

Date Mailed December 19, 2002

BEFORE THE
PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of City Gas Company for Authority to Increase
Natural Gas Rates

1140-GR-105

FINAL DECISION

This final decision arises out of the application of City Gas Company (CGC or applicant) for authority to increase its natural gas rates. This application creates a Class 1 proceeding under Wis. Stats. § 227.01. The applicant is authorized to increase its natural gas rates by \$385,021, a 7.45 percent increase, consistent with the Findings and Fact and Conclusions of Law in this decision.

INTRODUCTION

On February 25, 2002, CGC filed an application with the Commission for authority to increase natural gas rates by \$622,827, a 12.97 percent increase over current rates, effective January 1, 2003. The purpose of the application was to address the revenue requirement, cost of service, rate design and tariff language issues before arriving at final rates for the 2003 test year. This proceeding is a Class 1 case.

On November 13, 2002, upon proper notice, Administrative Law Judge David C. Whitcomb conducted a hearing at the Commission offices in Madison. The Commission's Natural Gas Division Administrator Kevin B. Cronin, the decision maker in this proceeding, read the pre-filed testimony and attended the hearing.

The parties, for purposes of review under Wis. Stat. §§ 227.47 and 227.53, are listed in Appendix A. Others who appeared are listed in the Commission's files.

FINDINGS OF FACT

THE COMMISSION FINDS:

1. The applicant's test year Administrative and General Salaries is \$189,475 of which \$96,960 is for two executive officers.
2. The reasonable estimated net operating income at present rates for the test year is \$241,264.
3. Presently authorized rates could produce test year operating revenue of \$5,171,532, which results in an annual operating income deficiency of \$222,274.
4. The estimated reasonable average net investment rate base for the test year is \$4,669,626.
5. The reasonable pro forma rate of return on average net investment rate base at present rates for the test year is 5.17 percent.
6. A reasonable utility capital structure for ratemaking for the test year consists of 72.80 percent common equity, 17.20 percent long-term debt, and 10.00 percent short-term debt.
7. A reasonable interest rate for long-term debt is 6.40 percent.
8. A reasonable interest rate for short-term borrowing for the test year is 3.84 percent.
9. A reasonable return on utility common stock equity is 11.60 percent.
10. A reasonable weighted average composite cost of capital is 9.93 percent.
11. A reasonable rate of return on average net investment rate base for the test year is 9.93 percent.

12. Applicant's operating revenue requirement to produce a return of 9.93 percent on average net investment rate base for the test year is \$5,556,553.

13. An amount of increase in operating revenues to cover total cost of service for the test year is \$385,021 that includes an amount to cover additional income taxes.

14. The gas cost-of-service studies results are a guide in determining the gas revenue allocation and rate designs.

15. The rates appearing in Appendix C permit the applicant to earn the necessary revenue requirement for the test year.

16. The rates appearing in Appendix C are consistent with the cost-of-service studies.

17. Applicant can reasonably abandon Agency Service.

18. Applicant can reasonably offer a Backup Service and file a new tariff for this service.

19. Applicant can reasonably file revised tariff language for the new rates and rules including service extension rules.

20. Implementation of the increase in rates for gas service can reasonably begin as soon as possible after issuance of the order.

CONCLUSIONS OF LAW

THE COMMISSION CONCLUDES:

1. The applicant is a gas public utility as defined in Wis. Stat. § 196.01(5)(a).
2. The Commission has the authority under Wis. Stat. §§ 196.03, 196.20, 196.37, 196.395, and 196.40 to authorize applicant to place into effect gas rates and rules in accordance

with the Findings of Fact, subject to the conditions specified in this order, and has delegated such authority to the administrator of the Natural Gas Division under Wis. Stat. §§ 196.02(1).

3. The Commission has the authority under Wis. Stat. § 196.02 to do all things necessary and convenient to its jurisdiction to regulate applicant.

4. The company's executive officers' \$96,960 salaries included in the total salaries in the Administrative and General Salaries account in Findings of Fact No. 1 are accepted without determining their reasonableness pursuant to law.

