

**BEFORE  
THE PUBLIC UTILITIES COMMISSION OF OHIO**

In the Matter of the Application of Suburban	)	
Natural Gas Company for an Increase in Gas	)	Case No. 18-1205-GA-AIR
Distribution Rates.	)	

In the Matter of the Application of Suburban	)	Case No. 18-1206-GA-ATA
Natural Gas Company for Tariff Approval	)	

In the Matter of the Application of Suburban	)	
Natural Gas Company for Approval of Certain	)	Case No. 18-1207-GA-AAM
Accounting Authority	)	

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**STIPULATION AND RECOMMENDATION**

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**I. INTRODUCTION**

Under Ohio Adm. Code 4901-1-30, any two or more parties to a proceeding may enter into a written stipulation resolving the issues presented in the proceeding. This document sets forth the understanding and agreement reached in the above-captioned proceeding between Suburban Natural Gas Company (Suburban or the Company) and the Staff of the Public Utilities Commission of Ohio (Staff)<sup>1</sup> (collectively, Signatory Parties). The Signatory Parties jointly present to the Public Utilities Commission of Ohio (Commission) this Stipulation and Recommendation (Stipulation) as a settlement resolving all of the issues in this proceeding and ask that the Commission approve the Stipulation as part of its Opinion and Order in this proceeding.

The Stipulation is the product of serious, arm's length bargaining among the Signatory Parties and other parties who chose not to sign the settlement all of whom are capable,

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<sup>1</sup> Pursuant to Ohio Adm. Code 4901-1-10(C), Staff is considered a party to this proceeding.

knowledgeable parties. All intervenors were invited to discuss and negotiate the settlement and it was openly negotiated among all stakeholders who chose to participate. The Stipulation is supported by adequate data and information, represents a just and reasonable resolution of all issues in this proceeding, does not violate any regulatory principles or precedent, complies with and promotes the policies and requirements of Ohio law, and serves the public interest. The Stipulation represents an accommodation of the diverse positions and interests represented by the parties in this proceeding. The Signatory Parties acknowledge that the Stipulation is not binding upon the Commission, but state that the Stipulation is entitled to careful consideration by the Commission. For purposes of resolving all issues raised by these proceedings, the Signatory Parties agree to fully support adoption of the Stipulation without modification in this proceeding. Accordingly, the Signatory Parties hereby stipulate, agree, and recommend as set forth below.

## **II. RECITALS**

WHEREAS, Suburban filed its Notice of Intent to File an Application for an Increase in Rates with the Commission on July 31, 2018. That same day, Suburban filed a Motion to Establish a Test Period and Date Certain and for a Waiver of a Standard Filing Requirement. An amended motion for a waiver was subsequently filed on August 23, 2018. In the Motion for Test Period, Suburban requested a test period of March 1, 2018 to February 28, 2019 and a date certain of February 28, 2019;

WHEREAS, Suburban filed its Application for an Increase in Rates and Charges, for Tariff Approval, and for Approval of Certain Accounting Authority on August 31, 2018 (Application). On September 5, 2018, the Commission adopted Suburban's requested test period and date certain, while also granting Suburban's request for waiver of certain filing requirements. Suburban filed direct testimony in support of its Application on September 14, 2018;

WHEREAS, on September 19, 2018, Suburban filed its second waiver request, which was granted on October 10, 2018. The Commission accepted Suburban's Application as of the August 31, 2018 filing date by Entry dated October 24, 2018;

WHEREAS, Staff filed the Staff Report on February 6, 2019 and objections to the Staff Report were filed on March 8, 2019 by the parties;

WHEREAS, the Stipulation is the result of serious discussion and compromise of complex issues and involves substantial benefits that would not otherwise have been achievable, and is not intended to reflect the views or proposals which any individual party may have advanced in litigation or otherwise acting unilaterally; and

WHEREAS, the Signatory Parties understand and agree that the Stipulation is not binding upon the Commission. The Stipulation is, however, supported by the information provided herewith, is the result of the Signatory Parties' desire to arrive at a reasoned and reasonable result that fairly incorporates the law, facts, and circumstances involved in this proceeding. Thus, the Signatory Parties recommend that the Commission carefully consider this Stipulation.

NOW, THEREFORE, the Signatory Parties stipulate, agree, and recommend as follows:

### **III. JOINT RECOMMENDATIONS OF THE SIGNATORY PARTIES**

#### **A. Operating Income and Rate Base**

1. The Signatory Parties agree that Suburban's current rates that are being collected from customers are no longer sufficient to yield a reasonable compensation for the services rendered and are therefore unjust and unreasonable.

## 2. Revenue Increase

- a. Consistent with the attached schedules, Suburban's total revenue increase shall be phased in over three years (Phase-in):<sup>2</sup>
  - i. The recommended revenue increase for the first year upon approval of the new distribution rates by the Commission in this proceeding (Year 1) shall be \$1,168,030.00.
  - ii. The recommended revenue increase for the second year after the Commission Order in this proceeding (Year 2) shall be \$1,532,278.00 from current rates at the time of filing of the Stipulation.
  - iii. The recommended revenue increase beginning with the third year after the Commission's Order in this proceeding (Year 3) and every year thereafter until new distribution rates are approved in a subsequent proceeding shall be \$1,778,433.00 per year from current rates at the time of filing of the Stipulation.

## 3. Revenue Requirement

- a. Consistent with the attached schedules and as a result of the Phase-in, Suburban's revenue requirement shall also increase for each of the first three years after the Commission Order approving the Stipulation in this proceeding.
  - i. The revenue requirement from the date that rates are approved by the Commission and for one year following such approval (Year 1) shall equal \$19,800,801.00.

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<sup>2</sup> See Attachment C

- ii. The revenue requirement for the second year after the date of the Commission Order approving rates in this matter and for one year (Year 2) shall equal \$20,165,049.00.
  - iii. The revenue requirement for the third year after the date of the Commission Order approving rates in this matter (Year 3) and for every year thereafter until new distribution rates are approved in a subsequent proceeding shall equal \$20,411,204.00 per year.
- 4. The Commission and Office of the Ohio Consumers' Counsel (OCC) assessment fees shall be removed from the Gross Revenue Conversion Factor.
- 5. Rate Base
  - a. Except as specifically noted herein, the distribution plant adjustments recommended in the Staff Report shall be adopted.
  - b. Except as specifically noted herein, the general plant adjustments recommended in the Staff Report shall be adopted.
  - c. Consistent with the Application and Staff Report, a one-eighth operating expenses and one-fourth operating taxes methodology for the working capital calculation shall be adopted.
  - d. The 4.9-mile extension of the DEL-MAR pipeline shall be phased into rate base over a three-year period as follows:
    - i. 50% of the current book value of the 4.9-mile DEL-MAR pipeline extension, including depreciation and property taxes, shall be included in rate base on the date of the Commission Order approving new distribution rates in this proceeding (Year 1).

- ii. 80% of the current book value of the 4.9-mile DEL-MAR pipeline extension, including depreciation and property tax, shall be included in rate base effective one year from the date of the Commission Order approving new distribution rates in this proceeding (Year 2).
    - iii. 100% of the current book value of the 4.9-mile DEL-MAR pipeline extension, including depreciation and property tax, shall be included in rate base, effective two years from the date of the Commission Order in this proceeding (Year 3), and every year thereafter.
  - e. At the time additional book value of the 4.9-mile DEL-MAR pipeline extension is added to rate base at the beginning of the second and third years following the Commission Order in this proceeding (Year 2 and Year 3), Suburban's established revenue requirement for each applicable year shall be allocated to the customers based upon the total number of customers, as evaluated by Staff and as approved by the Commission, at the time the additional book value is added at the same revenue distribution percentage, excluding gas costs, as established in Year 1.
6. Operating Income Miscellaneous
- a. Miscellaneous Revenues related to late fees, sales-merchandise, sales-labor, meter setting fees, and insufficient funds/bad check charges,<sup>3</sup> shall be included as part of operating income in the amount of \$202,608.00, increasing Suburban's total base distribution revenue.
  - b. Test year operating income shall be adjusted to remove rider revenues and expenses resulting in a reduction of \$1,346,597.00 to both revenues and expenses.

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<sup>3</sup> Other specific miscellaneous charges are addressed in the Rates and Tariffs section of the Stipulation.

7. Test Year Revenue

- a. All tariff classes will have the customer count annualized as of the date certain, subject to adjustment upon the inclusion of additional book value of the 4.9-mile DEL-MAR pipeline extension as discussed in section (A)(ii)(d)(4) of the Stipulation.
- b. Test year revenue will assume that the full Phase 2 of the Straight Fixed Variable (SFV) rates had been in place for the entire test year.

8. Adjustment to Test Year Expense

- a. Rate case expenses shall be amortized over five years. Suburban shall file a late-filed exhibit reflecting the total amount of rate case expense to be included in rate base within thirty days of the date the hearing concludes or reply briefs are filed, whichever is later.
- b. Staff's recommended reclassification and inclusion of a rate case expense invoice in the amount of \$1,450.00 shall not be adopted.
- c. Expenses associated with miscellaneous revenue in the amount of \$28,780 shall be included in test year expense.
- d. Property tax expenses shall include expenses associated with:
  - i. The existing 20-mile DEL-MAR pipeline, which had previously been leased and has now been acquired by Suburban, at the valuation level known.
  - ii. Plant materials and supplies as of the date certain.
  - iii. New plant additions at the 2018 property tax rate.

e. Payroll Expenses

- i. Actual payroll expenses annualized at the level experienced as of the date certain shall be included, which includes 26 pay periods for salaried employees and 52 pay periods for hourly employees.
- ii. Payroll expenses that are known and measureable as of February 2019 shall be included.
- iii. Payroll expenses shall be adjusted to remove capitalized labor.
- iv. The labor expense adjustment calculation shall compare the annualized February 2019 payroll level (after an O&M percentage allocation of 88.20%) to the payroll expenses included in the test year of \$2,916,773.00.

f. The monthly lease expense in the amount of \$6,503.25 to Delaware Properties, LLC, for a new building, the Troutman Road Operations Center, shall be included.

g. Employee Benefits Expense

- i. Expenses related to employee benefits, including payments made to employees under a program contained in Suburban's 401k plan, which is called the "profit-sharing" program in the Internal Revenue Code, shall be included as an expense in the amount of \$150,000.00. As a condition of the inclusion of this amount, Suburban agrees to fund the profit-sharing program to the benefit of its employees in an amount not less than \$150,000.00 annually until new distribution rates are approved in Suburban's next base distribution rate case.



