

Rate Case Schedules – Bringing It All Together

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Presentation 16 Bringing It All Together

Revenue Calculation

LEANN GAS COMPANY
 STAFF REVENUE REQUIREMENT
 T.Y.E. 12/31/2007
 CAUSE NO. PUD 200800078

SECTION B
 SCHEDULE 1

DESCRIPTION	REFERENCE	COMPANY PROFORMA AMOUNT	STAFF AMOUNT
RATE BASE	SECTION B2	\$ 1,602,397	\$ 752,833
RATE OF RETURN	SECTION F1	14.000%	10.683%
RETURN REQUIREMENTS NET OF TAX		224,336	80,428
F&S INCOME TAXES	SCHEDULE J	87,267	23,521
PRO FORMA OPER EXP.	SECTION H	3,041,928	1,012,251
REVENUE REQUIREMENTS		3,353,530	1,179,946
PRO FORMA OPERATING INCOME	SECTION H	2,089,510	475,678
RETURN DEFICIENCY		(1,264,020)	(704,268)
INCOME TAX GROSS UP	SCHEDULE J	55,559	33,244
REVENUE EXCESS/(DEFICIENCY)		(\$1,319,579)	(\$737,511)
\$ INCREASE PER MONTHLY CUSTOMER		\$ 52.24	\$ 29.20



Rate Base

LEANN GAS COMPANY
 STAFF PRO FORMA RATE BASE
 T.Y.E. 12/31/2007
 CAUSE NO. PUD 200800078

SECTION B
 SCHEDULE 2

DESCRIPTION	COMPANY PROFORMA AMOUNTS 12/31/2007	STAFF ADJUSTMENTS	REF. NOTES	STAFF ADJUSTED AMOUNTS 12/31/2007
PLANT IN SERVICE:				
UTILITY PLANT	\$ 1,539,926	\$ (12,383)	SG1	1,527,543
LESS: ACCUM DEPR.	(708,024)	12,383	SG1	(695,641)
NET PLANT	831,902	-		831,902
CUSTOMER DEPOSITS	87,882	(175,764)	SG2	(87,882)
DEFERRED TAXES	112,467	(224,934)	SG3	(112,467)
WORKING CAPITAL	544,924	(423,644)	SG4	121,280
DEFERRED LINE LOSS RECOVER	25,222	(25,222)	SG5	-
TOTAL RATE BASE	\$ 1,602,397	\$ (849,564)		\$ 752,833



Rate Base Adjustments

LEANN GAS COMPANY
 STAFF PRO FORMA RATE BASE
 T.Y.E. 12/31/2007
 CAUSE NO. PUD 200800078

SECTION B
 SCHEDULE 3

REF. NOTES	DESCRIPTION	STAFF ADJUSTMENTS	STAFF EXPLANATIONS 12/31/2007
	PLANT IN SERVICE:		
SG1	UTILITY PLANT	\$ (12,383)	To remove fully depreciated organizational costs.
SG1	LESS: ACCUM DEPR.	12,383	To remove accumulated depreciation regarding organizational costs.
	NET PLANT	-	
SG2	CUSTOMER DEPOSITS	(175,764)	To remove \$87,882 of customer deposits added to rate base and subtract it.
SG3	DEFERRED TAXES	(224,934)	To remove \$112,467 of deferred taxes added to rate base and subtract it.
SG4	WORKING CAPITAL	(423,644)	To adjust working capital to 1/8th of annual non-gas expenses and remove 25% gross-up
SG5	DEFERRED LINE LOSS RECOVER	(25,222)	To remove from rate base (to be considered in upcoming LUGF cause.)
	TOTAL STAFF ADJUSTMENTS	\$ (849,564)	
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Plant In Service

LEANN GAS COMPANY
 STAFF PLANT IN SERVICE
 T.Y.E. 12/31/2007
 CAUSE NO. PUD 200800078

SECTION C
 SCHEDULE 1

Description	COMPANY AMOUNTS 12/31/07	STAFF ADJUSTMENTS	STAFF AMOUNTS 12/31/07
PLANT IN SERVICE			
Pipe Line	1,441,661	-	1,441,661
Regulators & Meters	108,019	-	108,019
Meters	-	-	-
Odorization Station	-	-	-
Meter Station	-	-	-
Portable Compressor	-	-	-
Leak Detector	-	-	-
Customer Advances	(22,137)	-	(22,137)
Total Plant	1,527,543	-	1,527,543



