please acknowledge receipt of this filing by stamping and returning a copy of this Application cover letter to us.

If you have any questions or require additional information regarding the attached, please contact me at 377-6168

Very truly yours,



Michael P. McGrath  
Director  
Gas Supply and Regulatory Affairs

CC: K. F. Morehouse  
E. N Book  
S. W. Madison

MPM/sc

RECEIVED

2008 NOV 21 PM 3: 52

IDAHO PUBLIC  
UTILITIES COMMISSION

# **INTERMOUNTAIN GAS COMPANY**

**CASE NO. INT-G-08-05**

**APPLICATION**

**and**

**EXHIBIT**

**In the Matter of the Application of INTERMOUNTAIN GAS COMPANY**

**for Approval to Place into Effect**

**a Change in Its Composite Depreciation Rate**

RECEIVED

2008 NOV 21 PM 3: 52

IDAHO PUBLIC UTILITIES COMMISSION

Morgan W. Richards, Jr.  
ISB # 1913  
804 East Pennsylvania Lane  
Boise, Idaho 83706  
Telephone (208) 345-8371

Attorney for Intermountain Gas Company

BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

In the Matter of the Application	)	
of INTERMOUNTAIN GAS COMPANY for	)	Case No. INT-G-08-05
Approval to Place into Effect a Change	)	
in Its Composite Depreciation Rate	)	<b>APPLICATION</b>

COMES NOW Intermountain Gas Company ("Intermountain" or "Applicant") and, pursuant to Idaho Code, Title 61, and Rules 6.2 and 23 of the Rules of Practice and Procedure of the Idaho Public Utilities Commission ("Commission"), makes an Application seeking approval to place into effect a change in its composite depreciation rate. Communication in reference to this Application should be addressed to:

Michael P. McGrath  
Director – Gas Supply and Regulatory Affairs  
Intermountain Gas Company  
PO Box 7608  
Boise, ID 83707

and

Morgan W. Richards, Jr.  
804 East Pennsylvania Lane  
Boise, Idaho 83706

In support of this Application, Intermountain does allege and state as follows:

I.

Intermountain is an Idaho corporation, whose principal place of business is 555 South Cole Road, Boise, Idaho, and is qualified to do business in the state of Idaho.

II.

Intermountain is a gas utility, subject to the jurisdiction of the Idaho Public Utilities Commission, engaged in the sale and distribution of natural gas within the State of Idaho under authority of Commission Certificate No. 219 issued December 2, 1955, as amended and supplemented by Order No. 6564 dated October 3, 1962. Intermountain's Articles of Incorporation and amendments thereto are on file with this Commission in Case No. U-1034-120 to which reference is hereby made.

Intermountain provides natural gas service to the following Idaho communities and counties and adjoining areas:

Ada County - Boise, Eagle, Garden City, Kuna, Meridian, and Star;  
Bannock County - Chubbuck, Inkom, Lava Hot Springs, McCammon, and Pocatello;  
Bear Lake County - Georgetown, and Montpelier;  
Bingham County - Aberdeen, Basalt, Blackfoot, Firth, Fort Hall, Moreland/Riverside, and Shelley;  
Blaine County - Bellevue, Hailey, Ketchum, and Sun Valley;  
Bonneville County - Ammon, Idaho Falls, Iona, and Ucon;  
Canyon County - Caldwell, Greenleaf, Middleton, Nampa, Parma, and Wilder;  
Caribou County - Bancroft, Conda, Grace, and Soda Springs;  
Cassia County - Burley, Declo, Malta, and Raft River;  
Elmore County - Glenns Ferry, Hammett, and Mountain Home;  
Fremont County - Parker, and St. Anthony;  
Gem County - Emmett;  
Gooding County - Bliss, Gooding, and Wendell;  
Jefferson County - Lewisville, Menan, Rigby, and Ririe;  
Jerome County - Jerome;  
Lincoln County - Shoshone;  
Madison County - Rexburg, and Sugar City;  
Minidoka County - Heyburn, Paul, and Rupert;  
Owyhee County - Bruneau, Homedale;  
Payette County - Fruitland, New Plymouth, and Payette;  
Power County - American Falls;  
Twin Falls County - Buhl, Filer, Hansen, Kimberly, Murtaugh, and Twin Falls;  
Washington County - Weiser.