5. The financial and financial-related items in Findings of Fact Nos. 1, except for executive officers' salaries, 2, 7, 8, 9, 10, 11, 12, and 13 are each reasonable and adequate pursuant to law.

6. The presently authorized rates in Finding of Fact No. 3 are unreasonable and inadequate at this time pursuant to law.

7. The rates set out in Appendix C are just and reasonable under Wis. Stat. §§ 196.02, 196.03, 196.20, and 196.37.

OPINION

Comparative Income Statement

The applicant filed an estimated test year income statement in support of its application to increase rates. Commission staff submitted a test year income statement, and applicant did not object to staff's adjustments. The estimated test year income statement showing the effect of the increase in revenue which will result from authorized rates is as follows:

	<u>At Present Rates</u>	<u>Authorized Increase</u>	<u>After Rate Increase</u>
Operating Revenues			
Gas Margin Revenues	\$2,160,449	\$385,021	\$2,545,470
Gas Sold Revenues	2,991,583		2,991,583
Other Operating Revenues	19,500		19,500
Total Operating Revenues	<u>\$5,171,532</u>	<u>\$385,021</u>	<u>\$5,556,553</u>
Operating Expenses:			
Purchased Gas Costs	\$2,991,583		\$2,991,583
Other Purchased Gas Expenses	3,908		3,908
Distribution Expenses	379,633		379,633
Customer Accounts Expenses	330,059		330,059
Customer Service Expenses	71,650		71,650
Administrative & General Expenses	703,193		703,193
Total Oper. & Maint. Expenses	<u>\$4,480,026</u>		<u>\$4,480,026</u>
Depreciation Expense	255,094		255,094
Taxes Other than Income Taxes	119,330		119,330
Income Taxes	36,729	\$162,747	199,476
Deferred Income Tax	41,762		41,762
Investment Tax Credit – Restored	(2,673)		(2,673)
Total Operating Expenses	<u>\$4,930,268</u>	<u>\$162,747</u>	<u>\$5,093,015</u>
Net Operating Income	<u>\$ 241,264</u>	<u>\$222,274</u>	<u>\$ 463,538</u>
Rate of Return	5.17%		9.93%

When determining estimates for the test year, Commission staff typically relies on a review of the historical levels, management forecasts and knowledge of typical increases experienced by the industry.

The estimate for the test year identifies CGC's Administrative and General Salaries as an item to note. Based on a similar review of administrative and general salaries, the test year estimate for CGC's Administrative and General Salaries is consistent with the facts established in this proceeding. These CGC salaries include the combined salaries of two executive officers

who could retire or otherwise separate from the company. Their retirement or other separation before the next rate case, however, could create a permanent reduction in the overall revenue requirement, resulting in excess earnings for the company. For this reason, in the event of such retirement(s) or other separation(s), the Commission believes that it should be informed promptly. The applicant should promptly notify the Commission about such retirement(s) or other separation and gather and provide to the Commission the financial data the Commission may request to permit it to decide whether an additional rate review would be necessary.¹

The applicant's Administrative and General Salaries Expense item appears high when compared to gas utilities of similar size in the state. The company's Administrative and General Salaries are \$189,475, while Midwest Natural Gas Company's salaries are \$116,634 and St. Croix Valley Natural Gas Company, Inc.'s are \$109,005.² The Commission believes at this time that the issue of the level of the applicant's Administrative and General Salaries ought to be raised and included in its next rate case to consider the extent to which any salaries are excessive.³ In the meantime, the Commission urges the applicant to review its administrative needs and develop for the benefit of the rate payers before the next rate case a succession plan to

¹ See Application of City Gas Company for Authority to Increase Natural Gas Rates, docket 1140-GR-100, December 20, 1990. In this case, the Commission noticed the applicant's executive compensation for the same two executive officers. The Commission ordered CGC to promptly notify the Commission and provide staff with the financial data necessary if any of its officers retired.

² See Midwest Natural Gas Company's and St. Croix Valley Natural Gas Company's annual report, 2001, on file at the Commission.

