

This schedule shows a summary of the revenue recovery period of an average residential extension for main and service lines based on the current 100' free feet of main and 75' free feet of service lines compared to a scenario where 113' free feet of main and 75' free feet of service lines are offered. The inputs used assume 2024 fiscal year costs and revenues.

Line No.	(A) Year	(B) Current Revenue Excess (Deficiency)	(C) Proposed Revenue Excess (Deficiency)
1	Year Placed in Service	(\$23)	(\$34)
2	1st Year after Extension made	(\$40)	(\$61)
3	2nd Year after Extension made	(\$27)	(\$47)
4	3rd Year after Extension made	(\$15)	(\$35)
5	4th Year after Extension made	(\$3)	(\$23)
6	5th Year after Extension made	\$7	(\$11)
7	6th Year after Extension made	\$18	\$0
8	7th Year after Extension made	\$28	\$11
9	8th Year after Extension made	\$39	\$22
10	9th Year after Extension made	\$49	\$33
11	10th Year after Extension made	\$60	\$44
12	11th thru end of Life	\$4,522	\$4,207
13			
14		Assumptions:	
15		\$18.07 2024 Average Cost per Foot, Service Line	
16		\$10.47 2024 Average Cost per Foot, Main Line	
17		(B) Shows the recovery period with the existing free footage allowance using 2024 average costs.	
18		(C) Shows the recovery period with the proposed free footage allowance using 2024 average costs.	
19			

