

STATE OF MARYLAND
PUBLIC SERVICE COMMISSION

ORDER NO. 88392

IN THE MATTER OF THE APPLICATION *
OF COLUMBIA GAS OF MARYLAND, INC. *
FOR AUTHORITY TO INCREASE RATES *
AND CHARGES *

BEFORE THE
PUBLIC SERVICE COMMISSION
OF MARYLAND

CASE NO. 9447

August 17, 2017

PROPOSED ORDER OF PUBLIC UTILITY LAW JUDGE

I. Introduction

Columbia Gas of Maryland, Inc. ("Columbia" or "the Company") filed an application seeking to increase revenues by approximately \$6.02 million ("Application"). The Company's Application contained numerous adjustments and proposed a 10.90% Return on Equity ("ROE"). The Company subsequently reduced its revenue requirement on two occasions and ultimately proposed to increase revenues by approximately \$5.04 million. The Maryland Office of People's Counsel ("OPC") submitted testimony and recommended the Company's revenues be increased by approximately \$1.04 million based upon an 8.75% ROE, or approximately \$1.25 million based upon a 9.0% ROE. Finally, the Technical Staff ("Staff") of the Public Service Commission of Maryland ("the Commission") submitted testimony and recommended a revenue increase of approximately \$2.35 million and a 9.65% ROE.

Prior to the evidentiary hearings, Columbia, OPC, and Staff (collectively "the Parties") filed a Joint Motion for Approval of Agreement of Unanimous Stipulation and Settlement ("the



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Settlement"),¹ which proposed to increase Columbia's revenues by \$2.4 million, and each filed supporting testimony. After reviewing the Settlement and supporting testimony, and the entire record in this proceeding, for the reasons set forth below, I find that the Settlement will produce just and reasonable rates, and I approve the Settlement and authorize Columbia to file tariffs that shall increase natural gas distribution rates by no more than \$2.4 million.

II. Procedural History

On April 14, 2017, Columbia filed the Application seeking authority to increase its rates and charges by approximately \$6.02 million per year, a 12.60% overall increase, as well as pre-filed testimony supporting the request and proposed revised tariff pages with an effective date of May 15, 2017. The Application included the testimony of the following individuals: Adam J. Lanier, Columbia's Director of Rates and Regulatory Affairs; Catherine A. Menz, Lead Regulatory Analyst for NiSource Corporate Services Company ("NCSC"); Chad Notestone, Manager of Regulatory Accounting for NCSC; Chun-Hung Chen, Forecast Analyst for NCSC; Jeffery Eing, Manager of Accounting for NCSC; John J. Spanos, Senior Vice President, Gannett Fleming Valuation and Rate Consultants, LLC; Kimberly K. Cartella, Manager Compensation for

¹ The Settlement was admitted into the administrative record as Staff Ex. 1 and is attached hereto as Attachment 1. The Settlement included Appx. A - clean and red-line copies of Columbia's tariff; Appx. B - Allocation of Proposed Annual Revenues; and Appx. C - Depreciation Rates.

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NCSC; May L. Battig, Lead Regulatory Analyst for NCSC; Melissa J. Bell, Lead Regulatory Analyst for NCSC; Michael J. Davidson, Columbia's General Manager and Vice President; Panpilas Fischer, Director of Tax for NCSC; Shirley Bardes Hasson, Columbia's Manager of Regulatory Policy; and Vincent V. Rea, Director of Regulatory Finance and Economics for NCSC.

On April 19, 2017, the Commission issued Order No. 88145 that initiated a docketed proceeding to consider the Application, suspended the proposed tariff revisions for a period of not more than 150 days from May 15, 2017, and delegated the case to the Public Utility Law Judge ("PULJ") Division to conduct proceedings to determine the justness and reasonableness of the proposed rates.

On May 18, 2017, a pre-hearing conference was held to address any petitions to intervene, set a procedural schedule, and consider any other preliminary matters. Representatives from Columbia, OPC, and Staff appeared at the conference and a procedural schedule was adopted. Additionally, the Commission issued Order No. 88211 and suspended Columbia's proposed rates for an additional 30 days pursuant to Public Utilities Article ("PUA"), *Annotated Code of Maryland*, § 4-204(b).