Intermountain's properties in these locations consist of transmission pipelines, liquefied natural gas storage facilities, distribution mains, services, meters and regulators, and general plant and equipment.

### III.

Intermountain's currently effective composite depreciation rate of 3.35% was approved by this Commission in Case No. INT-G-05-3, Order No. 29975, dated February 13, 2006. The Commission states in its Order No. 29975 "the Company shall update its depreciation study and submit the same to the Commission for review no later than three years from the entry of this Order."

### IV.

With each update of the Company's depreciation parameters and associated rates, special circumstances regarding Intermountain's recovery rates are addressed. The current study addresses, among other things, the lengthening of its mains and services depreciation lives and the corresponding adjustment to net salvage of that same plant. The Company continues to make increased use of plastic in its main and service lines. The cost advantage of plastic pipes lower cost vs. steel coupled with increasing evidence of plastics longer service life necessitates the proposed increase in the lives of main and service investment. The Company also continues to experience longer than anticipated useful life from its installed meters and therefore proposes an increase in the useful life of this class of plant.

### V.

Intermountain has contracted the services of AUS Consultants, the same outside consultant employed as part of Case Nos. INT-G-94-1, INT-G-96-7, INT-G-99-2, INT-G-02-4 and INT-G-05-3, to perform an update to the 2005 depreciation study. The results of this study indicate that the Intermountain's current composite rate is overdepreciating its assets. Therefore, Intermountain requests a decrease in its composite depreciation rate from 3.35% (3.34% when the accrual rates per Order 29975 are weighted by 09/30/07 assets) to 2.96%. The effect of the lower rate would be to decrease Intermountain's annual depreciation accrual by \$1,462,205.

### VI.

Intermountain does not seek a change in its prices as a result of this Application.

## VII.

The current definition of depreciation used by the Federal Energy Regulatory Commission and the National Association of Regulatory Commissioners is as follows:

"Depreciation," as applied to depreciable utility plant, means the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of utility plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be given consideration are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand, and requirements of public authorities.

The American Institute of Certified Public Accountants in its Accounting Terminology Bulletin #1 defines depreciation accounting as follows:

Depreciation accounting is a system of accounting which aims to distribute cost or other basic value of tangible capital assets, less salvage (if any), over the estimated useful life of the unit (which may be a group of assets) in a systematic and rational manner. It is a process of allocation, not of valuation.

The prescription of depreciation rates is an important element of the regulatory process because it must allocate the full cost of an asset over the life of the property items in a rational manner.

## VIII.

The depreciation study update filed with this case was based upon the books and records of the Company as of September 30, 2007. The calculation of the amount of the annual depreciation expense required per year was calculated on an individual account basis. The methods used in the calculation were the Simulated Plant Record Balances Method and the Simulated Plant Retirement Method. These Methods both use the "Iowa Curves" type mortality distribution. The current study was conducted using the Company's data and the "Iowa Curves" as described in the NARUC publication of July 25, 1984, "Depreciation Practices for Small Gas Distribution Companies". The current study is summarized and shown in Exhibit No. 1 attached hereto and incorporated herein by reference. A copy of the current depreciation study working papers, which is voluminous, is available for inspection at Intermountain's general business office.

## **IX.**

During the recent three-year period, the original cost of depreciable property increased from \$327,259,429 to \$383,460,395, as shown in Column (d), Line 25, on Page 1 of Exhibit No. 1 and the accumulated reserve increased from \$176,363,745, to \$207,030,611, as shown in Column (e), Line 25, on Page 1 of Exhibit No. 1. The current study necessitates an annual accrual of \$11,341,514 of depreciation expense per year over the remaining life of the property as shown in Column (n), Line 25, on Page 2 of Exhibit No. 1.

## **X.**

The current study indicates a decrease is needed in the composite rate from the current rate of 3.35% (3.34% when weighted by 09/30/07 assets) to 2.96% a decrease of 0.39% (0.0039). This decrease is required in order to accrue the proper dollars over the remaining life of the property. Exhibit No. 1, Pages 2 through 4, contain a summary comparison by plant function and by account of the current depreciation rates and the proposed and requested depreciation rates in this Application.