Extension Free Footage Justification
Current

Docket No. G-008/GR-21-435
CenterPoint Energy Minnesota Gas Response to RFI CEO 12
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Rate	Year Placed in Service	1st Year after Extension made	2nd Year after Extension made	3rd Year after Extension made	4th Year after Extension made	5th Year after Extension made	6th Year after Extension made	7th Year after Extension made	8th Year after Extension made	9th Year after Extension made	10th Year after Extension made	11th Year after Extension made	12th Year after Extension made	13th Year after Extension made	14th Year after Extension made	15th Year after Extension made	16th Year after Extension made	17th Year after Extension made	18th Year after Extension made	19th Year after Extension made	20th Year after Extension made	21st Year after Extension made	22nd Year after Extension made	23rd Year after Extension made	24th Year after Extension made	25th Year after Extension made	26th Year after Extension made	27th Year after Extension made	28th Year after Extension made	29th Year after Extension made	30th Year after Extension made	31st Year after Extension made	32nd Year after Extension made	33rd Year after Extension made	34th Year after Extension made	35th Year after Extension made	36th Year after Extension made	37th Year after Extension made	38th Year after Extension made	39th Year after Extension made	40th Year after Extension made	
REVENUE REQUIREMENTS ANALYSIS:																																										
1	Total Cost of main based on allowed footage (100 feet)	\$1,047																																								
2	Total Cost of service based on allowed footage (75 feet)	\$1,205																																								
3	Average Cost of Main (incl. instals)	\$4.00																																								
4	Total main and service cost at allowed footage	\$2,252																																								
5	Regulatory Balance	\$0	\$2,720	\$2,661	\$2,601	\$2,542	\$2,482	\$2,422	\$2,363	\$2,303	\$2,244	\$2,184	\$2,125	\$2,065	\$2,005	\$1,946	\$1,886	\$1,827	\$1,767	\$1,707	\$1,648	\$1,588	\$1,529	\$1,469	\$1,409	\$1,350	\$1,290	\$1,231	\$1,171	\$1,112	\$1,052	\$992	\$933	\$873	\$814	\$754	\$694	\$635	\$575	\$516		
6	Depreciation expense (incl. savings)	\$20	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	
7	Ending Balance - Main Plant	\$2,700	\$2,661	\$2,601	\$2,542	\$2,482	\$2,422	\$2,363	\$2,303	\$2,244	\$2,184	\$2,125	\$2,065	\$2,005	\$1,946	\$1,886	\$1,827	\$1,767	\$1,707	\$1,648	\$1,588	\$1,529	\$1,469	\$1,409	\$1,350	\$1,290	\$1,231	\$1,171	\$1,112	\$1,052	\$992	\$933	\$873	\$814	\$754	\$694	\$635	\$575	\$516	\$456		
8	Average Net Flow	\$1,700	\$2,700	\$2,601	\$2,502	\$2,403	\$2,304	\$2,205	\$2,106	\$2,007	\$1,908	\$1,809	\$1,710	\$1,611	\$1,512	\$1,413	\$1,314	\$1,215	\$1,116	\$1,017	\$918	\$819	\$720	\$621	\$522	\$423	\$324	\$225	\$126	\$27	\$-72	\$-171	\$-270	\$-369	\$-468	\$-567	\$-666	\$-765	\$-864	\$-963	\$-1,062	
9	Total Depreciation rate (10 year MACRS)	0.000%	0.000%	7.700%	8.000%	8.200%	8.300%	8.400%	8.500%	8.600%	8.700%	8.800%	8.900%	9.000%	9.100%	9.200%	9.300%	9.400%	9.500%	9.600%	9.700%	9.800%	9.900%	10.000%	10.100%	10.200%	10.300%	10.400%	10.500%	10.600%	10.700%	10.800%	10.900%	11.000%	11.100%	11.200%	11.300%	11.400%	11.500%	11.600%		
10	Gas Depreciation amount	\$140	\$267	\$240	\$216	\$196	\$175	\$158	\$136	\$116	\$96	\$76	\$56	\$36	\$16	\$-4	\$-20	\$-40	\$-60	\$-80	\$-100	\$-120	\$-140	\$-160	\$-180	\$-200	\$-220	\$-240	\$-260	\$-280	\$-300	\$-320	\$-340	\$-360	\$-380	\$-400	\$-420	\$-440	\$-460	\$-480	\$-500	
11	Instal - Tax Dep. difference	(\$111)	(\$57)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	(\$15)	
12	Cumulative difference	(\$111)	(\$49)	(\$34)	(\$20)	(\$7)	(\$11)	(\$22)	(\$33)	(\$44)	(\$55)	(\$66)	(\$77)	(\$88)	(\$99)	(\$110)	(\$121)	(\$132)	(\$143)	(\$154)	(\$165)	(\$176)	(\$187)	(\$198)	(\$209)	(\$220)	(\$231)	(\$242)	(\$253)	(\$264)	(\$275)	(\$286)	(\$297)	(\$308)	(\$319)	(\$330)	(\$341)	(\$352)	(\$363)	(\$374)	(\$385)	