³ See *In re The Berkshire Gas Company*, 215 PUR4th 361, 392 (Mass. 2002). See also *In re Moyston*, 48 PUR3rd 459, 462 (N.M. 1963) and *In re Cascade Town Co.*, 41 PUR3rd 256, 259 (Colo. 1961). If the salary issue arises in the future, the company ought to be prepared to address in some detail its operations and operating revenues and salary structure. While CGC's salaries appear relatively high, the issue is not necessarily how its salaries compare to the salaries other companies may pay, although such other companies' salaries may be relevant, but more importantly how the applicant's operations and operating revenues and salaries are related.

Docket 1140-GR-105

turn over to others the day-to-day duties of company President Robert C. Rice and Vice-President Dale L. Madeson.⁴

Net Investment Rate Base

The applicant filed an estimated net investment rate base for the test year. Commission staff submitted a revised test year net investment base, and applicant did not object to staff's adjustments.

The estimated net investment rate base for the 2003 test year is as follows:

Gas Utility Plant in Service	\$7,764,904
Less: Accumulated Provision for Depreciation	<u>\$2,985,432</u>
Net Utility Plant	\$4,779,472
Plus: Materials and Supplies	77,500
Stored Gas	320,000
Less: Accum. Deferred Income Taxes	<u>507,346</u>
Net Investment Rate Base	<u>\$4,669,626</u>

Pro Forma Rate of Return

The net operating income for purposes of this proceeding for the test year ending December 31, 2003, results in a rate of return of 9.93 percent on the average net investment rate base of \$4,669,626.

⁴ Alternatively, the company may consider, if it chooses, as a matter of sound business judgment the job functions of other administrative personnel to determine the extent to which, if at all, such jobs may be restructured to eliminate lower management position(s) to create savings for the benefit of rate payers.

Capital Structure and Cost of Capital

The applicant's capital employed in providing public utility service is imputed to be 72.80 percent common equity, 17.20 percent long-term debt, and 10.00 percent short-term debt. A return on rate base of 9.93 percent will provide an 11.60 percent return on common equity, allowing the applicant to continue to attract capital without causing harm to either the company or its customers.

The cost of capital arises from striking a reasonable and appropriate balance between short and long-term debt. This is as much art based on judgment as it is science based on economics. The applicant's proposed cost of capital was based on more short-term debt and less long-term debt. Its proposal, however, conflicts with traditional and established Commission financial policy. To strike a proper balance, therefore, Commission financial policy assumes that the utility issues a long-term debt security and uses the funds obtained to retire some short-term debt securities.⁵ This simultaneously decreases the short-term debt balance and increases the long-term debt balance. There is no change in the amount of the utility's total capital as these security swaps offset each other exactly. Whether the utility actually adjusts its capital structure to the one used in the ratemaking process has generally not been of significant concern to the Commission when dealing with adjustments such as those at issue in this proceeding. Issuing securities costs money. Applying the Commission's financial policy to the applicant's proposed capital structure creates a more reasonable capital structure for ratemaking purposes while allowing the utility in the exercise of its sound business judgment to revise its capital structure as

⁵ Striking such a balance increases the utility's cost of capital, providing more balance and flexibility for the company's future financing.

Docket 1140-GR-105

its portfolio securities come due over time to achieve consistency with the capitol structure authorized here.

Based on the Commission's financial policy, the Commission imputes the applicant's short-term and long-term debt. Its short-term debt changes from 19 percent of its total capitalization to 10 percent cost of capital. Its long-term debt changes from 8 percent of its total capitalization to 17.20 percent and produces a 6.00 percent internal cost of imputed additional long-term debt based on the historical relationship between CGC's debt cost rates and the yield on U.S. Treasury bonds.