## **XI.**

Pursuant to Commission Order No. 29975, Intermountain completed a comprehensive study of its LNG facility located in Nampa, Idaho. This study is available for review at the Company's General Office located in Boise.

## **XII.**

Intermountain asks that the decrease to the annual composite depreciation rate be effective January 1, 2009 consistent with the beginning of Intermountain's annual financial reporting period.

## **XIII.**

Intermountain asks that this matter be processed pursuant to the Commission's Rules of Modified Procedure. Applicant stands ready to respond to any requests for information.

**XIV.**

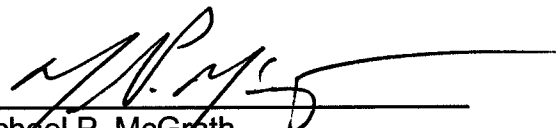
WHEREFORE, Applicant respectfully petitions this Commission for relief as follows:

- (1) That Applicant be authorized to decrease the current composite depreciation rate on an account by account basis from 3.35% (3.34% when weighted by 09/30/07 assets) to 2.96% as shown in Column (i), on Exhibit No. 1, page 1.
- (2) That the Applicant's current prices remain unchanged as a result of this Application.
- (3) That Applicant be authorized to record the decrease in the annual composite depreciation rate effective on January 1, 2009.
- (4) For such other relief as this Commission deems just.

DATED at Boise, Idaho, this 21st day of November 2008.

INTERMOUNTAIN GAS COMPANY

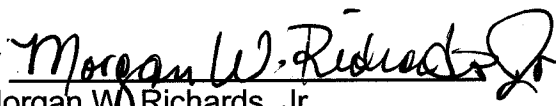
BY

  
Michael P. McGrath

Director – Gas Supply and Regulatory Affairs

Morgan W. Richards, Jr.

BY

  
Morgan W. Richards, Jr.

Attorney for Intermountain Gas Company

by  
sme.



**EXHIBIT NO. 1**

**CASE NO. INT-G-08-5**

**INTERMOUNTAIN GAS COMPANY**

**(Depreciation Study)**

**(4 pages)**

Summary of Present and Proposed  
Depreciation Accrual Parameters and Expenses  
Study Date September 30, 2007