13	Account Deficit	28.74%	(\$81)	(\$143)	(\$188)	(\$227)	(\$260)	(\$287)	(\$308)	(\$323)	(\$333)	(\$340)	(\$344)	(\$346)	(\$346)	(\$344)	(\$340)	(\$334)	(\$326)	(\$316)	(\$304)	(\$290)	(\$274)	(\$256)	(\$236)	(\$213)	(\$188)	(\$161)	(\$132)	(\$101)	(\$-72)	(\$-104)	(\$-137)	(\$-171)	(\$-206)	(\$-241)	(\$-276)	(\$-311)	(\$-346)	(\$-381)		
14	Average ACFI	(\$16)	(\$17)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	(\$16)	
15	Main Base	\$1,324	\$2,669	\$2,573	\$2,465	\$2,364	\$2,266	\$2,177	\$2,086	\$1,996	\$1,906	\$1,816	\$1,726	\$1,636	\$1,546	\$1,456	\$1,377	\$1,303	\$1,230	\$1,238	\$1,195	\$1,153	\$1,111	\$1,068	\$1,026	\$983	\$941	\$898	\$856	\$813	\$771	\$728	\$686	\$643	\$601	\$559	\$516	\$474	\$431	\$389	\$346	
16	Return Requirement (8.500% pre-tax cost of capital)	\$124	\$244	\$233	\$223	\$214	\$205	\$197	\$189	\$181	\$173	\$165	\$148	\$140	\$132	\$125	\$120	\$116	\$112	\$108	\$104	\$101	\$97	\$93	\$89	\$85	\$81	\$78	\$74	\$70	\$66	\$62	\$58	\$54	\$51	\$47	\$43	\$39	\$35	\$31	\$17	
17	Depreciation rate	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	
18	Depreciation Expense	\$20	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	\$60	
19	Property Taxes	3.75%	\$104	\$104	\$99	\$94	\$89	\$84	\$80	\$76	\$72	\$68	\$64	\$60	\$56	\$52	\$48	\$44	\$40	\$36	\$32	\$28	\$24	\$20	\$16	\$12	\$8	\$4	\$0	\$-4	\$-8	\$-12	\$-16	\$-20	\$-24	\$-28	\$-32	\$-36	\$-40	\$-44	\$-48	
20	Total Revenue Requirement	\$208	\$308	\$292	\$276	\$259	\$241	\$223	\$205	\$187	\$169	\$151	\$133	\$115	\$97	\$79	\$61	\$43	\$25	\$7	\$-11	\$-29	\$-47	\$-65	\$-83	\$-101	\$-119	\$-137	\$-155	\$-173	\$-191	\$-209	\$-227	\$-245	\$-263	\$-281	\$-299	\$-317	\$-335	\$-353	\$-371	
21	Non-Gas Revenue per Customer under proposed rates	\$163	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367		
22	Revenue Excess (Deficiency)	(\$28)	(\$40)	(\$16)	(\$8)	\$7	\$18	\$28	\$38	\$48	\$60	\$70	\$78	\$86	\$91	\$91	\$119	\$118	\$124	\$138	\$148	\$164	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168	\$168
22a	NPV of annual revenue excess (deficiency) @ 8.00% pre-tax	(\$2)	(\$6)	(\$2)	(\$1)	\$5	\$11	\$15	\$18	\$23	\$27	\$28	\$29	\$30	\$30	\$30	\$30	\$28	\$27	\$25	\$24	\$23	\$22	\$21	\$20	\$19	\$18	\$17	\$16	\$15	\$14	\$13	\$12	\$11	\$11	\$10	\$9	\$8	\$7			
22b	Cumulative npv	(\$2)	(\$6)	(\$4)	(\$3)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)	(\$1)		
TRADITIONAL CASH FLOW ANALYSIS:																																										
23	Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
24	Non-Gas Revenue per Customer under proposed rates	\$183	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367		
25	Instal Property Taxes	\$13	\$103	\$101	\$99	\$96	\$94	\$92	\$90	\$87	\$85	\$83	\$81	\$79	\$76	\$74	\$72	\$70	\$67	\$65	\$63	\$61	\$58	\$56	\$54	\$52	\$50	\$47	\$45	\$43	\$41	\$38	\$36	\$34	\$32	\$29	\$27	\$25	\$23	\$20	\$18	
26	Instal Income Taxes	\$28	\$19	\$16	\$14	\$12	\$10	\$9	\$8	\$7	\$6	\$5	\$4	\$3	\$2	\$1	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
27	Instal Depreciation	\$40	\$177	\$159	\$143	\$128	\$114	\$100	\$86	\$72	\$58	\$44	\$30	\$16	\$2	\$-12	\$-24	\$-36	\$-48	\$-60	\$-72	\$-84	\$-96	\$-108	\$-120	\$-132	\$-144	\$-156	\$-168	\$-180	\$-192	\$-204	\$-216	\$-228	\$-240	\$-252	\$-264	\$-276	\$-288	\$-300		
28	Annual Cash Flow	(\$174)	\$305	\$228	\$233	\$240	\$244	\$243	\$240	\$237	\$233	\$229	\$225	\$221	\$217	\$213	\$209	\$204	\$199	\$194	\$189	\$184	\$179	\$174	\$169	\$164	\$159	\$154	\$149	\$144	\$139	\$134	\$129	\$124	\$119	\$114	\$109	\$104	\$99	\$94		
29	NPV of annual after-tax Cash flow @ 8.00% (after tax)	(\$2,676)	\$252	\$224	\$219	\$204	\$191	\$181	\$174	\$167	\$160	\$153	\$147	\$140	\$133	\$127	\$120	\$113	\$106	\$99	\$92	\$85	\$78	\$72	\$65	\$58	\$51	\$44	\$37	\$30	\$23	\$16	\$9	\$2	\$-5	\$-12	\$-19	\$-26	\$-33	\$-40		
30	Cumulative npv	(\$2,424)	(\$2,190)	(\$1,971)	(\$1,767)	(\$1,576)	(\$1,394)	(\$1,221)	(\$1,054)	(\$894)	(\$741)	(\$595)	(\$455)	(\$320)	(\$191)	(\$70)	\$17	\$110	\$199	\$284	\$366	\$444	\$519	\$591	\$661	\$727	\$790	\$851	\$910	\$966	\$1,019	\$1,071	\$1,120	\$1,167	\$1,213	\$1,256	\$1,296	\$1,338	\$1,376	\$1,413		