- ii. Expenses related to Suburban's current and future employee benefit obligation regarding partial reimbursement of fitness center dues shall not be included as an expense.
  - iii. Corresponding expenses associated with payroll taxes relating to payroll expenses annualized at the level experienced as of the date certain shall be included as an expense.
  - iv. Educational expenses shall be adjusted to reflect a three-year historical average.
- h. Professional Expenses
- i. The \$201,483.00 Adjustment to Professional Fees included in the Application shall be increased to a \$300,000.00 Adjustment to Professional Fees, resulting in \$300,000.00 being excluded from test year expenses.
  - ii. Professional expenses shall be calculated based upon a three-year average as filed in the Application.
  - iii. Staff's recommendation to exclude certain Professional Fees related to Professional Contract Labor shall not be adopted.
- i. Miscellaneous Expense
- i. Account 91202 shall be adjusted by \$17,710.00, which shall be excluded from test year expenses.
  - ii. Account 91200 shall be adjusted by \$866.00, which shall be excluded from test year expenses.
  - iii. Account 93506 shall be adjusted by \$33.00, which shall be excluded from test year expenses.

j. Interest Associated with Customer Deposits

- i. As proposed in the Application, interest associated with customer deposits shall be reclassified to operating expenses.

k. Charitable Contributions

- i. As proposed in the Application, charitable contributions shall be excluded from test year expenses, resulting in a reduction to test year expenses in the amount of \$23,163.00.

l. Social and Service Club Dues

- i. As proposed in the Application, social and service club dues shall be excluded from test year expenses, resulting in a reduction to test year expenses in the amount of \$18,710.00.

**B. Rates and Tariffs**

1. Resale Language

- a. Suburban shall adopt the following tariff language regarding resale: “No customer shall supply or sell gas for use in any location other than that specified in the application for service, with the sole exception that the supply or sale of gas for use as a vehicle fuel is permitted.”

2. Baseline Btu

- a. A baseline Btu shall be adopted until Suburban’s next base distribution rate case. The baseline for the CORE system (northern system) shall be a base Btu of 1067 and the baseline for the SCOL system shall be a base Btu of 1063.

3. Meter Testing

- a. Upon a residential customer's request, Suburban shall offer one free meter test every three years to each residential customer.

4. Free Service Lines

- a. Tariff language regarding offering free service lines that was proposed in Suburban's Application shall not be adopted.

5. Standard Meters

- a. A standard meter shall be provided free of charge to those SGS customers requiring a standard meter. All SGS customers that require a non-standard meter shall be charged a fee for the non-standard meter at the Uprate Charge proposed in the Application.

6. Partial Month Customer Service Charge

- a. Suburban agrees not to charge SGS customers for the customer service charge when the days of usage in a billing period for the customer are less than eight days. Suburban shall bill the SGS customer the full customer service charge when the days of usage in a billing period are eight days or greater.

7. Meter Relocation Charge

- a. The meter relocation charge shall be limited to those customers that create or are in the process of creating an unsafe condition and fail to remedy the condition within three days.
- b. Suburban agrees to provide a cost estimate of the meter relocation charge.

8. Cost Allocation

- a. The base revenue distribution excluding gas costs and recommended revenue class allocation shall be based upon actual data as of the date certain.

9. Payments to Avoid Disconnection

- a. All customers shall have the option of paying Suburban personnel in the field by cash, check, or money order to avoid disconnection. Suburban personnel will also inform customers that they have the option of paying by credit or debit card over the phone in order to avoid disconnection.

**C. Rate of Return**

- 1. The rate of return adopted shall be 7.26%.
- 2. The return on common equity shall be 10.25%, with a cost of debt of 4.53%.

**D. Tax Cuts and Jobs Act of 2017**

1. Regulatory Liability Amortization

- a. Suburban shall reverse the regulatory liability amortization proposed in its Application.

2. Base Rate Adjustment

- a. Base rates shall be adjusted to reflect the federal tax rates enacted by the Tax Cuts and Jobs Act of 2017 (TCJA). The reduction in base rates resulting from the need to pass the excess deferred income taxes will be based upon deferred tax balances as of December 31, 2017.
- b. Protected Excess Deferred Taxes will be passed back to customers using the Average Rate Assumption Method (ARAM) or an acceptable alternative method.

- c. Unprotected Excess Deferred Taxes will be passed back or collected from customers over a ten-year period.
- 3. Tax Credit Rider
  - a. Suburban will file a GA-ATA case, as an application not for an increase in rates under R.C. 4909.18, in order to establish a Tax Credit Rider to return to customers the overcollection of income taxes, resulting from the enactment of the TCJA effective January 1, 2018.
  - b. The application shall propose to allocate the Tax Credit Rider to each rate class based upon the percentage of base distribution revenues, and the credit shall be reflected as a percentage of the customer's base distribution charges.
  - c. The application shall include a one-time carrying charge in the initial rate based upon the long-term debt rate as applied to the monthly balance of deferrals to reflect the time lag in implementing the federal income tax savings in rates.

**E. Agreement to File New Rate Case**

- 1. Suburban agrees to file an application to establish new base distribution rates pursuant to R.C. 4909.18 by October 31, 2025.

**F. The Three-Part Test for Commission Approval**

- 1. The Signatory Parties agree that the Stipulation satisfies the three-part test used by the Commission to consider settlements. Specifically, the Signatory Parties agree that:
  - a. The Stipulation is a product of serious bargaining among capable, knowledgeable parties;
  - b. The Stipulation, as a whole, benefits customers and the public interest; and
  - c. The Stipulation does not violate any important regulatory principle or practice.

## **G. Miscellaneous**

1. Consistent with the March filing made by Suburban in Case No. 19-216-GA-GCR, customers shall no longer be charged for the lease of the DEL-MAR pipeline through Suburban's Gas Cost Recovery Rider, as the lease no longer exists and the DEL-MAR pipeline has been transferred to Suburban and has been included as part of rate base. Unless otherwise provided herein, all rates, terms, conditions, and any other items shall be treated in accordance with the Staff Report filed in this proceeding on February 6, 2019 (Staff Report). If any proposed rates, changes, terms, conditions, or other items set forth in Suburban's Application in this proceeding are not addressed in the Stipulation or the Staff Report, the proposed rate, charge, term, condition, or other item shall be treated in accordance with the Application.
2. Attachment A to the Stipulation contains schedules reflecting the terms agreed upon by Staff and Suburban.<sup>4</sup> Attachment B to the Stipulation will be a late-filed exhibit consisting of tariff schedules reflecting the agreed-upon terms and conditions of service. The Signatory Parties agree that the tariff schedules that will be filed as Attachment B are expected to permit Suburban to collect from its customers no more than the agreed-upon revenue increases, are just and reasonable, and should be adopted.
3. The Stipulation is submitted for purposes of resolving the issues in this proceeding only. The Signatory Parties submit that this Stipulation represents a reasonable compromise of several varying interests. The Signatory Parties submit that the Stipulation, taken as a whole, is just and reasonable and in the public interest. The

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<sup>4</sup> Attachment A contains the Staff Report schedules for Year 1 of the Phase-in.

Stipulation is conditioned upon its adoption in its entirety by the Commission without material modification.

4. In the event that the Commission rejects or materially modifies all or part of the Stipulation, the Signatory Parties shall have the right to file an application for rehearing or to terminate and withdraw from the Stipulation by filing notice with the Commission in the dockets for this proceeding and serving said notice upon all parties within thirty (30) days of the issuance of the Commission's order rejecting or materially modifying the Stipulation. Similarly, in the event that the Commission issues an entry on rehearing that rejects or materially modifies the Stipulation, any Signatory Party may terminate and withdraw from the Stipulation within thirty (30) days of said entry on rehearing. Each Signatory Party has the right, in its sole discretion, to determine whether the Commission's approval of this Stipulation constitutes a material modification.
5. The Signatory Parties agree that no Signatory Party will oppose or argue against any other Signatory Party's application for rehearing that seeks to uphold the original, unmodified Stipulation.
6. Upon notice of termination or withdrawal by any Signatory Party pursuant to the above provisions, the Stipulation shall become null and void and the proceeding shall go forward at the procedural point when this Stipulation was filed and the Signatory Parties shall have the opportunity to present evidence through witnesses, cross-examination, and rebuttal testimony, as well as the opportunity to submit briefing on all issues to be decided upon the record in this proceeding, as if the Signatory Parties had never entered into this Stipulation.

7. Neither this Stipulation, including the information and data submitted herewith, nor a Commission order approving the Stipulation shall be cited as precedent in any future proceedings for or against any Signatory Party or against the Commission itself, except for purposes of enforcing the terms of the Stipulation.

IN WITNESS THEREOF, the undersigned Signatory Parties agree to the Stipulation on this 23rd day of May 2019. The undersigned Signatory Parties request that the Commission issue an Opinion and Order approving and adopting the Stipulation.