Accumulated Depreciation

LEANN GAS COMPANY
 STAFF ACCUMULATED DEPRECIATION
 T.Y.E. 12/31/2007
 CAUSE NO. PUD 200800078

Section D
 Schedule 1

YEAR END	TOTAL ASSETS	PLANT ADDITIONS <RETIREMENTS>	DEPR EXPENSE	ACCUMULATED DEPRECIATION	STAFF ADJUSTMENTS	STAFF ACCUMULATED DEPRECIATION
04/30/87	438,163	---		92,378	-	92,378
		87,723				
1987	564,542	38,656	14,037	106,415	-	106,415
1988	572,642	8,100	15,151	121,566	-	121,566
1989	577,840	5,198	15,317	136,884	-	136,884
1990	772,228	194,388	17,812	154,696	-	154,696
1991	804,148	31,920	19,934	174,630	-	174,630
1992	835,236	31,088	20,324	194,954	-	194,954
1993	864,702	29,466	21,081	216,035	-	216,035
1994	902,905	38,203	21,927	237,963	-	237,963
1995	978,307	75,402	23,347	261,310	-	261,310
1996	1,034,219	55,912	24,989	286,299	-	286,299
1997	1,065,136	30,917	34,763	321,062	-	321,062
1998	1,099,150	34,014	36,502	357,564	-	357,564
1999	1,132,574	33,424	34,992	392,556	-	392,556
2000	1,193,408	60,834	38,095	430,651	-	430,651
2001	1,236,534	43,126	38,339	468,990	-	468,990
2002	1,273,775	37,241	38,816	507,806	-	507,806
2003	1,338,068	64,293	33,224	541,029	-	541,029
2004	1,383,365	45,297	37,488	578,517	-	578,517
2005	1,438,355	54,990	37,209	615,726	-	615,726
2006	1,473,340	34,985	38,907	654,633	-	654,633
2007	1,527,543	54,203	41,007	695,640	-	695,640
		1,089,380	603,262	695,640	-	695,640



Cash Working Capital

LEANN GAS COMPANY
 STAFF WORKING CAPITAL
 T.Y.E. 12/31/2007
 CAUSE NO. PUD 200800078

SECTION E
 SCHEDULE 1

DESCRIPTION	STAFF AMOUNTS	REF. NOTES	STAFF EXPLANATIONS
STAFF ADJUSTED OPER. EXPENSES	\$ 1,012,251		
LESS: DEPRECIATION EXPENSE	(42,009)		
OPER. EXPENSES LESS DEPRECIATI	970,242		
1/8TH OF ANNUAL EXPENSES	0.125		
STAFF ALLOWABLE WORKING CAPIT	121,280		
COMPANY WORKING CAPITAL	544,924		
LESS: 25% GROSS UP	(108,985)		STAFF ADJUSTMENT TO BE APPLIED TO COMPANY WORKING CAPITAL
COMPANY NET OF 25% GROSS UP	\$ 435,939		
STAFF LESS NET COMPANY	(314,659)		ADDITIONAL STAFF ADJUSTMENT TO BE APPLIED TO COMPANY WORKING CAPITAL
TOTAL STAFF ADJUSTMENT	(423,644)		

Cost of Capital

LEANN GAS COMPANY
STAFF WORKING CAPITAL
T.Y.E. 12/31/2007
CAUSE NO. PUD 200800078

SECTION F
SCHEDULE 1

DESCRIPTION	BALANCE	RATIO	RATE	RATE OF RETURN
COMMON STOCK	\$ 2,001	0.33%	---	---
RETAINED EARNINGS	355,296	58.07%	---	---
PAID-IN CAPITAL	42,647	6.97%	---	---
TOTAL EQUITY	399,944	65.37%	12.37%	8.09%
UTILITY MANAGEMENT	61,158	10.00%	7.500%	
N/P BANK OF OKLAHOMA	150,737	24.64%	7.500%	---
TOTAL LONG TERM DEBT	211,895	34.63%	7.500%	2.597%
TOTAL LONG TERM DEBT & CAPI	\$ 611,839	100.00%	N/A	10.683%