Revenue Requirement

Presently authorized rates will produce operating revenue of \$5,171,532, an annual operating income deficiency of \$222,274, and a net operating income rate of 5.17 percent on the net investment rate base of \$4,669,626. The revenues produced by this rate do not generate a reasonable return. This would produce an unreasonable and inadequate result. Based on this, the company's revenue may increase to \$385,021. The amount is computed as follows:

Pro Forma Return on Average Net Investment Rate Base at Present Rates	5.17%
Required Return on Average Net Investment Rate Base	9.93%
Earnings Deficiency as a Percent of Average Net Investment Rate Base	4.76%
Average Net Investment Rate Base	\$4,669,626
Amount of Earnings Deficiency on Average Net Investment Rate Base	\$ 222,274
Revenue Deficiency to Provide Earnings Deficiency Plus Federal and State Income Taxes	\$ 385,021

This amount, which provides for recovery of the additional income taxes on the earnings deficiency, is reasonable and adequate for the purpose of determining reasonable and just rates in this proceeding.

Cost-of-Service Studies

The analysis of the cost of supplying gas service filed in the record consists of two Commission staff-prepared embedded cost-of-service studies (COSS). One study uses a demand/customer methodology. This allocates to the customer rate classes the major plant and expense accounts based on class peak demand and on the number of customers served. The other is a commodity study. It allocates to such customer classes the customer function of mains, general plant costs, and administrative and general expenses based on commodity. The COSS support different percent rate increases to the various service rate classes. The differences are the result of allocating costs using different cost principles.

The Commission recognizes that no one COSS precisely reflects the cost of providing service to the service rate classes and that a study's merit depends heavily on the accuracy of the data used and the many judgments and assumptions of the analyst performing the studies. The Commission considers that no single study is accurate enough to establish class revenue responsibility or rate design. Each study however, has value. The Commission does not adopt any single method or set of assumptions, but the Commission considers it appropriate to use both COSS as guides in determining class cost responsibility and rate design. The COSS here are consistent with the docket 05-GI-108, Phase I, generic order.⁶

⁶ See Investigation on the Commission's Own Motion into the Need for Changes in Natural Gas Regulation, docket 05-GI-108, December, 1995, Phase I. This order requires the identification or fictionalization of costs to completely separate, or unbundle, the costs to support specific utility services.

Rates

The Commission revised applicant's service rates and rules including the purchased gas adjustment clause. The authorized rates will increase revenues over present rates by \$385,021, resulting in an estimated net operating income of \$463,538, a 17.82 percent increase in gas margin revenue and a 7.45 percent increase in total gas operating revenues. This net operating income provides a rate of return of 9.93 percent on applicant's average net investment rate base of \$4,669,626. These amounts are reasonable and adequate at this time.

Rate Design

The Commission has a statutory responsibility to establish just and reasonable rates. The authorized rates are based on the cost of supplying various classes or types of services. In addition to the COSS, final decisions regarding the rate impacts among the service rate classes and within the service rate classes were influenced by the following factors: concern regarding rate impacts; reliability of applicant's distribution system; and Bonbright's ratemaking principles. All customers will be required to pay an appropriate amount for the service provided in this proceeding.

The service class revenues generated from current and authorized rates including the percent change is shown in Appendix B. A rate increase to any individual customer will not necessarily equal the overall percentage increase to the associated customer class, but will depend on the specific usage level of the customer. The authorized rates and rules are set forth in Appendix C.

Authorized general service rates provide a greater percentage increase to small-volume users than for larger-volume users within the same service class. This is the result of the higher

authorized percentage increases in the fixed monthly customer service over volumetric distribution margin rates. For example, the overall 18.25 percent increase in residential margin revenues consists of a 30.00 percent increase in fixed monthly residential service charge revenues and a 15.60 percent increase in volumetric distribution margin revenues. Small-volume customers will experience the highest percentage increase in rates because their bills are comprised of proportionately more of the monthly service charge than volume charges when compared to larger-volume users. The authorized residential service charge is designed to recover customer costs including meter reading, billing and collecting expenses, and the depreciation and return associated with meters and service laterals. The applicant incurs these costs regardless of the volume of gas used by its customers, so it is more appropriate to recover such costs through fixed service charges than through volumetric charges. To reduce the impact on small-volume residential customers, the fixed service charge increase is tempered. In future cases, the Commission expects to continue moving closer to allow the recovery of the full costs.

Some typical gas bills for residential customers were computed, using Schedule Rg-1, to compare existing rates with authorized rates. That comparison is set forth in Appendix D.