THE SUBURBAN NATURAL GAS  
COMPANY

STAFF OF THE PUBLIC UTILITIES  
COMMISSION OF OHIO

By: /s/ Kimberly W. Bojko  
Kimberly W. Bojko

By: /s/ Robert Eubanks  
Robert Eubanks



**CERTIFICATE OF SERVICE**

I hereby certify that a true and accurate copy of the foregoing was served upon all parties of record via electronic mail on May 23, 2019.

/s/ Brian W. Dressel  
Brian W. Dressel

## Attachment A

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
OVERALL FINANCIAL SUMMARY  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE A-1  
PAGE 1 OF 1**

Line No.	Description	Supporting Schedule Reference	Applicant	Stipulated Recommendation
1	Rate Base as of Date Certain	B-1	\$ 25,877,578	\$ 21,155,890
2	Current Operating Income	C-1	(649,180)	613,174
3	Earned Rate of Return: Line (2) / Line (1)	(n/a)	-2.51%	2.90%
4	Recommended Rate of Return	D-1	7.26%	7.26%
5	Required Operating Income: Line (1) x (4)	(n/a)	1,879,161	1,535,918
6	Operating Income Deficiency: Line (5) - Line (2)	(n/a)	2,528,341	922,743
7	Gross Revenue Conversion Factor	A-2	1.331086	1.265823
8	Revenue Deficiency: Line (6) x Line (7)	(n/a)	3,365,439	1,168,030
9	Revenue Increase Recommended	E-4	3,365,439	1,168,030
10	Test Year Adjusted Operating Revenues	C-1	17,949,119	18,632,771
11	Revenue Requirements: Line (9) + Line (10)	(n/a)	\$ 21,314,558	\$ 19,800,801
12	Increase Over Current Revenue: Line (9) / Line (10)	(n/a)	18.75%	6.27%

**SUBURBAN NATURAL GAS COMPANY**  
**CASE NO. 18-1205-GA-AIR**  
**COMPUTATION OF GROSS REVENUE CONVERSION FACTOR**  
**FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE A-2**  
**PAGE 1 OF 1**

Line No.	Description	Percent of Incremental Gross Revenues
1	Operating Revenues	100.00%
2	Uncollectibles	0.00%
3	Net Revenue: Line (1) - Line (2)	100.00%
4	PUCO Maintenance Assessment	0.000%
5	Consumers' Counsel Assessment	0.000%
6	Ohio Gross Receipts Tax	0.000%
7	Income Before Federal Income Taxes: Line (3) - Line (4-6)	100.00%
8	Federal Income Taxes: Line (7) x 21%	<u>21.00%</u>
9	Operating Income Percentage: Line (7) - Line (8)	<u>79.00%</u>
10	Gross Revenue Conversion Factor: Line (1) / Line (9)	<u><u>1.265823</u></u>

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
JURISDICTIONAL RATE BASE SUMMARY  
AS OF FEBRUARY 28, 2019**

**SCHEDULE B-1  
PAGE 1 OF 1**

Line No.	Rate Base Component	Supporting Schedule Reference	Applicant Proposed Amount	Staff Proposed Amount
1	Plant in service	B-2	\$ 39,744,253	\$ 35,198,417
2	Reserve for accumulated depreciation	B-3	(9,656,236)	(9,676,859)
3	Net plant in service (1 + 2)		30,088,017	25,521,558
4	Construction work in progress	B-4	0	0
5	Working capital allowance	B-5	356,118	613,052
6	Contributions In Aid of Construction	B-6	0	0
7	Other Rate Base Items:		0	0
8	Deferred Income - Budget Billings	B-6	(703,306)	(703,306)
9	Customer Deposits	B-6	0	(333,715)
10	Deferred Income Taxes	B-6	(3,863,251)	(3,941,700)
11	Jurisdictional rate base (3) thru (10)		<u>\$ 25,877,578</u>	<u>\$ 21,155,890</u>

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
PLANT IN SERVICE SUMMARY BY MAJOR PROPERTY GROUPINGS  
AS OF FEBRUARY 28, 2019**

**SCHEDULE B-2  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): Staff Schedule B-2.1**

Line No.	Major Property Groupings	Total Company	Staff Adjustments	Adjusted Total	Allocation %	Adjusted Jurisdiction
1	Intangible	\$ -	\$ -	\$ -	100%	\$ -
2	Production	-	-	-	100%	-
3	Transmission	-	-	-	100%	-
4	Distribution	36,529,946	727,227	37,257,173	See Footnote	32,757,173
5	General	2,487,080	(45,836)	2,441,244	100%	2,441,244
6	TOTAL	\$ 39,017,026	\$ 681,391	\$ 39,698,417		\$ 35,198,417.01

This shcedule reflects year one of the phase-in which represents 50% of the Del-Mar extension. Years two and three will include 80% and 100%, respectively.

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF FEBRUARY 28, 2019**

**INTANGIBLE PLANT**

**SCHEDULE B-2.1  
PAGE 1 OF 5**

**WORK PAPER REFERENCE NO(S):**

Line No.	Acct. No.	Account Title	Total Company	Staff Adjustments	Adjusted Total	Allocation %	Adjusted Jurisdiction
1		INTANGIBLE PLANT					
2		NONE					
3							
4		Total Intangible Plant					

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF FEBRUARY 28, 2019**

**PRODUCTION PLANT**

**SCHEDULE B-2.1  
PAGE 2 OF 5**

**WORK PAPER REFERENCE NO(S):**

Line No.	Acct. No.	Account Title	Total Company	Staff Adjustments	Adjusted Total	Allocation %	Adjusted Jurisdiction
1		PRODUCTION PLANT					
2		NONE					
3							
4		Total Production Plant					

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF FEBRUARY 28, 2019**

**TRANSMISSION PLANT**

**SCHEDULE B-2.1  
PAGE 3 OF 5**

**WORK PAPER REFERENCE NO(S):**

Line No.	Acct. No.	Account Title	Total Company	Staff Adjustments	Adjusted Total	Allocation %	Adjusted Jurisdiction
1		TRANSMISSION PLANT					
2		NONE					
3							
4		Total Transmission Plant					



**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF FEBRUARY 28, 2019**

**DISTRIBUTION PLANT**

**SCHEDULE B-2.1  
PAGE 4 OF 5**

**WORK PAPER REFERENCE NO(S): Applicant Schedule WPB-2.3 and Staff Schedule B-2.2**

<b>Line No.</b>	<b>Acct. No.</b>	<b>Account Title</b>	<b>Total Company</b>	<b>Staff Adjustments</b>	<b>Adjusted Total</b>	<b>Allocation %</b>	<b>Adjusted Jurisdiction</b>
1		DISTRIBUTION PLANT					
2	374	Land and Land Rights	\$ 94,791		\$ 94,791	100%	\$ 94,791
3	375	Structures & Improvements	-		-	100%	-
4	376	Mains	28,445,896	727,227	29,173,123	100%	29,173,123
5	378	M & R Station Equipment - General	560,569	18,625	579,194	100%	579,194
6	380	Services	4,279,774		4,279,774	100%	4,279,774
7	381	Meters	2,588,127		2,588,127	100%	2,588,127
8	382	Meter Installations	-		-	100%	-
9	383	House Regulators	560,789	(18,625)	542,164	100%	542,164
10	387	Other Equipment	-		-	100%	-
11							
12		Total Distribution Plant	\$ 36,529,946	\$ 727,227	\$ 37,257,173		\$ 37,257,173

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
PLANT IN SERVICE BY ACCOUNTS AND SUBACCOUNTS  
AS OF FEBRUARY 28, 2019**

**GENERAL PLANT**

**SCHEDULE B-2.1  
PAGE 5 OF 5**

**WORK PAPER REFERENCE NO(S): Applicant's Schedule WPB-2.3 and Staff's Schedule B-2.2**

<b>Line No.</b>	<b>Acct. No.</b>	<b>Account Title</b>	<b>Total Company</b>	<b>Staff Adjustments</b>	<b>Adjusted Total</b>	<b>Allocation %</b>	<b>Adjusted Jurisdiction</b>
1		GENERAL PLANT					
2	389	Land and Land Rights	\$ -		\$ -	100%	\$ -
3	390	Structures & Improvements	188,871	(4,413)	184,458	100%	184,458
4	391	Office Furniture & Equipment	218,419	(115,126)	103,293	100%	103,293
5	391.1	Electronic Data Processing Equipment	-	87,271	87,271	100%	87,271
6	392	Transportation Equipment	1,230,308		1,230,308	100%	1,230,308
7	393	Stores Equipment	-		-	100%	-
8	394	Tools, Shop, & Garage Equipment	294,795	(4,080)	290,715	100%	290,715
9	396	Power Operated Equipment	316,711	(36,400)	280,311	100%	280,311
10	397	Communication Equipment	30,450	13,313	43,763	100%	43,763
11	399	Other Tangible Property	207,526	13,599	221,125	100%	221,125
12							
13		Total General Plant	\$ 2,487,080	\$ (45,836)	\$ 2,441,244		\$ 2,441,244
<b>Total Plant in Service</b>			<b>\$ 39,017,026</b>	<b>\$ 681,391</b>	<b>\$ 39,698,417</b>		<b>\$ 39,698,417</b>

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENTS TO PLANT IN SERVICE  
AS OF FEBRUARY 28, 2019

TOTAL PLANT

SCHEDULE B-2.2  
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S): Staff's Schedule B-2.2a and Schedule B-2.2b