Line Number	Account Number	Study Category	Account Name	Investment Balance	Reserved Investment Balance	Percent Reserved	Present		Proposed		Net Change
							Annual Accrual Rate	Annual Accruals	Annual Accrual Rate	Annual Accruals	
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)-(h)
1	363.00	LNG	LNG Plant	8,227,886	8,404,650	102.1%	1.61%	132,469	1.25%	102,849	(29,620)
2			Subtotal Storage Plant	8,227,886	8,404,650	102.1%	1.61%	132,469	1.25%	102,849	(29,620)
3	365.00	ROW	Right of Way	623,714	232,598	37.3%	2.10%	13,098	2.10%	13,098	0
5	366.00	TCS	Structures and Improvements	72,115	34,758	48.2%	3.61%	2,603	3.46%	2,495	(108)
4	367.00	TMN	Transmission Mains	41,445,968	27,602,413	66.6%	3.04%	1,259,957	2.97%	1,230,945	(29,012)
5	368.00	TCS	Compressor Equipment	0	(667,756)	0.0%	3.61%	0	0.00%	44,517	44,517
6	370.00	TCE	Communication Equipment	714,440	747,476	104.6%	0.53%	3,787	0.04%	286	(3,501)
7			Subtotal Transmission Plant	42,856,237	27,949,489	65.2%	2.99%	1,279,445	3.01%	1,291,341	11,896
8	374.00	LRT	Land Rights	376,467	213,652	56.8%	1.94%	7,303	1.86%	7,002	(301)
9	375.00	STR	Structures and Improvements	18,864	19,032	100.9%	0.82%	155	0.65%	123	(32)
10	376.00	MNS	Mains	130,318,740	73,578,887	56.5%	3.16%	4,118,072	2.86%	3,727,116	(390,956)
11	378.00	MRG	Regulator Station Equipment	3,840,979	1,966,826	51.2%	3.02%	115,998	3.11%	119,454	3,456
12	380.00	SVC	Services	118,434,015	62,867,338	53.1%	3.34%	3,955,096	2.86%	3,387,213	(568,483)
13	381.00	MTR	Meters	25,986,411	9,057,463	34.9%	2.86%	743,211	2.11%	548,313	(194,898)
14	381.20	ERT	ERT Units	8,512,747	2,473,299	29.1%	6.43%	547,370	6.45%	549,072	1,702
15	382.00	MTI	Meter Installations	8,909,576	3,587,245	40.3%	2.92%	260,160	1.97%	175,519	(84,641)
16	382.20	ERI	ERT Installations	1,509,464	438,706	29.1%	6.58%	99,323	6.39%	96,455	(2,868)
17	383.00	HRG	House Regulators	4,684,068	2,028,892	43.3%	2.64%	123,660	1.94%	90,871	(32,789)
18	384.00	HRI	House Regulators - Installation	4,819,317	1,182,981	24.5%	2.90%	139,760	2.18%	105,061	(34,699)
19	385.00	IMR	Regulator Station - Industrial	8,526,575	4,502,228	52.8%	3.72%	317,189	3.50%	298,430	(18,759)
20			Subtotal Distribution Plant	315,937,243	161,916,549	51.2%	3.30%	10,427,897	2.88%	9,104,629	(1,323,268)
21	390.00	GSI	Structures and Improvements	9,561,856	4,959,364	51.9%	2.65%	253,389	2.10%	200,799	(52,590)
22	392.00	GTR	Transportation Equipment	5,959,609	3,337,256	56.0%	11.00%	655,557	9.75%	581,062	(74,495)
23	396.00	GPE	Power Operated Equipment	917,564	463,303	50.5%	5.99%	54,962	6.63%	60,834	5,872
24			Subtotal General Plant	16,439,029	8,759,923	53.3%	5.86%	963,908	5.13%	842,695	(121,213)
25			Total Depreciable Plant	383,460,395	207,030,611	54.0%	3.34%	12,803,719	2.96%	11,341,514	(1,462,205)

Orig Depreciation Parameters

Intermountain Gas Company  
 Summary of Present and Proposed  
 Depreciation Accrual Parameters and Expenses  
 Study Date September 30, 2007

Proposed Depreciation Rate Parameters (Depreciation Life & Rate Procedures)