**** All debt of LeAnn Gas Company is in the form of banking instruments guaranteed by the principles. Given that the principles and LeAnn Gas Company are equally responsible for the debt it is appropriate to view the debt of the company as personal debt of the principles.

**** LeAnn Gas Co desires a 14% rate of return on Total Rate Base.
See Rate Base calculations.

** Loans are being paid through a rider

Income Statement

LEANN GAS COMPANY
STAFF ADJUSTED INCOME STATEMENT
T.Y.E. 12/31/2007
CAUSE NO. PUD 200800078

SECTION H
SCHEDULE 1

	TEST YEAR ACTUALS	-----ADJUSTMENTS-----	REF. NOTES	TEST YEAR BALANCES
INCOME:				
SALES RESID & COMM	\$ 1,856,497	1,445,197	- SG6	411,300
SALES INDUSTRIAL	213,876	168,635	- SG6	45,241
PENALTIES	5,202	-	-	5,202
SPECIAL CHARGES	13,935	-	-	13,935
OTHER INCOME	-	-	-	-
OCC RATE ADJUSTMENT	-	-	-	-
TOTAL INCOME	2,089,510	1,613,832	-	475,678
EXPENSES:				
GAS PURCHASED	1,797,854	- 1,797,854	SG7	-
O & M FEES	985,714	- 214,654	BW1	771,060
REPAIR FEES	86,400	-	-	86,400
METER & TRIP FEES	13,575	-	-	13,575
POSTAGE/BANK CHG	8,089	-	-	8,089
UNCOLLECTED ACCTS	25,919	- 9,171	SG8	16,748
REPAIRS / MAINS	1,847	-	-	1,847
REPAIRS / METERS	4,510	-	-	4,510
LEGAL/PROF FEES	8,758	-	-	8,758
COLLECTORS FEES	2,415	-	-	2,415
CHARITABLE CONT	350	-	-	350
CHART INTEGRATION	1,817	-	-	1,817
INSURANCE	8,400	-	-	8,400
RATE CASE/ REG EXP	28,574	- 9,000	SG9	19,574
MEMBERSHIP DUES	6,290	-	-	6,290
INTEREST MT DEP	7,446	-	-	7,446
METER DEP REFUNDS	-	-	-	-
TAXES - ADVALOREM	12,963	-	-	12,963
TAXES STATE FRAN	-	-	-	-
DEPRECIATION EXP	41,007	1,002	- SG10	42,009
MISCELLANEOUS EXP	-	-	-	-
TOTAL EXP	3,041,928	1,002 2,030,679		1,012,251
OTHER INC/(EXP)				
INTEREST INC	6,065	-	-	6,065
INTEREST EXP	(13,350)	-	-	(13,350)
OTHER INC	18,069	-	-	18,069
TOTAL OTHER	10,784	-	-	10,784
NIBT	(941,634)	1,614,834	2,030,679	(525,789)
EST F&S TAX	-	-	-	-
NIAT	\$ (941,634)	1,614,834 2,030,679		(525,789)



Income Statement Adjustments

LEANN GAS COMPANY
 EXPLANATION OF STAFF ADJUSTMENTS TO INCOME STATEMENT
 T.Y.E. 12/31/2007
 CAUSE NO. PUD 200800078

SECTION H
 SCHEDULE 2

REF. NOTES	DESCRIPTION	STAFF ADJUSTMENT:	STAFF EXPLANATIONS 12/31/2007
	INCOME:		
SG6	SALES RESID & COMM	\$ 1,445,197	To remove gas revenues from rate base revenues.
SG6	SALES INDUSTRIAL	168,635	To remove gas revenues from rate base revenues.
- - -		1,613,832	
SG7	GAS PURCHASED	(1,797,854)	To remove gas expenses from rate base expenses.
BW1	O & M FEES	(214,654)	To reduce Company O&M adjustment based upon Staff's payroll allowances
SG8	UNCOLLECTED ACCTS	(9,171)	To adjust to five-year average.
SG9	RATE CASE/ REG EXP	(9,000)	To adjust to five-year average.
SG10	DEPRECIATION EXP	1,002	To correct depreciation expense error and reconcile with Section I, Schedule 1
	TOTAL STAFF ADJUSTMENT	\$ (415,845)	
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Depreciation Expense