Line No.	Acct. No.	Account Title	Description	Total Adjustment
1	376	Mains		\$ 727,227
2	378	M & R Station Equipment - General		18,625
3	383	House Regulators		(18,625)
4	390	Structures & Improvements		(4,413)
5	391	Office Furniture & Equipment		(115,126)
6	391.1	Electronic Data Processing Equipment		87,271
7	394	Tools, Shop, & Garage Equipment		(4,080)
8	396	Power Operated Equipment		(36,400)
9	397	Communication Equipment		13,313
10	399	Other Tangible Property		13,599
Total Plant Adjustment				\$ 681,391

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENTS TO PLANT IN SERVICE  
AS OF FEBRUARY 28, 2019

DISTRIBUTION PLANT

SCHEDULE B-2.2a  
PAGE 1 OF 1

Line No.	Acct. No.	Account Title	Description	Total Adjustment
1	376	Mains	Book Cost of Village of Grand Rapids Capital Lease.	\$ 241,283
2	376	Mains	Book Value of Haskins Capital Lease.	485,944
3	378	M & R Station Equipment - General	Reclassified into correct account.	18,625
4	383	House Regulators	Removed due to incorrect classification.	(18,625)
Total Distribution Plant Adjustment				\$ 727,227

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENTS TO PLANT IN SERVICE  
AS OF FEBRUARY 28, 2019**

**GENERAL PLANT**

**SCHEDULE B-2.2b  
PAGE 1 OF 1**

<b>Line No.</b>	<b>Acct. No.</b>	<b>Account Title</b>	<b>Description</b>	<b>Total Adjustment</b>
1	390	Structures & Improvements	To remove leasehold improvements to a structure no longer being used.	\$ (4,413)
2	391	Office Furniture & Equipment	Reclassification of items to proper FERC accounts.	(106,982)
3	391	Office Furniture & Equipment	Difference between asset totals on invoice as compared to the Company's books.	(8,144)
4	391.1	Electronic Data Processing Equipment	Reclassification of items from Account 391 - Office Furniture & Equipment.	88,469
5	391.1	Electronic Data Processing Equipment	Computers no longer being used.	(1,198)
6	394	Tools, Shop, & Garage Equipment	Replacing oxygen sensors.	(4,080)
7	396	Power Operated Equipment	To remove incorrect addition on the Applicant's WPB-2.3.	(60,520)
8	396	Power Operated Equipment	To remove incorrect retirement on the Applicant's WPB-2.3.	24,120
9	397	Communication Equipment	Reclassification of items from Account 391 - Office Furniture & Equipment.	13,313
10	399	Other Tangible Property	Reclassification of items from Account 391 - Office Furniture & Equipment.	5,200
11	399	Other Tangible Property	To adjust the Applicant's WPB-2.3.	8,399
<b>Total General Plant Adjustment</b>				<b>\$ (45,836)</b>

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
RESERVE FOR ACCUMULATED DEPRECIATION  
AS OF FEBRUARY 28, 2019

INTANGIBLE PLANT

SCHEDULE B-3  
PAGE 1 OF 5

Line No.	Acct. No.	Major Property Groupings & Account Titles	Total Company Plant Investment	Reserve Balances				
				Total Company	Allocation %	Allocated Total	Adjustments	Adjusted Jurisdiction
1		INTANGIBLE PLANT						
2		(none)						
3								
4		Total Intangible Plant						

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
RESERVE FOR ACCUMULATED DEPRECIATION  
AS OF FEBRUARY 28, 2019

PRODUCTION PLANT

SCHEDULE B-3  
PAGE 2 OF 5

Line No.	Acct. No.	Major Property Groupings & Account Titles	Total Company Plant Investment	Reserve Balances				
				Total Company	Allocation %	Allocated Total	Adjustments	Adjusted Jurisdiction
1		PRODUCTION PLANT						
2		(none)						
3								
4		Total Production Plant						

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
RESERVE FOR ACCUMULATED DEPRECIATION  
AS OF FEBRUARY 28, 2019

TRANSMISSION PLANT

SCHEDULE B-3  
PAGE 3 OF 5

Line No.	Acct. No.	Major Property Groupings & Account Titles	Total Company Plant Investment	Reserve Balances				
				Total Company	Allocation %	Allocated Total	Adjustments	Adjusted Jurisdiction
1		TRANSMISSION PLANT						
2		(none)						
3								
4		Total Transmission Plant						



**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
RESERVE FOR ACCUMULATED DEPRECIATION  
AS OF FEBRUARY 28, 2019**

**DISTRIBUTION PLANT**

**SCHEDULE B-3  
PAGE 4 OF 5**

Line No.	Acct. No.	Major Property Groupings & Account Titles	Total Company Plant Investment	Reserve Balances				
				Total Company	Allocation %	Allocated Total	Adjustments	Adjusted Jurisdiction
1		DISTRIBUTION PLANT						
2	374	Land and Land Rights	94,791	\$0	100%	\$0	\$0	\$0
3	375	Structures & Improvements	-	0	100%	0	0	0
4	376	Mains	28,445,896	3,751,762	100%	3,751,762	727,227	4,478,989
5	378	M & R Station Equipment - General	560,569	284,684	100%	284,684	7,609	292,293
6	380	Services	4,279,774	2,477,857	100%	2,477,857	0	2,477,857
7	381	Meters	2,588,127	480,426	100%	480,426	0	480,426
8	382	Meter Installations	-	0	100%	0	0	0
9	383	House Regulators	560,789	269,036	100%	269,036	(6,904)	262,132
10	387	Other Equipment	-	0	100%	0	0	0
11								
12		Total Distribution Plant	\$36,529,946	\$7,263,765		\$7,263,765	\$727,932	\$7,991,697

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
RESERVE FOR ACCUMULATED DEPRECIATION  
AS OF FEBRUARY 28, 2019**

**GENERAL PLANT**

**SCHEDULE B-3  
PAGE 5 OF 5**

Line No.	Acct. No.	Major Property Groupings & Account Titles	Total Company Plant Investment	Reserve Balances				
				Total Company	Allocation %	Allocated Total	Adjustments	Adjusted Jurisdiction
1		GENERAL PLANT						
2	389	Land and Land Rights	\$ -	\$0	100%	\$0	0	\$0
3	390	Structures & Improvements	\$ 188,871	31,248	100%	31,248	(967)	30,281
4	391	Office Furniture & Equipment	\$ 218,419	187,882	100%	187,882	(109,432)	78,450
5	391.1	Electronic Data Processing Equipment	\$ -	0	100%	0	105,214	105,214
6	392	Transportation Equipment	\$ 1,230,308	929,871	100%	929,871	0	929,871
7	393	Store Equipment	\$ -	0	100%	0	0	0
8	394	Tools, Shop, & Garage Equipment	\$ 294,795	125,575	100%	125,575	(4,080)	121,495
9	396	Power Operated Equipment	\$ 316,711	197,657	100%	197,657	21,001	218,658
10	397	Communication Equipment	\$ 30,450	14,237	100%	14,237	5,624	19,861
11	399	Other Tangible Property	\$ 207,526	178,774	100%	178,774	2,558	181,332
12								
13		Total General Plant	\$2,487,080	\$1,665,244		\$1,665,244	\$19,918	\$1,685,162

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENTS TO DEPRECIATION RESERVE  
AS OF FEBRUARY 28, 2019

TOTAL PLANT

SCHEDULE B-3.1  
PAGE 1 OF 1

WORK PAPER REFERENCE NO(S).: Staff WPB-3.1a through WPB-3.1f

Line No.	Acct. No.	Account Title	Description	Total Adjustment
1	376	Mains		\$ 727,227
2	378	M & R Station Equipment - General		7,609
3	383	House Regulators		(6,904)
4	390	Structures & Improvements		(967)
5	391	Office Furniture & Equipment		(109,432)
6	391.1	Electronic Data Processing Equipment		105,214
7	394	Tools, Shop, & Garage Equipment		(4,080)
8	396	Power Operated Equipment		21,001
9	397	Communication Equipment		5,624
10	399	Other Tangible Property		2,558
Total Plant Adjustment				\$ 747,850

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENTS TO DEPRECIATION RESERVE  
AS OF FEBRUARY 28, 2019

DISTRIBUTION PLANT

SCHEDULE B-3.1a  
PAGE 1 OF 1

Line No.	Acct. No.	Account Title	Description	Total Adjustment
1	376	Mains	Book Cost of Village of Grand Rapids Capital Lease.	\$ 241,283
2	376	Mains	Book Value of Haskins Capital Lease.	485,944
3	378	M & R Station Equipment - General	Reclassified into correct account.	7,609
4	383	House Regulators	Removed due to incorrect classification.	(6,904)
Total Distribution Plant Adjustment				\$ 727,932

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENTS TO DEPRECIATION RESERVE  
AS OF FEBRUARY 28, 2019**

**GENERAL PLANT**

**SCHEDULE B-3.1b  
PAGE 1 OF 1**

<b>Line No.</b>	<b>Acct. No.</b>	<b>Account Title</b>	<b>Description</b>	<b>Total Adjustment</b>
1	390	Structures & Improvements	To remove leasehold improvements to a structure no longer being used.	\$ (967)
2	391	Office Furniture & Equipment	Reclassification of items to proper FERC accounts.	(106,412)
3	391	Office Furniture & Equipment	Difference between asset totals on invoice as compared to the Company's books.	(3,020)
4	391.1	Electronic Data Processing Equipment	Reclassification of items from Account 391 - Office Furniture & Equipment.	106,412
5	391.1	Electronic Data Processing Equipment	Computers no longer being used.	(1,198)
6	394	Tools, Shop, & Garage Equipment	Replacing oxygen sensors.	(4,080)
7	396	Power Operated Equipment	To remove incorrect addition on the Applicant's WPB-2.3.	(3,119)
8	396	Power Operated Equipment	To remove incorrect retirement on the Applicant's WPB-2.3.	24,120
9	397	Communication Equipment	Reclassification of items from Account 391 - Office Furniture & Equipment.	5,624
10	399	Other Tangible Property	Reclassification of items from Account 391 - Office Furniture & Equipment.	1,863
11	399	Other Tangible Property	To adjust the Applicant's WPB-2.3.	695
<b>Total General Plant Adjustment</b>				<b>\$ 19,918</b>