Extension Free Footage Justification
Current

Notes:					
1. Based on 2024 average cost of residential mains		18	line 8		
2. Based on 2024 average cost of residential services		19	property tax rate (3.75%) times average net plant		
3. Based on 2024 average of a small meter and installation		20	line 10 + line 18 + line 19		
4. sum of lines 1+2+3 - see below		21	margin revenue per customer @ 88.5 allowance		
5. Plus year ending balance for net plant, \$0 for the year extension made		22	line 21 minus line 20		
6. Average depreciation rate for distribution plant applied to investment for extension		23a	net present value of line 22 at 5.00% pre-tax cost of capital		
7. Line 5 minus line 6		23b	cumulative impact of line 22a		
8. 2 line average line 8		24	line 4		
9. annual tax depreciation rate		25	line 10		
10. line 8 applied to investment for extension		26	income tax rate (28.74%) applied to net gas revenue less property taxes (1.37% x line 24 minus line 25)		
11. line 8 minus line 10		27	income tax rate (28.74%) applied to line 10		
12. cumulative impact of line 11		28	line 23 plus line 24 less line 25 plus line 27		
13. line 12 times tax rate of 28.74%		29	net present value of line 28 at 5.00% after tax cost of capital		
14. average amount of line 13		30	cumulative impact of line 29		
15. line 8 plus line 14					
16. line 15 times pre-tax cost of capital					

Average cost/foot of Residential Main installed	\$10.47	2024 Avg Main cost for Free Customer	Annual Residential Revenue Calculation		
allowed footage under certified free footage allowance	100		Fixed Line/Per-Customer	88.5	1
total cost allowed on allowed footage	1,047.00		Average Line/yr Change	0.28253	0.366
			Annual Rate/Charge	5	5.154.00
Average cost/foot of Residential Service installed	\$10.07	2024 Avg Service Cost for Free Customer	Total/Non-Gas Revenue	0.389.09	+(1 +2) + 3
allowed footage under certified free footage allowance	75				