Commission staff's proposed rates and tariff language for the unbundled service offering were presented to the applicant before the hearing. The applicant did not object to such rates and tariff language. The applicant agreed to revise its tariffs, limiting language revisions to the changes necessary to assemble individual tariffs into a single document, to eliminate ambiguity, and to reflect utility practices. No revised language shall result in an increase in rates or a diminution of service other than as authorized elsewhere in this order. The applicant agreed to file the revised tariffs with the Commission.

Service and Service Extension Rules

The applicant's service and extension rules merit attention in this proceeding. Before the hearing, the Commission staff proposed making general changes to the applicant's service and extension rules to make them consistent with the Wis. Admin. Code ch. PSC 134 and current industry practices. The applicant was provided with a copy of the proposed changes to consider.

During the hearing, the applicant did not object to Commission staff's proposed rules. The applicant agreed to revise the proposed rules to make them more suitable for filing with the Commission, limiting the changes to those necessary to assemble the individual tariffs into a single document, to eliminate ambiguity, and to reflect utility practices. The revised language should not result in an increase in rates or a diminution of service other than what is authorized elsewhere in this order.

Agency and Backup Services

Applicant provides Agency Service to 36 separate end users. Agency Service allowed the applicant to contract on the end user's behalf to arrange and administer the transportation and purchase of natural gas. The purpose of Agency Service was to access lower cost gas supplies for interruptible customers until a number of marketers were able to offer similar service in the applicant's service territory. Initially, the savings were in the range of four to five cents per therm, but presently there is little to no savings because the applicant has had to purchase regular firm transportation contracts. Furthermore, a number of marketers are offering similar services in the applicant's service territory as evidenced by the fact that nine customers are currently arranging and transporting their own gas through third-party providers.

Therefore, the applicant requested Commission authority to abandon Agency Service and to offer a Backup Service for firm transportation customers. The applicant believes that the Backup Service will provide firm transportation customers the same level of service reliability assurance that they had with Agency Service at this time. In the absence of evidence to the contrary, the Commission accepts the applicant's claims.

The applicant currently contracts for annual gas supplies to meet the requirement needs of its system sales customers. Backup Service will allow the applicant to make gas supplies available to Backup Service subscribers if the applicant determines that gas supplies are in excess of system sales requirements or if the applicant can purchase additional supply for the Backup Service customers.

The applicant notified all Agency Service customers by letter dated May 29, 2002, that it requested Commission authority to abandon Agency Service. The Commission did not receive a customer complaint regarding the abandonment of Agency Service. The Commission believes it is reasonable for the applicant to abandon Agency Service and to offer a Backup Service.

The Commission will nevertheless remain watchful and sensitive to reliability issues and will respond appropriately to any material issues that may arise.

Effective Date

The Commission recognizes that applicant has demonstrated a deficiency in earnings. For this reason, the order in this Final Decision can become effective one day after the date of mailing or personal service upon the parties to the proceeding.

ORDER

THE COMMISSION ORDERS:

1. City Gas Company's (applicant) rates as set forth in Appendix C for natural gas service for its customers shall supercede the applicant's existing gas rates for service when the authorized rates become effective under the terms of this order.
2. The applicant shall file with the Commission the appropriate tariff language setting forth the rates for gas service as shown in Appendix C within 30 days of the effective date of this order.
3. The applicant shall abandon Agency Service when the authorized rates become effective under the terms of this order.
4. The applicant shall offer Backup Service when the authorized rates become effective under the terms of this order.
5. The applicant shall file with the Commission the appropriate tariffs consistent with the language setting forth the service and service extension rules admitted into the record as Exhibit 13 within 30 days of the effective date of this order.
6. Before the rates authorized in this order become effective, the applicant shall inform the Commission in writing of the date on which the applicant plans to implement its authorized rates and revised tariffs. By that date, the applicant shall also file such rate schedules and revised tariffs with the Commission, and post the authorized rates in its offices and pay stations pursuant to Wis. Stat. §§ 196.19 and 196.21.
7. The applicant shall inform each customer of the new rates as required by Wis. Admin. Code § PSC 134.13(1)(d).