On June 1, 2017, Columbia filed the supplemental direct testimonies and exhibits of Ms. Menz and Bell, and Mr. Notestone as updates to its initial filing with 12 months of actual data and

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the Company reduced its proposed revenue requirement to \$5,190,062.²

On June 23, 2017, OPC filed the direct testimony and exhibits of Dante Mugrace, Senior Consultant with PCMG and Associates, LLC ("PCMG"); Dr. Karl Pavlovic, Senior Consultant and Managing Director of PCMG; James S. Garren, an analyst with Snively King Majoros & Associates, Inc.; and Kevin W. O'Donnell, President of Nova Energy Consultants, Inc.; Staff filed the direct testimony and exhibits of Jason A. Cross, Assistant Director of the Telecommunications, Gas, and Water Division ("TGWD"); Karen Suckling, a TGWD Regulatory Economist; Jennifer Ward, a TGWD Regulatory Economist; Adesina Jaiyeola, a Pipeline Safety Engineer in the Engineering Division; Yulia Poberesky, a Senior Public Utility Auditor in the Accounting Investigations Division ("AID"); and David L. Valcarenghi, Assistant Director of the AID.

On July 11, 2017, Columbia filed the rebuttal testimony and exhibits of Messrs. Davidson, Notestone, Rea, and Spanos, and Ms. Bell, Cartella, Fischer and Menz, and updated its proposed revenue requirement to \$5,025,113. OPC filed the rebuttal testimony and exhibits of Messrs. Mugrace, O'Donnell, and Pavlovic. Staff did not file rebuttal testimony.

On July 14, 2017, Columbia filed updates for Safety and Reliability Plant Additions for the months of May and June 2017,

² See Columbia Ex. 16 at 1.



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and increased the Company's proposed revenue requirement to \$5,045,190.³

On July 19, 2017, OPC filed the surrebuttal testimony and exhibits of Messrs. Garren, Mugrace, O'Donnell, and Pavlovic. Staff also filed the surrebuttal testimony and exhibits of Meses. Poberesky, Suckling, and Ward, and Messrs. Valcarenghi and Cross.

On July 19, 2017 and July 20, 2017, evening hearings for public comment were held in Hagerstown and Cumberland, Maryland, respectively.

On July 28, 2017, I was advised by the Parties that a settlement had been reached. Also on that date, the Settlement with supporting documentation and testimony from both Columbia (Lanier) and Staff (Poberesky and Cross) were filed.

On July 31, 2017, OPC filed testimony of Mr. Mugrace in support of the Settlement.

On August 2, 2017, a hearing was held to admit all pre-filed testimony, the Settlement, and supporting testimony.⁴

³ Columbia Ex. 31, Exhibit No. 1 - Rebuttal (June 2017 S&R Update) at 2 and Staff Ex. 13 at 2.

⁴ The numbering of the exhibits can be found in OPC Ex. 13 (OPC's Exhibit List) and PULJ Ex. 1 (Columbia and Staff's Exhibit Lists). Please note that post-hearing it was determined that Ms. Ward's Direct Testimony and Exhibits was omitted from Staff's Exhibit List and was inadvertently not admitted during the hearing; therefore, I marked Ms. Ward's Direct Testimony and Exhibits as Staff Ex. 14 and admitted it into the administrative record as the Settlement explicitly stated that the Parties agreed to the admission of all pre-filed testimony. See Staff Ex. 1 at 4, para. 2.



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III. Summary of the Settlement

The Settlement provided a brief procedural background, including references to Columbia's Application and the increase it sought, and the direct, rebuttal, and surrebuttal testimonies filed by all parties. The Parties agreed that an increase of \$2.4 million in Columbia's annual revenue requirement, effective with Columbia's November 2017 billing cycle, was appropriate.⁵

The proposed increase would result in a 4.97% overall increase in Columbia's revenues, with the residential class receiving a 5.41% increase, resulting in an overall bill impact for an average residential customer of 5.30%, a \$4.47 monthly increase.⁶ The Settlement stated that the rates would be effective beginning with Unit 1 of Columbia's November 2017 billing cycle, and included revised tariffs with an effective date of October 27, 2017.⁷

Additionally, the Parties agreed to the following:

1. The Company's rates would be designed on volumes reflecting a 20-year weather normalization.
2. The Company's recovery of actual rate case expenses, up to and including the filing of the Settlement, would be amortized over a one-year period beginning with the effective date of the new rates.

⁵ Staff Ex. 1 at 2.

⁶ *Id.* at Appx. B at 1 and 7.

⁷ *Id.* at 2, para. 1.a) and Appx. A.