Extension Free Footage Justification
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Rate	Year Placed in Service	1st Year after Extension made	2nd Year after Extension made	3rd Year after Extension made	4th Year after Extension made	5th Year after Extension made	6th Year after Extension made	7th Year after Extension made	8th Year after Extension made	9th Year after Extension made	10th Year after Extension made	11th Year after Extension made	12th Year after Extension made	13th Year after Extension made	14th Year after Extension made	15th Year after Extension made	16th Year after Extension made	17th Year after Extension made	18th Year after Extension made	19th Year after Extension made	20th Year after Extension made	21st Year after Extension made	22nd Year after Extension made	23rd Year after Extension made	24th Year after Extension made	25th Year after Extension made	26th Year after Extension made	27th Year after Extension made	28th Year after Extension made	29th Year after Extension made	30th Year after Extension made	31st Year after Extension made	32nd Year after Extension made	33rd Year after Extension made	34th Year after Extension made	35th Year after Extension made	36th Year after Extension made	37th Year after Extension made	38th Year after Extension made	39th Year after Extension made	40th Year after Extension made		
REVENUE REQUIREMENTS ANALYSIS:																																											
1	Total Cost of main based on allowed footage (100 feet)	\$1,151																																									
2	Total Cost of service based on allowed footage (75 feet)	\$1,255																																									
3	Average Cost of Meter (incl. install)	\$566																																									
4	Total main and service cost at allowed footage	\$2,406																																									
5	Regulatory Balance	\$0	\$2,023	\$2,800	\$2,798	\$2,750	\$2,672	\$2,610	\$2,547	\$2,484	\$2,422	\$2,359	\$2,296	\$2,234	\$2,171	\$2,108	\$2,046	\$1,983	\$1,921	\$1,858	\$1,795	\$1,733	\$1,670	\$1,607	\$1,545	\$1,482	\$1,419	\$1,357	\$1,294	\$1,231	\$1,169	\$1,106	\$1,043	\$981	\$918	\$855	\$793	\$730	\$667	\$605	\$542		
6	Depreciation expense (incl. salvage)	\$21	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63
7	Ending Balance - Net Plant	\$2,002	\$2,086	\$2,737	\$2,735	\$2,687	\$2,624	\$2,561	\$2,498	\$2,435	\$2,372	\$2,309	\$2,246	\$2,183	\$2,120	\$2,057	\$1,994	\$1,931	\$1,868	\$1,805	\$1,742	\$1,679	\$1,616	\$1,553	\$1,490	\$1,427	\$1,364	\$1,301	\$1,238	\$1,175	\$1,112	\$1,049	\$986	\$923	\$860	\$797	\$734	\$671	\$608	\$545	\$482	\$419	
8	Average Net Plant	\$1,461	\$2,092	\$2,529	\$2,706	\$2,704	\$2,641	\$2,578	\$2,515	\$2,452	\$2,389	\$2,326	\$2,263	\$2,200	\$2,137	\$2,074	\$2,011	\$1,948	\$1,885	\$1,822	\$1,759	\$1,696	\$1,633	\$1,570	\$1,507	\$1,444	\$1,381	\$1,318	\$1,255	\$1,192	\$1,129	\$1,066	\$1,003	\$940	\$877	\$814	\$751	\$688	\$625	\$562	\$499	\$436	
9	Rate Depreciation rate (15 year MACRS)	0.000%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%	2.900%		
10	Net Depreciation amount	\$148	\$231	\$253	\$227	\$226	\$184	\$174	\$174	\$173	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174	\$175	\$174
11	Income - Tax charge difference	(\$116)	(\$176)	(\$166)	(\$166)	(\$142)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)	(\$121)
12	Cumulative difference	(\$116)	(\$292)	(\$545)	(\$672)	(\$650)	(\$528)	(\$354)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	(\$180)	
13	Account Deficit	28.74%	(\$66)	(\$111)	(\$166)	(\$208)	(\$236)	(\$236)	(\$200)	(\$128)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	(\$64)	
14	Average ADIT	(\$17)	(\$60)	(\$113)	(\$174)	(\$178)	(\$206)	(\$200)	(\$132)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	(\$68)	
15	Rate Base	\$1,445	\$2,027	\$2,706	\$2,592	\$2,480	\$2,368	\$2,256	\$2,144	\$2,032	\$1,920	\$1,808	\$1,696	\$1,584	\$1,472	\$1,360	\$1,248	\$1,136	\$1,024	\$912	\$800	\$688	\$576	\$464	\$352	\$240	\$128	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	\$16	
16	Return Requirement @ 9.50% (pre-tax cost of capital)	\$131	\$236	\$245	\$230	\$220	\$216	\$207	\$199	\$190	\$182	\$173	\$164	\$156	\$147	\$139	\$131	\$126	\$122	\$118	\$114	\$110	\$106	\$102	\$98	\$94	\$90	\$86	\$82	\$77	\$73	\$69	\$65	\$61	\$57	\$53	\$49	\$45	\$41	\$37	\$33	\$18	
17	Profitability ratio	\$63	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	\$85	
18	Depreciation Expense	\$21	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63	\$63		
19	Property Taxes	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108		
20	Total Revenue Requirement	\$237	\$414	\$441	\$436	\$428	\$416	\$405	\$394	\$383	\$372	\$361	\$350	\$339	\$328	\$317	\$306	\$295	\$284	\$273	\$262	\$251	\$240	\$229	\$218	\$207	\$196	\$185	\$174	\$163	\$152	\$141	\$130	\$119	\$108	\$97	\$86	\$75	\$64	\$53	\$42	\$31	
21	Non-Gas Revenues per Customer under proposed rates	\$163	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367		
22	Revenue Excess (Deficiency)	(\$36)	(\$81)	(\$47)	(\$36)	(\$23)	(\$11)	\$9	\$11	\$22	\$33	\$44	\$56	\$68	\$77	\$87	\$97	\$108	\$111	\$118	\$124	\$130	\$137	\$143	\$149	\$156	\$162	\$169	\$176	\$182	\$189	\$194	\$201	\$207	\$214	\$220	\$226	\$233	\$239	\$246	(\$283)		
22a	NPV of annual revenue excess (deficiency) @ 9.50% pre-tax	(\$4)	(\$5)	(\$5)	(\$7)	0	0	11	15	18	21	23	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26			
22b	Cumulative npv	(\$24)	(\$59)	(\$125)	(\$185)	(\$171)	(\$119)	(\$78)	(\$38)	(\$20)	(\$12)	(\$4)	(\$2)	0	11	15	18	21	23	25	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26	26			
TRADITIONAL CASH FLOW ANALYSIS:																																											
23	Capital Outlay	(\$2,054)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0		
24	Non-Gas Revenues per Customer under proposed rates	\$163	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367	\$367		
25	Less Property Taxes	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108	\$108		
26	Less Income Taxes	\$27	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74	\$74			
27	Plus tax impact of less depreciation	(\$42)	\$81	\$73	\$65	\$59	\$51	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50	\$50				
28	Annual Cash Flow	(\$2,054)	\$365	\$328	\$323	\$344	\$344	\$342	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344	\$344			
29	NPV of annual After-tax Cash flow @ 9.50% (after tax)	(\$2,020)	\$252	\$214	\$218	\$204	\$191	\$181	\$173	\$166	\$159	\$153	\$146	\$140	\$134	\$128	\$121	\$115	\$108	\$102	\$96	\$90	\$84	\$78	\$74	\$71	\$68	\$65	\$62	\$59	\$56	\$53	\$51	\$49	\$47	\$45	\$43	\$41	\$40	\$38			
30	Cumulative npv	(\$2,262)	(\$2,006)	(\$1,734)	(\$1,418)	(\$1,052)	(\$726)	(\$390)	(\$42)	(\$226)	(\$142)	(\$80)	(\$24)																														