Line Number	Account Number	Study Category	Account Name	Investment Balance (d)	Reserved Investment Balance (e)	Percent Reserved (e)/(d)	Retirement Dispersion (g)	Projection Life (h)	Average Service Life (i)	Average Age (j)	Average Remaining Life (k)	Net Salvage (l)	Annual Accrual Rate (m) (1-(l)/(k))	Annual Accruals (n) (m) <sup>(d)</sup>
1	363.00	LNG	LNG Plant	8,227,886	8,404,650	102.1%	R5.0	43.2	43.7	28.9	15.0	-20.80%	1.25%	102,849
2			Subtotal Storage Plant	8,227,886	8,404,650	102.1%								102,849
3	365.00	ROW	Right of Way	623,714	232,598	37.3%	R5.0	41.4	41.5	11.7	29.8	0.00%	2.10%	13,098
5	366.00	TCS	Structures and Improvements	72,115	34,758	48.2%	R3.0	27.0	30.3	16.2	16.4	-5.00%	3.46%	2,495
4	367.00	TMN	Transmission Mains	41,445,968	27,602,413	66.6%	S5.0	48.7	49.8	23.2	27.1	-47.00%	2.97%	1,230,945
5	368.00	TCS	Compressor Equipment	0	(667,756)	0.0%	Amort	15.0	15.0	0.0	15.0	0.00%	0.00%	44,517
6	370.00	TCE	Communication Equipment	714,440	747,476	104.6%	R3.0	30.0	35.0	26.4	9.4	-5.00%	0.04%	286
7			Subtotal Transmission Plant	42,856,237	27,949,489	65.2%								1,291,341
8	374.00	LRT	Land Rights	376,467	213,652	56.8%	R5.0	48.0	50.0	27.5	23.2	0.00%	1.86%	7,002
9	375.00	STR	Structures and Improvements	18,864	19,032	100.9%	R5.0	45.0	48.1	41.8	6.3	-5.00%	0.65%	123
10	376.00	MNS	Mains	130,318,740	73,578,887	56.5%	R4.0	54.0	55.0	18.8	36.6	-61.00%	2.86%	3,727,116
11	378.00	MRG	Regulator Station Equipment	3,840,979	1,966,826	51.2%	R3.0	32.0	34.9	17.8	18.9	-10.00%	3.11%	119,454
12	380.00	SVC	Services	118,434,015	62,867,338	53.1%	R2.0	46.0	48.5	14.4	34.9	-53.00%	2.86%	3,387,213
13	381.00	MTR	Meters	25,986,411	9,057,463	34.9%	R4.0	42.0	42.8	12.4	30.9	0.00%	2.11%	548,313
14	381.20	ERT	ERT Units	8,512,747	2,473,299	29.1%	R3.0	15.0	15.2	4.2	11.0	0.00%	6.45%	549,072
15	382.00	MTI	Meter Installations	8,909,576	3,587,245	40.3%	R3.0	42.0	43.3	13.6	30.3	0.00%	1.97%	175,519
16	382.20	ERI	ERT Installations	1,509,464	438,706	29.1%	R3.0	15.0	15.2	4.1	11.1	0.00%	6.39%	96,455
17	383.00	HRG	House Regulators	4,694,088	2,028,892	43.3%	R3.0	42.0	43.7	15.4	29.2	0.00%	1.94%	90,871
18	384.00	HRI	House Regulators - Installation	4,819,317	1,182,981	24.5%	R3.0	42.0	42.6	8.2	34.6	0.00%	2.18%	105,061
19	385.00	IMR	Regulator Station - Industrial	8,526,575	4,502,228	52.8%	R2.0	25.0	28.4	15.1	14.9	-5.00%	3.50%	298,430
20			Subtotal Distribution Plant	315,937,243	161,916,549	51.2%								9,104,629
21	390.00	GSI	Structures and Improvements	9,561,856	4,959,384	51.9%	R2.0	34.0	38.5	19.6	20.5	5.00%	2.10%	200,799
22	392.00	GTR	Transportation Equipment	5,959,609	3,337,256	56.0%	L4.0	9.0	10.3	7.0	4.0	5.00%	9.75%	581,062
23	396.00	GPE	Power Operated Equipment	917,564	463,303	50.5%	R4.0	13.5	15.3	11.3	5.2	15.00%	6.63%	60,834
24			Subtotal General Plant	16,439,029	8,759,923	53.3%								842,695
25			Total Depreciable Plant	383,460,395	207,030,611	54.0%								11,341,514

Orig Depreciation Parameters

Intermountain Gas Company  
 Summary of Present and Proposed  
 Depreciation Accrual Parameters and Expenses  
 Study Date September 30, 2007

Theoretical Reserve Analysis (Depreciation Life & Rate Procedures)