Docket 1140-GR-105

8. The applicant shall promptly inform the Commission within fifteen (15) days of receipt of official notice of retirement or other separation of any executive officer and provide staff with any and all reasonable and necessary financial data and any other information about such officers' successors or reduction in staff that the Commission may then request.

9. This order shall become effective upon personal service on the parties to this proceeding or one day after mailing, whichever is sooner.

10. Jurisdiction is retained.

Dated at Madison, Wisconsin, _____

For the Commission:

Kevin B. Cronin
Administrator
Natural Gas Division

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See attached Notice of Appeal Rights

Notice of Appeal Rights

Notice is hereby given that a person aggrieved by the foregoing decision has the right to file a petition for judicial review as provided in Wis. Stat. § 227.53. The petition must be filed within 30 days after the date of mailing of this decision. That date is shown on the first page. If there is no date on the first page, the date of mailing is shown immediately above the signature line. The Public Service Commission of Wisconsin must be named as respondent in the petition for judicial review.

Notice is further given that, if the foregoing decision is an order following a proceeding which is a contested case as defined in Wis. Stat. § 227.01(3), a person aggrieved by the order has the further right to file one petition for rehearing as provided in Wis. Stat. § 227.49. The petition must be filed within 20 days of the date of mailing of this decision.

If this decision is an order after rehearing, a person aggrieved who wishes to appeal must seek judicial review rather than rehearing. A second petition for rehearing is not an option.

This general notice is for the purpose of ensuring compliance with Wis. Stat. § 227.48(2), and does not constitute a conclusion or admission that any particular party or person is necessarily aggrieved or that any particular decision or order is final or judicially reviewable.

Revised 9/28/98

Appendix A
(Contested)

In order to comply with Wis. Stat. § 227.47, the following parties who appeared before the agency are considered parties for purposes of review under Wis. Stat. § 227.53.

CITY GAS COMPANY

By

Mr. Thomas Lockyear, Attorney
30549 16th Lane
Big Pine Key, FL 33043

PUBLIC SERVICE COMMISSION OF WISCONSIN

(Not a party, but must be served)

610 North Whitney Way
P.O. Box 7854
Madison, WI 53707-7854

g:\appendix\1140-GR-105 Appendix A

Bundled Revenue Summary

New Margin Rate Classes		Current Margin	+	= Rebundled	+ Proposed	= Total	Percent
Distribution Classes and Admin Cost Categories		& Admin Revs	Cost of Gas	Service Revs	Distribution Rev	Bundled Rev.	Change
	Volumes	Per Dist. Class	Revenues	by Dist. Class	Change/Class	by Dist. Class	
Residential Distribution (Rg-1)							
Residential (Rg-1)	4,230,492	\$ 1,272,646	\$ 1,690,504	\$ 2,963,150	\$ 232,246	\$ 3,195,396	7.84%
Subtotal	4,230,492	\$ 1,272,646	\$ 1,690,504	\$ 2,963,150	\$ 232,246	\$ 3,195,396	7.84%
Small Commercial / Industrial Service							
Small Commercial with Firm Sales (Cg-1)	1,754,019	\$ 383,327	\$ 700,906	\$ 1,084,233	\$ 103,708	\$ 1,187,941	9.57%
Small Commercial with Interruptible Service (In-1)	347,334	\$ 52,821	\$ 138,795	\$ 191,615	\$ 1,408	\$ 193,024	0.74%
Small Comm. Transport with Interruptible Service (Tg-2)	53,766	\$ 7,371	\$ -	\$ 7,371	\$ 665	\$ 8,035	9.02%
Subtotal	2,155,119	\$ 443,519	\$ 839,701	\$ 1,283,219	\$ 105,781	\$ 1,389,000	8.24%
Large Commercial / Industrial Distribution							
Large Commercial with Firm Sales (Cg-2)	916,800	\$ 164,892	\$ 366,353	\$ 531,245	\$ 33,969	\$ 565,214	6.39%
Large Commercial with Interruptible Service (In-2)	237,800	\$ 28,344	\$ 95,025	\$ 123,369	\$ 2,382	\$ 125,751	1.93%
Large Comm. Transport with Interruptible Service (Tg-3)	1,462,820	\$ 150,103	\$ -	\$ 150,103	\$ 7,842	\$ 157,945	5.22%
Subtotal	2,617,420	\$ 343,338	\$ 461,378	\$ 804,716	\$ 44,194	\$ 848,910	5.49%
Firm Comm. Transportation Service (Tg-1)							
Firm Comm. Transportation Service (Tg-1)	658,857	\$ 100,946	\$ -	\$ 100,946	\$ 2,795	\$ 103,742	2.77%
Subtotal	658,857	\$ 100,946	\$ 0	\$ 100,946	\$ 2,795	\$ 103,742	2.77%
Total Revenues by Category							
	9,661,888	\$ 2,160,449	\$ 2,991,583	\$ 5,152,032	\$ 385,016	\$ 5,537,047	7.47%