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT  
AS OF FEBRUARY 28, 2019

INTANGIBLE PLANT

SCHEDULE B-3.2  
PAGE 1 OF 5

Line No.	Acct. No.	Account Title	Adjusted Jurisdiction		Current Accrual Rate	Calc. Depr. Expense	% Net Salvage	Average Service Life
			Plant Investment	Reserve Balance				
(A)	(B)	(C)	(D)	(E)	(F)	(G=DxF)	(H)	(I)
1		INTANGIBLE PLANT						
2		(none)						
3								
4		Total Intangible Plant						

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT  
AS OF FEBRUARY 28, 2019

PRODUCTION PLANT

SCHEDULE B-3.2  
PAGE 2 OF 5

Line No.	Acct. No.	Account Title	Adjusted Jurisdiction		Current Accrual Rate	Calc. Depr. Expense	% Net Salvage	Average Service Life
			Plant Investment	Reserve Balance				
(A)	(B)	(C)	(D)	(E)	(F)	(G=DxF)	(H)	(I)
1		PRODUCTION PLANT						
2		(none)						
3								
4		Total Production Plant						

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT  
AS OF FEBRUARY 28,2019

TRANSMISSION PLANT

SCHEDULE B-3.2  
PAGE 3 OF 5

Line No. (A)	Acct. No. (B)	Account Title (C)	Adjusted Jurisdiction		Current Accrual Rate (F)	Calc. Depr. Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)
			Plant Investment (D)	Reserve Balance (E)				
1		TRANSMISSION PLANT						
2		(none)						
3								
4		Total Transmission Plant						



SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT  
AS OF FEBRUARY 28, 2019

DISTRIBUTION PLANT

SCHEDULE B-3.2  
PAGE 4 OF 5

Line No. (A)	Acct. No. (B)	Account Title (C)	Adjusted Jurisdiction		Current Accrual Rate (F)	Calc. Depr. Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)
			Plant Investment (D)	Reserve Balance (E)				
1		DISTRIBUTION PLANT						
2	374	Land and Land Rights	\$94,791	\$0	0.00%	\$0	0%	n/a
3	375	Structures & Improvements	-	-	3.33%	-	0%	n/a
4	376	Mains	24,673,123	4,478,989	2.27%	560,753	-25%	55
5	378	M & R Station Equipment - General	579,194	292,293	3.67%	21,237	-10%	30
6	380	Services	4,279,774	2,477,857	3.33%	142,659	-50%	45
7	381	Meters	2,588,127	480,426	2.70%	69,949	0%	37
8	382	Meter Installations	-	-	0.00%	-	0%	n/a
9	383	House Regulators	542,164	262,132	2.86%	15,490	0%	35
10	387	Other Equipment	-	-	0.00%	-	0%	n/a
11								
12		Total Distribution Plant	\$32,757,173	\$7,991,697		\$810,089		

**SUBURBAN NATURAL GAS COMPANY**  
**CASE NO. 18-1205-GA-AIR**  
**DEPRECIATION ACCRUAL RATES AND JURISDICTIONAL RESERVE BALANCES BY ACCOUNT**  
**AS OF FEBRUARY 28, 2019**

**GENERAL PLANT**

**SCHEDULE B-3.2**  
**PAGE 5 OF 5**

Line No. (A)	Acct. No. (B)	Account Title (C)	Adjusted Jurisdiction		Current Accrual Rate (F)	Calc. Depr. Expense (G=DxF)	% Net Salvage (H)	Average Service Life (I)
			Plant Investment (D)	Reserve Balance (E)				
1		GENERAL PLANT						
2	389	Land and Land Rights	\$ -	\$0	0.00%	\$0	0%	n/a
3	390	Structures & Improvements	184,458	30,281	2.50%	4,611	0%	40
4	391	Office Furniture & Equipment	103,293	78,450	5.00%	5,165	0%	20
5	391.1	Electronic Data Processing Equipment	87,271	105,214	20.00%		0%	5
6	392	Transportation Equipment	1,230,308	929,871	12.14%	149,395	15%	7
7	393	Store Equipment	-	-			0%	n/a
8	394	Tools, Shop, & Garage Equipment	290,715	121,495	5.00%	14,536	0%	20
9	396	Power Operated Equipment	280,311	218,658	6.36%	17,838	30%	11
10	397	Communication Equipment	43,763	19,861	6.67%	2,918	0%	15
11	399	Other Tangible Property	221,125	181,332	10.00%	22,113	0%	10
12								
13		Total General Plant	\$2,441,244	\$1,685,162		\$216,574		

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ALLOWANCE FOR WORKING CAPITAL  
AS OF FEBRUARY 28, 2019**

**SCHEDULE B-5  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): WPB-5 & WPB-5.1**

Line No.	Working Capital Component	Description of Methodology Used to Determine Jurisdictional Revenue Requirement	Workpaper Reference	Total Company	Allocation %	Jurisdictional Amount
1	Cash Element of Working Capital	1/8 of operating expense less purchased gas expense	WPB-5	\$ 702,071	100.00%	\$ 702,071
2	Operating Taxes	1/4 of operating taxes	WPB-5	(177,635)	100.00%	(177,635)
3	Materials and Supplies	13 month average of materials and supplies	WPB-5.1	316,069	100.00%	316,069
4	Deferred Bad Debt	13 month average deferred bad debt	WPB-5.1	(52,909)	100.00%	(52,909)
5	Deferred PIPP	13 month average deferred PIPP	WPB-5.1	(174,545)	100.00%	(174,545)
6	Total Working Capital Allowance			\$ 613,052		\$ 613,052

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
OTHER RATE BASE ITEMS SUMMARY  
AS OF FEBRUARY 28, 2019**

**SCHEDULE B-6  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): WPB-6**

Line No.	Acct. No.	Description	Total Company	Allocation %	Allocated Total	Adjustments	Adjusted Jurisdiction
1	253	Deferred Income - Budget Billings (a)	\$ (703,306)	100%	\$ (703,306)	\$ 0	<u>\$ (703,306)</u>
2		Customer Deposits	(333,715)	100%	(333,715)	0	<u>\$ (333,715)</u>
3							
4		<u>Deferred Income Taxes (b)</u>					
5	165	Deferred Tax Asset	261,900	100%	261,900	0	261,900
6	186	Deferred Tax Liability	(4,800,263)	100%	(4,800,263)	0	(4,800,263)
7	254	Excess Accum Deferred Income Tax	(1,374,551)	100%	(1,374,551)	0	(1,374,551)
8		Removal of Gas Plant Acquisition Adj	\$ 1,971,214	100%	\$ 1,971,214	\$ 0	<u>1,971,214</u>
9		Total Deferred Income Taxes					<u>\$ (3,941,700)</u>

- (a) 13 month average  
(b) General Ledger Balance

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
CONTRIBUTIONS IN AID OF CONSTRUCTION BY ACCOUNTS AND SUBACCOUNTS  
AS OF FEBRUARY 28, 2019**

**SCHEDULE B-6.2  
PAGE 1 OF 1**

<b>Line No.</b>	<b>Acct. No.</b>	<b>Account Title</b>	<b>Total Company</b>	<b>Allocation %</b>	<b>Allocated Total</b>	<b>Adjustment</b>	<b>Adjusted Jurisdiction</b>
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NONE

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
JURISDICTIONAL PRO FORMA INCOME STATEMENT  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-1  
PAGE 1 OF 1**

<b>Line No.</b>	<b>Description</b>	<b>Adjusted Revenues &amp; Expenses</b>	<b>Proposed Increase</b>	<b>Pro forma Revenues &amp; Expenses</b>
1	Operating Revenues	\$ 18,632,771	\$ 3,365,439	\$ 21,998,210
2	Operating Expenses:			
3	Operations & Maintenance	16,282,394	0	16,282,394
4	Depreciation	1,026,663	0	1,026,663
5	Taxes-Other	680,687	165,007	845,694
6	Operating Expenses Before Income Taxes	17,989,744	165,007	18,154,751
7	Income Taxes	29,853	672,091	701,944
8	Total Operating Expenses	18,019,597	837,098	18,856,695
9	Net Operating Income (Loss)	\$ 613,174	\$ 2,528,341	\$ 3,141,515
10	Rate Base	\$ 21,155,890		\$ 21,155,890
11	Rate of Return	2.90%		14.85%

**SUBURBAN NATURAL GAS COMPANY**  
**CASE NO. 18-1205-GA-AIR**  
**ADJUSTED TEST YEAR OPERATING INCOME**  
**FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-2**  
**PAGE 1 OF 1**

Line No.	Description	Unadjusted Revenues & Expenses	Adjustments	Adjusted Revenues & Expenses
1	OPERATING REVENUES			
2	Base Revenues	\$ 19,910,880	\$ (1,278,109)	\$ 18,632,771
3	Total Operating Revenues	19,910,880	(1,278,109)	18,632,771
4				
5	OPERATING EXPENSES			
6	Purchased Gas	11,481,648	(815,824)	10,665,824
7	Other Operation and Maintenance	6,287,283	(670,714)	5,616,569
8	Total Operation and Maintenance	17,768,931	(1,486,537)	16,282,394
9				
10	Depreciation	987,201	39,462	1,026,663
11	Taxes Other Than Income Taxes	1,624,953	(\$944,266)	680,687
12	Income Taxes	(216,118)	245,971	29,853
13	Total Operating Expenses	20,164,967	(2,145,370)	18,019,597
14				
15	Net Operating Income (Loss)	\$ (254,087)	\$ 867,261	\$ 613,174