Line Number	Account Number	Study Category	Account Name	Investment Balance (d)	Reserved Investment Balance (e)	Percent Reserved (e)/(d)	Future Net Salvage (g)	Average Net Salvage (h)	Average Remaining Life (i)	Average Service Life (j)	Theoretical Reserve Percent (k)	Theoretical Reserve (k)*(d)	Reserve Variance (m)
	(a)	(b)	(c)	(d)	(e)	(e)/(d)	(g)	(h)	(i)	(j)	(k)	(k)*(d)	(m)
1	363.00	LNG	LNG Plant	8,227,886	8,404,650	102.1%	-20.80%	-20.80%	15.0	43.7	79.3%	6,528,005	(1,876,645)
2			Subtotal Storage Plant	8,227,886	8,404,650	102.1%	-20.80%	-20.80%	15.0	43.7	79.3%	6,528,005	(1,876,645)
3	365.00	ROW	Right of Way	623,714	232,598	37.3%	0.00%	0.00%	29.8	41.5	28.2%	175,825	(56,773)
5	366.00	TCS	Structures and Improvements	72,115	34,758	48.2%	-5.00%	-5.00%	16.4	30.3	48.2%	34,738	(20)
4	367.00	TMN	Transmission Mains	41,445,968	27,602,413	66.6%	-47.00%	-47.00%	27.1	49.8	67.0%	27,772,943	170,530
5	368.00	TCS	Compressor Equipment	0	(667,756)	0.0%	0.00%	0.00%	15.0	15.0	0.0%	0	667,756
6	370.00	TCE	Communication Equipment	714,440	747,476	104.6%	-5.00%	-5.00%	9.4	35.0	76.8%	548,690	(198,786)
7			Subtotal Transmission Plant	42,856,237	27,949,489	65.2%	-45.09%	-45.09%	26.7	49.3	66.6%	28,532,196	582,707
8	374.00	LRT	Land Rights	376,467	213,652	56.8%	0.00%	0.00%	23.2	50.0	53.6%	201,786	(11,866)
9	375.00	STR	Structures and Improvements	18,864	19,032	100.9%	-5.00%	-5.00%	6.3	48.1	91.3%	17,213	(1,819)
10	376.00	MNS	Mains	130,318,740	73,578,887	56.5%	-61.00%	-61.00%	36.6	55.0	53.9%	70,189,673	(3,389,214)
11	378.00	MRG	Regulator Station Equipment	3,840,979	1,966,826	51.2%	-10.00%	-10.00%	18.9	34.9	50.4%	1,937,006	(29,820)
12	380.00	SVC	Services	118,434,015	62,867,338	53.1%	-53.00%	-53.00%	34.9	48.5	42.9%	50,808,192	(12,059,146)
13	381.00	MTR	Meters	25,986,411	9,057,463	34.9%	0.00%	0.00%	30.9	42.8	27.8%	7,224,222	(1,833,241)
14	381.20	ERT	ERT Units	8,512,747	2,473,299	29.1%	0.00%	0.00%	11.0	15.2	27.6%	2,352,072	(121,227)
15	382.00	MTI	Meter Installations	8,909,576	3,587,245	40.3%	0.00%	0.00%	30.3	43.3	30.0%	2,674,655	(912,590)
16	382.20	ERI	ERT Installations	1,509,464	438,706	29.1%	0.00%	0.00%	11.1	15.2	27.0%	407,102	(31,604)
17	383.00	HRG	House Regulators	4,684,088	2,028,892	43.3%	0.00%	0.00%	29.2	43.7	33.2%	1,554,180	(474,712)
18	384.00	HRI	House Regulators - Installation	4,819,317	1,182,981	24.5%	0.00%	0.00%	34.6	42.6	18.8%	905,068	(277,913)
19	385.00	IMR	Regulator Station - Industrial	8,526,575	4,502,228	52.8%	-5.00%	-5.00%	14.9	28.4	49.9%	4,255,614	(246,614)
20			Subtotal Distribution Plant	315,937,243	161,916,549	51.2%	-39.95%	-39.95%	31.5	45.6	45.1%	142,526,783	(19,389,766)
21	390.00	GSI	Structures and Improvements	9,561,856	4,959,364	51.9%	5.00%	5.00%	20.5	38.5	44.4%	4,247,376	(711,988)
22	392.00	GTR	Transportation Equipment	5,959,609	3,337,256	56.0%	5.00%	5.00%	4.0	10.3	58.1%	3,463,129	125,873
23	396.00	GPE	Power Operated Equipment	917,564	463,303	50.5%	15.00%	15.00%	5.2	15.3	56.1%	514,845	51,542
24			Subtotal General Plant	16,439,029	8,759,923	53.3%	5.68%	5.68%	8.7	18.5	50.0%	8,225,350	(534,573)
25			Total Depreciable Plant	383,460,395	207,030,611	54.0%	-35.49%	-35.49%	28.4	43.2	48.5%	185,812,334	(21,218,277)

Orig Depreciation Parameters

Intermountain Gas Company  
 Summary of Present and Proposed  
 Depreciation Accrual Parameters and Expenses  
 Study Date September 30, 2007

Present Depreciation Parameters (Depreciation Life & Rate Procedures)