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3. The revenue increase would be allocated among the classes based upon Staff's proposed revenue increase allocations.
4. The Company's 2015 Strategic Infrastructure Development and Enhancement ("STRIDE" (Infrastructure Replacement and Improvement Surcharge)) Audit Fee shall be amortized through base rates over a one-year period (12 months) and the 2016 STRIDE Audit Fee will remain as a regulatory asset on the Company's books. Columbia shall not earn a return on any unamortized balance of the regulatory asset and parties retain the right to challenge the prudence of the costs in the Company's next general rate case.
5. The Company would withdraw its proposal to defer post-test year expenses (incurred after April 30, 2017) associated with its Global Positioning System ("GPS") mapping initiatives, to record those amounts (\$200,000 maximum) as a regulatory asset and seek recovery of those expenses in the next general rate case proceeding.
6. The Company's rates shall be designed as set forth in Appendix B of the Settlement, and the Residential class's system charge would be increased to \$14.52.
7. The Company shall include in its next base rate case a Non-Coincident Peak ("NCP") study as part of its Allocated Cost of Service Study.
8. The various principles that shall be applied in future "Make Whole" proceedings, such as a 9.70% ROE, an overall rate of return ("ROR") of 7.352%, and depreciation rates by gas plant account, will be those presented by Columbia in its direct testimony in Case No. 9447, revised to reflect use of the SFAS 143 Method for net salvage, and applying a 7.352% discount rate.
9. The specific factors that shall be utilized by the Company in future STRIDE filings.



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10. The Company's other tariff changes as set forth in the clean and red-line versions of Columbia's tariff attached hereto.⁸

Finally, the Settlement contained standard settlement language, including statements that the Settlement was conditioned upon the Commission's acceptance of the terms and conditions, without modification; that it represented a compromise of divergent positions in order to end litigation; that all rights were reserved in any future proceedings to take any position regarding issues addressed in the Application or testimony; and that all parties waived the right to appeal, request a rehearing, and seek judicial review for issues resolved by the Settlement.⁹

IV. Summary of Testimony Supporting the Settlement

A. Columbia

On behalf of Columbia, Mr. Lanier testified that the Settlement was in the public's interest for several reasons.¹⁰ First, he stated the Settlement resolved all issues, including the revenue requirement, revenue allocation, rate design, and several other matters.¹¹ Mr. Lanier explained that the Settlement was the result of Staff and OPC's comprehensive investigations, which included over 600 discovery requests, and the Parties' filing of

⁸ *Id.* at 2-4.

⁹ *Id.* at 4-6.

¹⁰ Columbia Ex. 34.

¹¹ *Id.* at 1.



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multiple rounds of testimony and exhibits.¹² Finally, Mr. Lanier indicated that the Settlement represented a balanced compromise of the Parties' interests and was just and reasonable.¹³

Mr. Lanier highlighted some of the Settlement's key provisions. In terms of the revenue requirement, he noted that the \$2.4 million figure fell between Columbia and OPC's final figures and reflected a reasonable compromise of the Parties' positions. Mr. Lanier also noted that the System Charge for residential customers would have a "modest increase" from \$14.25 to \$14.52.¹⁴ He stated that the Company's depreciation rates would be revised, that a NCP study would be included in its next base rate case and that, for future "Make Whole" cases, Columbia's ROE would be 9.70% and the overall ROR would be 7.352%.¹⁵ Mr. Lanier concluded that the \$2.4 million increase was reasonable, would provide the Company with the additional revenues necessary to continue to provide reliable service, and represented a balance between the Company's need for an opportunity to earn a reasonable ROR and customers' need for reasonable rates.¹⁶

B. OPC

Mr. Mugrace summarized Columbia's proposals, highlighted OPC's position on the Company's Application, and described the

¹² *Id.* at 1-2.

¹³ *Id.* at 2.

¹⁴ *Id.* at 3.

¹⁵ *Id.* at 3-4.

¹⁶ *Id.* at 4-5.



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significant terms of the Settlement.¹⁷ He explained that while some of the terms differ from OPC's positions, the Settlement was a reasonable compromise. Mr. Mugrace concluded, "The terms of the Settlement Agreement reflects a reasonable compromise of the issues in this case which will produce rates that are just and reasonable, when considered collectively."¹⁸

C. Staff

Mr. Cross testified that Staff believed the Settlement was reasonable and cited the main provisions.¹⁹ He noted that the \$2.4 million increase to Columbia's revenue requirement was a 47.6% decrease from Columbia's final position, and a 52% and 2.9% increase from OPC and Staff's recommended revenue requirements, respectively.²⁰ Based upon Staff's methodology, the \$2.4 million increase will be allocated as follows: Residential Class - 63.37%; GS/IS/TS 1 class - 21.02%; GS/IS/TS 2 class - 9.36%; and GS/IS/TS 3 class - 6.26%.²¹ Mr. Cross also confirmed that the Settlement would result in a 5.30% overall bill impact for an average residential customer.²²

¹⁷ OPC Ex. 12 at 2-3.

¹⁸ *Id.* at 3.

¹⁹ Staff Ex. 12.

²⁰ *Id.* at 3.