Extension Free Footage Justification
Current

Notes:					
1. Based on 2024 average cost of residential mains		18	line 6		
2. Based on 2024 average cost of residential services		19	property tax rate (3.75%) times average net plant		
3. Based on 2024 average of a small water and installation		20	line 10 + line 18 + line 19		
4. sum of lines 1+2+3 - see below		21	margin revenue per customer @ 0.8:5 distribution		
5. Five year average allowance for net plant. \$5 for the year extension made		22	line 21 minus line 20		
6. Average depreciation rate for distribution plant applied to investment for extension		23a	net present value of line 22 at 0.06% pre-tax cost of capital		
7. Line 5 minus line 6		23b	cumulative impact of line 22a		
8. 2.0% average of line 7		24	line 4		
9. actual tax depreciation rate		25	line 10		
10. line 9 applied to investment for extension		26	income tax rate (28.74%) applied to net gas revenue less property taxes (11.37% x line 24 minus line 25)		
11. line 8 minus line 10		27	income tax rate (28.74%) applied to line 10		
12. cumulative impact of line 11		28	line 23 plus line 24 less line 27 less line 28 plus line 27		
13. line 12 times tax rate of 28.74%		29	net present value of line 28 at 0.05% after tax cost of capital		
14. average amount of line 13		30	cumulative impact of line 29		
15. line 8 plus line 14					
16. line 15 times pre-tax cost of capital					

Average cost/foot of Residential Main installed	\$11.47	2024 Avg Main cost for Plus Customer		Annual Residential Revenue Calculation:			
allowed footage under tariffed free footage allowance	112.62			Fixed Line Plus Customer	21a	\$5.5	1
line cost allowed on allowed footage	\$1,797.4			Average Delivery Charge	\$	0.20253	\$ 22.66
				Annual Basic Charge	\$	0.50	\$ 114.00
Average cost/foot of Residential Service installed	\$11.07	2024 Avg Service Cost for Plus Customer		Total Non-Gas Revenue		\$	386.69
allowed footage under tariffed free footage allowance	75						*(1 + 2) + 3