Line Number	Account Number	Study Category	Account Name	Investment Balance	Reserved Investment Balance	Percent Reserved (e)/(d)	Retirement Dispersion	Average Service Life (h)	Average Age (i)	Average Remaining Life (j)	Net Salvage (k)	Annual Accrual Rate (l)	Annual Accruals (m) (j)*(d)
1	363.00	LNG	LNG Plant	8,227,886	8,404,650	102.1%	R5.0	37.7	27.6	10.4	-20.80%	1.61%	132,469
2			Subtotal Storage Plant	8,227,886	8,404,650	102.1%		37.7	27.6	10.4	-20.80%	1.61%	132,469
3	365.00	ROW	Right of Way	623,714	232,598	37.3%	R5.0	41.6	9.1	32.6	0.00%	2.10%	13,098
5	366.00	TCS	Structures and Improvements	72,115	34,758	48.2%	R3.0	28.6	13.9	16.0	-10.00%	3.61%	2,603
4	367.00	TMN	Transmission Mains	41,445,968	27,602,413	66.6%	S5.0	48.3	26.1	23.3	-47.00%	3.04%	1,259,957
5	368.00	TCS	Compressor Equipment	0	(667,756)	0.0%	R3.0	28.6	13.9	16.0	-10.00%	3.61%	0
6	370.00	TCE	Communication Equipment	714,440	747,476	104.6%	R3.0	25.9	23.4	4.3	-5.00%	0.53%	3,787
7			Subtotal Transmission Plant	42,856,237	27,949,489	65.2%		47.4	25.8	22.9	-44.83%	2.99%	1,279,445
8	374.00	LRT	Land Rights	376,467	213,652	56.8%	R5.0	49.2	27.9	22.1	0.00%	1.94%	7,303
9	375.00	STR	Structures and Improvements	18,864	19,032	100.9%	R5.0	46.9	38.7	8.3	-5.00%	0.82%	155
10	376.00	MNS	Mains	130,318,740	73,578,887	56.5%	R4.5	51.5	18.2	33.9	-63.00%	3.16%	4,118,072
11	378.00	MRG	Regulator Station Equipment	3,840,979	1,966,826	51.2%	R3.0	33.1	17.9	18.0	-10.00%	3.02%	115,998
12	380.00	SVC	Services	118,434,015	62,867,338	53.1%	R3.0	45.2	14.1	33.0	-62.00%	3.34%	3,955,696
13	381.00	MTR	Meters	25,986,411	9,057,463	34.9%	R4.0	33.8	11.2	22.8	0.00%	2.86%	743,211
14	381.20	ERT	ERT Units	8,512,747	2,473,299	29.1%	R3.0	15.0	1.8	13.6	0.00%	6.43%	547,370
15	382.00	MTI	Meter Installations	8,909,576	3,587,245	40.3%	R3.0	34.3	13.3	22.1	0.00%	2.92%	260,160
16	382.20	ERI	ERT Installations	1,509,464	438,706	29.1%	R3.0	15.0	1.9	13.1	0.00%	6.58%	99,323
17	383.00	HRG	House Regulators	4,684,088	2,028,892	43.3%	R3.0	34.5	14.7	21.3	0.00%	2.64%	123,660
18	384.00	HRI	House Regulators - Installation	4,819,317	1,182,981	24.5%	R3.0	33.5	8.1	26.0	0.00%	2.90%	139,760
19	385.00	IMR	Regulator Station - Industrial	8,526,575	4,502,228	52.8%	R2.0	26.3	14.0	15.0	-5.00%	3.72%	317,189
20			Subtotal Distribution Plant	315,937,243	161,916,549	51.2%		41.7	15.1	28.8	-42.86%	3.30%	10,427,897
21	390.00	GSI	Structures and Improvements	9,561,856	4,959,364	51.9%	R2.0	32.3	18.9	16.4	5.00%	2.65%	253,389
22	392.00	GTR	Transportation Equipment	5,959,609	3,337,256	56.0%	L4.0	9.2	5.6	4.2	5.00%	11.00%	655,557
23	396.00	GPE	Power Operated Equipment	917,564	463,303	50.5%	R4.0	13.6	7.0	7.1	15.00%	5.99%	54,962
24			Subtotal General Plant	16,439,029	8,759,923	53.3%		16.3	13.4	8.0	5.67%	5.86%	963,908
25			Total Depreciable Plant	383,460,395	207,030,611	54.0%		39.5	16.5	25.7	-37.49%	3.34%	12,803,719

Orig Depreciation Parameters