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
SUMMARY OF JURISDICTIONAL ADJUSTMENTS TO OPERATING INCOME  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

SCHEDULE C-3  
PAGE 1 OF 1

Line No.	Description	Revenue and Gas Cost	Rider Revenue	Interest on Customer Deposits	Rate Case Expenses	Charitable Contributions	Social Club Dues	Payroll Expenses	Property Taxes	Professional Fees	Depreciation Expense	Misc. Expenses	Misc. Expense Assoc Rev. Adjustment	Federal Income Tax	Tax Synchronization	Total Schedule C-3
	Element of Operating Income	C-3.1	C-3.2	C-3.3	C-3.4	C-3.5	C-3.6	C-3.7	C-3.8	C-3.9	C-3.10	C-3.11	C-3.12	C-3.13	C-3.14	
1	OPERATING REVENUES															
2	Revenues	\$ 68,488	\$ (1,346,597)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,278,109)
3	Total Revenue Adjustments	68,488	(1,346,597)	0	0	0	0	0	0	0	0	0	0	0	0	(1,278,109)
4																
5	OPERATING EXPENSES															
6	Purchased Gas Cost	(815,824)	0	0	0	0	0	0	0	0	0	0	0	0	0	(815,824)
7	Other Operation and															
8	Maintenance	0	(306,503)	3,536	53,290	(23,163)	(18,710)	(37,832)	0	(300,000)	0	(70,112)	28,780	0	0	(670,714)
9	Total O&M Adjustments	(815,824)	(306,503)	3,536	53,290	(23,163)	(18,710)	(37,832)	0	(300,000)	0	(70,112)	28,780	0	0	(1,486,537)
10																
11	Depreciation	0	0	0	0	0	0	0	0	0	39,462	0	0	0	0	39,462
12	Taxes Other Than Income	0	(1,040,094)	0	0	0	0	31,706	64,122	0	0	0	0	0	0	(944,266)
13	Income Taxes	0	0	0	0	0	0	0	0	0	0	0	0	301,020	(55,049)	245,971
14	Total Operating Expense															
15	Adjustments	(815,824)	(1,346,597)	3,536	53,290	(23,163)	(18,710)	(6,126)	64,122	(300,000)	39,462	(70,112)	28,780	301,020	(55,049)	(2,145,370)
16	Net Operating Income (Loss)	\$ 884,312	\$ -	\$ (3,536)	\$ (53,290)	\$ 23,163	\$ 18,710	\$ 6,126	\$ (64,122)	\$ 300,000	\$ (39,462)	\$ 70,112	\$ (28,780)	\$ (301,020)	\$ 55,049	\$ 867,261



**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
REVENUE AND GAS COST  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.1**

**PAGE 1 OF 2**

**WORK PAPER REFERENCE NO(S): Company WPC-2.1 & Staff WPC-3.1**

Line No.	Purpose and Description	Amount
1	To reflect adjustments to operating revenues to reclassify and annualize base and gas	
2	cost recovery revenue	
3		
4	Jurisdictional MCF Sales (General Service)	1,872,150
5	Gas Cost Rate	5.6971
6	Adjusted Gas Cost	\$ 10,665,824
7	Jurisdictional Gas Cost	11,481,648
8	Adjustment to Revenues and purchased gas cost	(815,824)
9		
10	Adjustment to Test Year Operating Revenues	\$ (815,824)
11		↓
12		To Schedule C-3
13		
14	Adjustment to Test Year Operating Expenses	\$ (815,824)
		↓
		To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
REVENUE AND GAS COST  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.1**

**PAGE 2 OF 2**

**WORK PAPER REFERENCE NO(S): WPC-3.1, WPC-3.1a through WPC-3.1e**

Line No.	Purpose and Description	Amount
1	To adjust revenue based on Staff's adjustments	
2		
3	Staff Adjusted Revenue (WPC-3.1)	\$ 7,966,947
4		
5	Jurisdictional Base Rate Revenue (Company C-3.1)	<u>7,082,635</u>
6		
7	Increase to Test Year Revenue (Line 3 - Line 5)	<u>\$ 884,312</u>

↓  
To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
RIDER REVENUE AND EXPENSES  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.2  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): Applicant WPC-3.2**

Line No.	Purpose and Description	Reference	Amount
1	To remove rider revenue and expenses		
2			
3	Rider Revenue		
4	Gross Receipts Tax	\$	955,152
5	MCF Tax		84,942
6	Uncollectible Expense Rider		11,895
7	PIPP Rider		280,177
8	IRP Rider		14,431
9	EEP Rider		<u>0</u>
10			
11	Adjustment to Test Year Operating Revenues	-1 * (Line 4 through 9)	\$ <u>(1,346,597)</u>
12			↓
13			To Schedule C-3
14			
15			
16	Adjustment to Test Year Operation & Maintenance Expense	-1 * (Line 6 through 9)	\$ <u>(306,503)</u>
17			↓
18			To Schedule C-3
19			
20			
21	Adjustment to Test Year Taxes Other Than Income	-1 * (Line 4 + Line 5)	\$ <u>(1,040,094)</u>
			↓
			To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
INTEREST ON CUSTOMER DEPOSITS  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.3  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): Applicant WPC-3.3**

Line No.	Purpose and Description	Reference	Amount
1	To reclassify interest associated with customer deposits to operating expenses		
2			
3			
4			
5	Test year customer deposit interest		\$ 3,536
6			
7	Customer deposit interest in operating expenses		<u>0</u>
8			
9	Adjustment to Operating Expenses	Line 5 - Line 7	<u>\$ 3,536</u>
			↓ To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
RATE CASE EXPENSES  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**WORK PAPER REFERENCE NO(S): WPC-3.4**

**SCHEDULE C-3.4  
PAGE 1 OF 1**

Line No.	Purpose and Description	Reference	Amount
1	To adjust Outside Services for the estimated rate case expense.		
2			
3	Rate Case Expense to be Amortized		\$265,000
4			
5	Reclassification of Professional Fees to Rate Case Expense		\$1,450
6			
7	Total Rate Case Expense to be Amortized		\$266,450
8			
9	Amortization Period		5
10			
11	Amount to Be Expensed per Year	Line 7 ÷ Line 9	\$53,290

↓  
To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
CHARITABLE CONTRIBUTIONS ADJUSTMENT  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.5  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): Applicant WPC-3.5**

Line No.	Purpose and Description	Reference	Amount
1	To adjust for charitable contributions		
2			
3	Total Adjustment for Charitable Contributions		\$ (23,163)

↓  
To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENT FOR SOCIAL AND SERVICE CLUB EXPENSES  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.6  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): Applicant WPC-3.6**

Line No.	Purpose and Description	Reference	Amount
1	To adjust for social and service club dues		
2			
3	Total Adjustment for Social and Service Club Dues		\$ (18,710)

↓  
To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENT FOR PAYROLL EXPENSE & PAYROLL TAX  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.7  
PAGE 1 OF 1**

WORK PAPER REFERENCE NO(S): See below

Line No.	Purpose and Description	Reference	Amount
1	<u>Distribution Labor</u>		
2			
3	Annualized Distribution Labor	SCH C-3.7a	\$ 2,907,287
4			
5	Applicant Test Year Distribution Labor	Applicant WPC-3.7	<u>2,916,773</u>
6			
7	Staff Adjustment		<u>\$ (9,486)</u>
8			↓
9			To Schedule C-3
10	Employee Pension and Benefit		
11			
12	FERC ACCT 926 Employee Pension and Benefit	SCH C-3.7b	\$ 667,991
13			
14	Test Year FERC ACCT 926 Employee Pension and Benefit	Applicant WPC-2.1	<u>696,337</u>
15			
16	Staff Adjustment		<u>\$ (28,346)</u>
17			↓
18			To Schedule C-3
19	<u>Payroll Tax</u>		
20			
21	FICA Tax	WPC-3.7c	\$ 222,407
22			
23	Federal Unemployment Tax (FUTA)	WPC-3.7d	1,371
24			
25	State Unemployment Tax (SUTA)	WPC-3.7e	<u>2,790</u>
26			
27	Total Payroll Tax		226,568
28			
29	Test Year Expense	Applicant C-2.1	194,862
30			
31	Staff Adjustment		<u>\$ 31,706</u>
			↓
			To Schedule C-3



**SUBURBAN NATURAL GAS COMPANY  
CASE NO.18-1205-GA-AIR  
OPERATION AND MAINTENANCE PAYROLL COSTS**

**SCHEDULE C-3.7a**

Line No.	Purpose and Description	Reference	Amount
1	Company Payroll as of January 2019	(a)	\$ 3,296,243
2	O&M Ratio	(b)	<u>88.20%</u>
3	Total O&M Payroll	Line 1 x Line 2	\$ 2,907,287
(a)	Derived from Confidential Staff Data Request 53 and 71		
(b)	Derived from Staff Data Request 12, 3-Year Historical Average		

Suburban Natural Gas Company  
Case No. 18-1205-GA-AIR  
Payroll Tax Adjustment  
For the Twelve Months Ended February 28, 2019


Schedule C-3.7b  
Page 1 of 1

LINE NO.	PURPOSE & DESCRIPTION	AMOUNT
1	To annualize payroll taxes based on annualized salaries and wages as determined on schedule C-3.2	
2		
3	FICA Tax (a)	\$ 222,407
4		
5	Federal Unemployment Tax (FUTA) (b)	1,371
6		
7	State Unemployment Tax (SUTA) (c)	2,790
8		
9	Total Payroll Tax	226,568
10		
11	Test Year Expense (d)	194,862
12		
13	Adjustment	\$ 31,706
(a)	WPC-3.7b1	
(b)	WPC-3.7b2	
(c)	WPC-3.7b3	
(d)	Applicant C-2.1	