LEANN GAS COMPANY
 STAFF DEPRECIATION EXPENSE
 T.Y.E. 12/31/2007
 CAUSE NO. PUD 200800078

SECTION I
 SCHEDULE 1

Description	Plant Balance per books 12/31/07	Depreciation Rate	Full Year Expense
Pipe Line	\$ 1,441,660	2.50%	36,042
Regulators & Meters	108,020	6.67%	7,205
Past rate case adjustments	-		(1,237)
Odorization Station	-		-
Meter Station	-		-
Portable Compressor	-		-
Leak Detector	-		-
Cathodic Protection	-		-
Total	\$1,549,680		\$42,009



Income Tax

STAFF INCOME TAX CALCULATION
T.Y.E. 12/31/2007
CAUSE NO. PUD 200800078

SECTION J
SCHEDULE 1

PER COMPANY APPLICATION
INCOME TAX CALCULATIONS:

TOTAL TAXES	<u>\$ 87,267</u>
TAXES ABOVE ROW 18	<u>\$ 87,267</u>
CALCULATION OF GROSS UP	142,826
LESS TAXES ABOVE	<u>(87,267)</u>
GROSS UP NUMBER	<u>\$ 55,559</u>
GROSS UP: $(1 / (1 - \text{AVERAGE TAX RATE})) * \text{INCOME TAXES ON RETURN}$	

PER STAFF CALCULATIONS
INCOME TAX CALCULATIONS:

TOTAL TAXES	<u>\$ 23,521</u>
TAXES ABOVE ROW 18	<u>\$ 23,521</u>
GROSS UP RATE	<u>1.41333</u>
GROSS UP NUMBER	<u>\$ 33,244</u>

Rate Design/Proof of Revenue

PBS Wreath

LeAnn Gass RATE DESIGN

Customer Class	Proforma Test Year Revenue			Company Proposed Revenues		Staff Proposed Revenues	
	Billing Units	Present Rate	Revenue	Proposed Rates	Revenue	Proposed Rates	Revenue
RESIDENTIAL							
Customer Charge	24,989	\$7.50	\$187,418	\$10.00	\$249,890		\$12.00 \$ 299,868
Gas charge per Ccf per month						1st CCF	\$ -
First CCF			\$ -		\$ -	Volumetric	\$ 0.6450 \$ 852,529
1st 100 MCF	21,530	0.217	4,672	\$0.5000	10,765		
101-3000 MCF	435,030	0.217	94,402	\$0.4500	195,764		
3001-6000 MCF	254,190	0.217	55,159	\$0.6500	165,224		
Over 6000 MCF	611,000	.217/ .14	101,641	\$0.8350	510,185		
Volumetric Charge	<u>1,321,750</u>		<u>255,874</u>		<u>881,937</u>		<u>852,529</u>
Rounding Difference							
Total RES Revenue			\$ 443,291		\$ 1,131,827		\$ 1,152,397
COMMERCIAL							
Customer Charge	36	\$100.00	\$ 3,600	\$500.00	\$ 18,000		\$500.00 \$ 18,000
Gas charge per Ccf per month							
First 3 Ccf-flat block rate	18,546	\$0.2500	\$ 4,637	\$0.50000	\$ 9,273		\$0.55000 \$ 10,200
Volumetric Charge	18,546		\$ 4,637		\$ 9,273		\$ 10,200
Rounding Difference							
Total SB Revenue			\$ 8,237		\$ 27,273		\$ 28,200

\$1,180,597