Rate Summary

	Present Margin	Proposed Margin
<u>Residential, Rg-1</u>		
Monthly Customer Service Charge	\$ 5.00	\$ 6.50
Volumetric Service Charges:		
Distribution Service Margin	\$ 0.2455	\$ 0.2705
Daily Balancing	\$ -	\$ 0.0006
Gas Acquisition Service Charge	\$ -	\$ 0.0127
<u>Small Commercial & Industrial, Firm Cg-1</u>		
Monthly Customer Service Charge	\$ 9.00	\$ 12.75
Volumetric Service Charges:		
Distribution Service Margin	\$ 0.1844	\$ 0.2160
Daily Balancing	\$ -	\$ 0.0006
Gas Acquisition Service Charge	\$ -	\$ 0.0127
<u>Large Commercial & Industrial, Firm Cg-2</u>		
Monthly Customer Service Charge	\$ 30.00	\$ 40.00
Volumetric Service Charges:		
Distribution Service Margin	\$ 0.1614	\$ 0.1790
Daily Balancing	\$ -	\$ 0.0006
Gas Acquisition Service Charge	\$ -	\$ 0.0127
<u>Small Commercial & Industrial, Interruptible In-1</u>		
Monthly Customer Service Charge	\$ 50.00	\$ 60.00
Volumetric Service Charges:		
Distribution Service Margin	\$ 0.1348	\$ 0.1243
Daily Balancing	\$ -	\$ 0.0006
Gas Acquisition Service Charge	\$ -	\$ 0.0105
<u>Large Commercial & Industrial, Interruptible In-2</u>		
Monthly Customer Service Charge	\$ 100.00	\$ 120.00
Volumetric Service Charges:		
Distribution Service Margin	\$ 0.1091	\$ 0.1090
Daily Balancing	\$ -	\$ 0.0006
Gas Acquisition Service Charge	\$ -	\$ 0.0075
<u>Commercial & Industrial Transportation, Firm Tg-1</u>		
Monthly Customer Service Charge	\$ 30.00	\$ 40.00
Monthly Transportation Administrative Charge	\$ 10.00	\$ 50.00
Volumetric Service Charges:		
Distribution Service Margin	\$ 0.1503	\$ 0.1503
Daily Balancing	\$ -	\$ 0.0006
<u>Small Commercial & Industrial Transportation, Interruptible Tg-2</u>		
Monthly Customer Service Charge	\$ 50.00	\$ 60.00
Monthly Transportation Administrative Charge	\$ 10.00	\$ 50.00
Volumetric Service Charges:		
Distribution Service Margin	\$ 0.1237	\$ 0.1243
Daily Balancing	\$ -	\$ 0.0006
<u>Large Commercial & Industrial Transportation, Interruptible Tg-3</u>		
Monthly Customer Service Charge	\$ 100.00	\$ 120.00
Monthly Transportation Administrative Charge	\$ 10.00	\$ 50.00
Volumetric Service Charges:		
Distribution Service Margin	\$ 0.0981	\$ 0.1004
Daily Balancing	\$ -	\$ 0.0006