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENT FOR PROPERTY TAX EXPENSE  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**WORK PAPER REFERENCE NO(S): WPC-3.8**

**SCHEDULE C-3.8  
PAGE 1 OF 1**

Line No.	Purpose and Description	Reference	Amount
1	To adjust for property taxes		
2			
3	Increase in property taxes		\$ 64,122
			<hr/>
			
			To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENT FOR PROFESSIONAL FEES  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**WORK PAPER REFERENCE NO(S).: WPC-3.9**

**SCHEDULE C-3.9  
PAGE 1 OF 1**

Line No.	Purpose and Description	Reference	Amount
1	To adjust for professional fees		
2			
3	Test Year Professional Fees	WPC-3.9a	\$ 592,681 (A)
4			
5	Staff Recommended Professional Fees	WPC-3.9a	<u>292,681</u>
6			
7	Total Adjustment to Professional Fees	Line 5 - Line 3	<u>\$ (300,000)</u>

↓  
To Schedule C-3

(A) Excludes Subaccount 923.02

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
DEPRECIATION EXPENSE ADJUSTMENT  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.10  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): Schedule B-3.2**

Line No.	Purpose and Description	Reference	Amount
1	To adjust depreciation expense to actual		
2			
3	Jurisdictional Depreciation Schedule B-3.2		\$1,026,663
4	Test Year Jurisdictional Depreciation		<u>987,201</u>
5			
6	Increase to Depreciation Expense	Line 3 - Line 4	<u>\$ 39,462</u>
			↓ To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTMENT FOR MISCELLANEOUS EXPENSES  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**WORK PAPER REFERENCE NO(S): WPC-3.11**

**SCHEDULE C-3.11  
PAGE 1 OF 1**

Line No.	Purpose and Description	Reference	Amount
1	To Remove Rate Case Expense from Miscellaneous Expenses		
2			
3	Decrease in Miscellaneous expenses		
4	Account 930.05 Rate Case Expense		\$ (129,542)
5	Account 912.00 Travel Exp		(866)
6	Account 912.01 Bus Meals		(17,710)
7	Account 935.06 Bldg. & Shop Maint.		(33)
7	Lease Expense		78,039
8	Total		<u>\$ (70,112)</u>

↓  
To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY**  
**CASE NO. 18-1205-GA-AIR**  
**EXPESES ASSOCIATED WITH MISC. REVENUES**  
**FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.12**  
**PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): WPC-3.12a & WPC-3.12b**

Line No.	Purpose and Description	Reference	Amount
1	To adjust expenses associated with miscellaneous revenue		
2			
3	COS Labor Expense	WPC-3.12a	\$ 5,864
4			
5	COS Inventory Expense	WPC-3.12b	<u>22,916</u>
6			
7	Total Adjustment to Expenses Associated with Miscellaneous Income	(Line 3 + Line 5)	<u><u>\$ 28,780</u></u>

↓  
To Schedule C-3

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
FEDERAL INCOME TAX ADJUSTMENT  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.13  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): See below**

Line No.	Purpose and Description	Reference	Amount
1	To reflect computed federal income tax liability (benefit) on adjusted revenue at 21% tax rate		
2			
3	Total Adjustments to Operating Revenue	Schedule C-3	\$ (1,278,109)
4			
5	Total Adjustments to Operating Expenses	Schedule C-3	<u>(2,391,341)</u>
6			
7	Total Adjustment (Effect on Income)	Line 3 - Line 5	1,113,232
8			
9	Adjustment to Tax Expense at 21% tax rate	Line 7 * 21%	<u>233,779</u>
10			
11	Add back EDIT amortization	Company WPC-2.1	<u>67,241</u>
12			
13	Adjustment to Federal Income Tax Expense	Line 9 + Line 11	<u><u>\$ 301,020</u></u>

↓  
To Schedule C-3



**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
SYNCHRONIZATION OF FEDERAL INCOME TAX EXPENSE  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019**

**SCHEDULE C-3.14  
PAGE 1 OF 1**

**WORK PAPER REFERENCE NO(S): WPC-3.14, WPC-3.14a through WPC-3.14c**

Line No.	Purpose and Description	Reference	Amount
1	To reconcile taxes with Schedule C-4		
2			
3	Unadjusted Test Year Income Tax Expense	Company C-2.1	\$ (216,118)
4			
5	Adjustments to Income Tax Expense	C-3.13 Line 13	<u>301,020</u>
6			
7	Adjusted Income Tax Expense	Line 3 + Line 5	<u>84,902</u>
8			
9	C-4 Reconciled Income Tax Expense	WPC-3.14	29,853
10			
11	Adjustment to Income Tax Expense	Line 9 - Line 7	<u>\$ (55,049)</u>
			↓ To Schedule C-3

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
ADJUSTED JURISDICTIONAL FEDERAL INCOME TAXES  
FOR THE TWELVE MONTHS ENDED FEBRUARY 28, 2019

SCHEDULE C-4  
PAGE 1 OF 1

Line No.	Description	Adjusted Operating Income
1	Operating Income Before FIT (a)	\$ 643,027
2		
3	<u>Reconciling Items:</u>	
4	Interest Charges (WPC-4)	500,869
5		
6	Federal Taxable Income (1) - (4)	142,158
7		
8	<u>Federal Income Taxes</u>	
9		
10	Line 6 x 21%	29,853
11		
12		
13	<b>Total Federal Income Taxes</b>	<b>\$ 29,853</b>

(a) Schedule C-2 (Line 3 - Line 8 - Line 10 - Line 11)

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
RATE OF RETURN SUMMARY**

**SCHEDULE D-1  
PAGE 1 OF 1**

Line No.	Class of Capital	Reference	Amount	% of Total	% Cost	Weighted Cost %
1	Long-Term Debt	D-3	\$17,707,439	52.25%	4.53%	2.37%
2	Preferred Stock	D-4	0	0.00%	0.00%	0.00%
3	Common Equity	D-1.1	16,181,399	47.75%	10.25%	4.89%
4	Total Capital		<u>\$33,888,838</u>	100%		<u>7.26%</u>

**SUBURBAN NATURAL GAS COMPANY**  
**CASE NO. 18-1205-GA-AIR**  
**COMMON EQUITY**

**SCHEDULE D-1.1**  
**PAGE 1 OF 1**

<b>Line No.</b>	<b>Class of Capital</b>	<b>Common Stock Dollar Amount</b>	<b>Paid in Capital Dollar Amount</b>	<b>Retained Earnings Dollar Amount</b>	<b>Total Common Equity Dollar Amount</b>
1	Common Equity	\$60,000	\$7,740,192	\$8,381,207	\$16,181,399

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
EMBEDDED COST OF SHORT-TERM DEBT**

**SCHEDULE D-2  
PAGE 1 OF 1**

Line No.	Issue (A)	Amount Outstanding (B)	Interest Rate (C)	Interest Requirement (D)
1	Line of Credit (1)	\$72,637	4.331%	\$3,146
2				
3	Totals	\$72,637		\$3,146
4				
5	Cost of Short Term Debt			4.331%

**SCHEDULE D-3**  
**PAGE 1 OF 1**

[illegible]

**SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
EMBEDDED COST OF PREFERRED STOCK**

**SCHEDULE D-4  
PAGE 1 OF 1**

Line No.	Type
-------------	------

Not Applicable

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
TYPICAL BILL COMPARISON

Data: 12 Months Actual  
Type of Filing: \_\_\_ Original "X" Updated\_\_\_Revised  
WORK PAPER REFERENCE NO(S):: none

SCHEDULE E-5  
PAGE 1 OF 3  
WITNESS RESPONSIBLE: STAFF

Bill Data (Less Gas Cost and Related Gross Receipts Tax)											
Line No.	Rate Code	Level of Demand (A)	Level of Usage MCF/Month (B)	Current Bill (C)	Proposed Bill (D)	Dollar Increase (E=D-C)	% Increase (F=E/C)	Fuel Cost Additions to Bill (G)	Current Bill with Gas Costs (H=C+G)	Proposed Bill with Gas Costs (I=D+G)	% Change (J=(I-H)/H)
1	<b>Small General Service</b>										
2	SGS	N/A	0	\$31.00	\$35.64	\$4.64	14.97%	\$0.00	\$31.00	\$35.64	14.97%
3	SGS	N/A	1	\$31.31	\$35.95	4.64	14.82%	\$5.98	37.29	41.93	12.44%
4	SGS	N/A	5	\$32.55	\$37.19	4.64	14.26%	\$29.90	62.45	67.09	7.43%
5	SGS	N/A	10	\$34.08	\$38.72	4.64	13.62%	\$59.81	93.89	98.53	4.94%
6	SGS	N/A	20	\$37.17	\$41.81	4.64	12.48%	\$119.62	156.79	161.43	2.96%
7	SGS	N/A	30	\$40.25	\$44.89	4.64	11.53%	\$179.43	219.68	224.32	2.11%
8	SGS	N/A	40	\$43.33	\$47.97	4.64	10.71%	\$239.23	282.57	287.21	1.64%
9	SGS	N/A	50	\$46.42	\$51.06	4.64	10.00%	\$299.04	345.47	350.11	1.34%
10	SGS	N/A	75	\$54.13	\$58.77	4.64	8.57%	\$448.57	502.69	507.33	0.92%
11	SGS	N/A	100	\$61.83	\$66.48	4.64	7.50%	\$598.09	659.92	664.56	0.70%
12	SGS	N/A	250	\$108.09	\$112.73	4.64	4.29%	\$1,495.22	1,603.31	1,607.95	0.29%
13	SGS	N/A	500	\$185.17	\$189.81	4.64	2.51%	\$2,990.44	3,175.61	3,180.25	0.15%



SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
TYPICAL BILL COMPARISON

Data: 12 Months Actual  
Type of Filing: \_\_\_ Original "X" Updated\_\_\_Revised  
WORK PAPER REFERENCE NO(S): none

SCHEDULE E-5  
PAGE 2 OF 3  
WITNESS RESPONSIBLE: STAFF

Bill Data (Less Gas Cost and Related Gross Receipts Tax)											
Line No.	Rate Code	Level of Demand (A)	Level of Usage MCF/Month (B)	Current Bill (C)	Proposed Bill (D)	Dollar Increase (E=D-C)	% Increase (F=E/C)	Fuel Cost Additions to Bill (G)	Current Bill with Gas Costs (H=C+G)	Proposed Bill with Gas Costs (I=D+G)	% Change (J=(I-H)/H)
1	<b>Large General Service</b>										
2	LGS	N/A	0	\$157.59	\$183.83	\$26.25	16.65%	\$0.00	\$157.59	\$183.83	16.65%
3	LGS	N/A	1	\$159.76	\$186.27	26.51	16.59%	\$5.98	165.74	192.25	15.99%
4	LGS	N/A	5	\$168.46	\$196.03	27.56	16.36%	\$29.90	198.37	225.93	13.89%
5	LGS	N/A	10	\$179.33	\$208.21	28.88	16.10%	\$59.81	239.14	268.02	12.08%
6	LGS	N/A	20	\$201.09	\$232.60	31.52	15.67%	\$119.62	320.70	352.22	9.83%
7	LGS	N/A	30	\$222.83	\$256.99	34.15	15.33%	\$179.43	402.26	436.41	8.49%
8	LGS	N/A	40	\$244.58	\$281.37	36.79	15.04%	\$239.23	483.81	520.60	7.60%
9	LGS	N/A	50	\$266.33	\$305.76	39.42	14.80%	\$299.04	565.38	604.80	6.97%
10	LGS	N/A	75	\$320.70	\$366.72	46.01	14.35%	\$448.57	769.27	815.28	5.98%
11	LGS	N/A	100	\$375.07	\$427.67	52.60	14.03%	\$598.09	973.16	1,025.76	5.41%
12	LGS	N/A	250	\$701.30	\$793.44	92.14	13.14%	\$1,495.22	2,196.51	2,288.66	4.19%
13	LGS	N/A	500	\$1,245.00	\$1,403.03	158.04	12.69%	\$2,990.44	4,235.43	4,393.47	3.73%

SUBURBAN NATURAL GAS COMPANY  
CASE NO. 18-1205-GA-AIR  
TYPICAL BILL COMPARISON

Data: 12 Months Actual  
Type of Filing: \_\_\_ Original "X" Updated\_\_\_ Revised  
WORK PAPER REFERENCE NO(S): none

SCHEDULE E-5  
PAGE 3 OF 3  
WITNESS RESPONSIBLE: STAFF

Bill Data (Less Gas Cost and Related Gross Receipts Tax)											
Line No.	Rate Code	Level of Demand (A)	Level of Usage MCF/Month (B)	Current Bill (C)	Proposed Bill (D)	Dollar Increase (E=D-C)	% Increase (F=E/C)	Demand Chg Additions to Bill (G)	Current Bill with Demand Charge (H=C+G)	Proposed Bill with Demand Charge (I=D+G)	% Change (J=(I-H)/H)
1	<b>Large General Service Transport</b>										
2	LGS	N/A	0	\$262.57	\$183.83	(\$78.74)	-29.99%	\$0.00	\$262.57	\$183.83	-29.99%
3	LGS	N/A	1	\$264.74	\$186.53	(78.21)	-29.54%	\$0.26	265.01	186.79	-29.51%
4	LGS	N/A	5	\$273.45	\$197.33	(76.12)	-27.84%	\$1.31	274.76	198.64	-27.70%
5	LGS	N/A	10	\$284.31	\$210.81	(73.50)	-25.85%	\$2.62	286.94	213.44	-25.62%
6	LGS	N/A	20	\$306.07	\$237.80	(68.27)	-22.30%	\$5.25	311.32	243.05	-21.93%
7	LGS	N/A	30	\$327.81	\$264.78	(63.03)	-19.23%	\$7.87	335.69	272.65	-18.78%
8	LGS	N/A	40	\$349.56	\$291.76	(57.80)	-16.53%	\$10.50	360.06	302.26	-16.05%
9	LGS	N/A	50	\$371.31	\$318.75	(52.56)	-14.16%	\$13.12	384.44	331.87	-13.67%
10	LGS	N/A	75	\$425.68	\$386.20	(39.48)	-9.27%	\$19.68	445.37	405.89	-8.86%
11	LGS	N/A	100	\$480.05	\$453.66	(26.39)	-5.50%	\$26.25	506.30	479.90	-5.21%
12	LGS	N/A	250	\$806.28	\$858.40	52.12	6.46%	\$65.61	871.89	924.01	5.98%
13	LGS	N/A	500	\$1,349.98	\$1,532.95	182.97	13.55%	\$131.23	1,481.20	1,664.18	12.35%

**Attachment C**

<b>Year 1 - 50%</b>				
<b>Line No.</b>	<b>Description</b>	<b>Supporting Schedule Reference</b>	<b>Applicant</b>	<b>Stipulated Recommendation</b>
1	Rate Base as of Date Certain	B-1	\$ 25,877,578	\$ 21,155,890
2	Current Operating Income	C-1	(649,180)	613,174
	Earned Rate of Return: Line (2) / Line (1)	(n/a)	-2.51%	2.90%
3				
4	Recommended Rate of Return	D-1	7.26%	7.26%
	Required Operating Income: Line (1) x (4)	(n/a)	1,879,161	1,535,918
5				
6	Operating Income Deficiency: Line (5) - Line (2)	(n/a)	2,528,341	922,744
7	Gross Revenue Conversion Factor	A-2	1.331086	1.265823
	Revenue Deficiency: Line (6) x Line (7)	(n/a)	3,365,439	1,168,030
8				
9	Revenue Increase Recommended	E-4	3,365,439	1,168,030
	Test Year Adjusted Operating Revenues	C-1	17,949,119	18,632,771
10				
11	Revenue Requirements: Line (9) + Line (10)	(n/a)	\$ 21,314,558	\$ 19,800,801
	Increase Over Current Revenue: Line (9) / Line (10)	(n/a)	18.75%	6.27%
12				

<b>Year 2 - 80%</b>				
<b>Line No.</b>	<b>Description</b>	<b>Supporting Schedule Reference</b>	<b>Applicant</b>	<b>Stipulated Recommendation</b>
1	Rate Base as of Date Certain	B-1	\$ 25,877,578	\$ 23,848,156
2	Current Operating Income	C-1	(649,180)	520,877
	Earned Rate of Return: Line (2) / Line (1)	(n/a)	-2.51%	2.18%
3				
4	Recommended Rate of Return	D-1	7.26%	7.26%
	Required Operating Income: Line (1) x (4)	(n/a)	1,879,161	1,731,376
5				
6	Operating Income Deficiency: Line (5) - Line (2)	(n/a)	2,528,341	1,210,500
7	Gross Revenue Conversion Factor	A-2	1.331086	1.265823
	Revenue Deficiency: Line (6) x Line (7)	(n/a)	3,365,439	1,532,278
8				
9	Revenue Increase Recommended	E-4	3,365,439	1,532,278
	Test Year Adjusted Operating Revenues	C-1	17,949,119	18,632,771
10				
11	Revenue Requirements: Line (9) + Line (10)	(n/a)	\$ 21,314,558	\$ 20,165,049
	Increase Over Current Revenue: Line (9) / Line (10)	(n/a)	18.75%	8.22%
12				

<b>Year 3 - 100%</b>				
<b>Line No.</b>	<b>Description</b>	<b>Supporting Schedule Reference</b>	<b>Applicant</b>	<b>Stipulated Recommendation</b>
1	Rate Base as of Date Certain	B-1	\$ 25,877,578	\$ 25,642,332
2	Current Operating Income	C-1	(649,180)	456,671
	Earned Rate of Return: Line (2) / Line (1)	(n/a)	-2.51%	1.78%
3				
4	Recommended Rate of Return	D-1	7.26%	7.26%
	Required Operating Income: Line (1) x (4)	(n/a)	1,879,161	1,861,633
5				
6	Operating Income Deficiency: Line (5) - Line (2)	(n/a)	2,528,341	1,404,962
7	Gross Revenue Conversion Factor	A-2	1.331086	1.265823
	Revenue Deficiency: Line (6) x Line (7)	(n/a)	3,365,439	1,778,433
8				
9	Revenue Increase Recommended	E-4	3,365,439	1,778,433
	Test Year Adjusted Operating Revenues	C-1	17,949,119	18,632,771
10				
11	Revenue Requirements: Line (9) + Line (10)	(n/a)	\$ 21,314,558	\$ 20,411,204
	Increase Over Current Revenue: Line (9) / Line (10)	(n/a)	18.75%	9.54%
12				

**This foregoing document was electronically filed with the Public Utilities**

**Commission of Ohio Docketing Information System on**

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**in**

**Case No(s). 18-1205-GA-AIR, 18-1206-GA-ATA, 18-1207-GA-AAM**

Summary: Stipulation Stipulation and Recommendation electronically filed by Mr. Brian W Dressel on behalf of Suburban Natural Gas Company