²¹ *Id.* at 3. The referenced allocations add up to 100.01, which Staff clarified was simply a rounding issue. Staff also noted that the allocations in Staff Ex. 1, Appx. B, p. 4, which are taken out to the one thousandth place, add up to 100.00. See Settlement Hearing Tr. at 14.

²² Staff Ex. 12 at 3.



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Ms. Poberesky similarly described the Parties' final positions and the significant terms of the Settlement.²³ She testified that Staff believed the Settlement was reasonable, and noted the \$2.4 million increase was slightly above Staff's litigated position and was approximately the mid-point between OPC and Columbia's final positions.²⁴

V. Public and Written Comments

Three members of the public attended the Hagerstown hearing, and approximately 12-15 individuals attended the Cumberland hearing. Numerous customers expressed concern with the 15% increase requested by Columbia and the frequency of Columbia's rate cases.²⁵ Many individuals stated they were on fixed incomes and any cost of living increases they receive are significantly less than the increase sought by the Company. Concerns were raised that Columbia should have planned and budgeted better for its ongoing pipe replacement program. Several customers in Cumberland noted that it is a depressed area and also highlighted that the City of Cumberland recently increased taxes by almost ten percent.

One customer also expressed frustration about the lack of notice of the evening hearing in Cumberland and questioned what

²³ Staff Ex. 13.

²⁴ *Id.* at 3.

²⁵ Based upon the Company's initial filing and its proposed \$6.02 million revenue increase, an average residential customer's bill would have increased by 16.54%. See Columbia Ex. 4 at 37. However, based upon the \$5.19 million revenue requirement in the Company's supplemental filing, an average residential customer's bill would have increased by 14.98%. See Columbia Ex. 17, Attch. CEN-2 Suppl. at 1.



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exactly the Company intended to do with the increase it sought. Another customer complained about a lack of transparency in the process and expected a presentation by the Company as part of the evening hearing.

Additionally, four sets of written comments were received by the Commission between July 17, 2017 and July 26, 2017. The comments complained of the existing and proposed increase to the \$14.25 system charge, and that Columbia's requested increase, combined with the increased cost of natural gas, presents a hardship for customers on fixed incomes who do not receive cost of living increases. The comments claimed the Company's frequent rate cases demonstrated poor planning to maintain and update its infrastructure and requested supplier choice be reinstated in Columbia's territory.

Another set of comments compared the increase requested by Columbia to the pay increases that customers in western Maryland receive. A customer also expressed concern about the annual raises received by Mr. Joseph Hamrick, NiSource's President and Chief Executive Officer, and claimed his salary (approximately \$4.3 million as of 2016) was increased by approximately \$1.1 million in 2015 and approximately \$1.25 million in 2016.

VI. Discussion and Findings

In order to approve a settlement, the Commission has historically required the settlement to be just and reasonable, and in the public interest. In approving a settlement in a 2011



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Delmarva Power & Light Company ("DPL") rate case, the Commission stated, "We approve the Settlement because we find that, under the circumstances and on the record before us, the unanimous agreement of the parties will result in just and reasonable rates for Delmarva Power & Light Company ... and its customers and is consistent with the public interest."²⁶ The Commission further stated:

The Commission has in the past considered and approved settlements proposed by adverse parties representing divergent interests in a proceeding. We acknowledge that delicate compromises are often required in order for parties to achieve an uncontested settlement. Historically, a settlement that is submitted by parties who normally have adverse interests is an indication that the overall agreement reached is a reasonable one. However, the mere fact of a settlement does not end our inquiry - we must review any settlement carefully to ensure that the outcome, and the resulting rates, is indeed just and reasonable.²⁷

The Commission has also considered the avoidance of time and litigation costs associated with rate case proceedings as factors to consider when evaluating settlements.²⁸

Finally, the rates resulting from a settlement must be found to be just and reasonable, both for the utility and its customers, and cannot be "an undue burden to one customer class

²⁶ *Re Delmarva Power and Light Co.*, 102 Md. P.S.C. 236, 237 (2011) (footnote omitted).

²⁷ *Id.* at 239-240.

²⁸ *Re Washington Gas Light Co.*, 84 Md. P.S.C. 274, 277 (1993), citing *Re Potomac Elec. Power Co.*, 80 Md. P.S.C. 61, 64 (1989).



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more than another."²⁹ PUA § 4-101 defines "just and reasonable rate" as:

a rate that (1) does not violate any provision of this article; (2) fully considers and is consistent with the public good; and (3) except for rates of a common carrier, will result in an operating income to the public service company that yields, after reasonable deduction for depreciation and other necessary and proper expenses and reserves, a reasonable return on the fair-value of the public service company's property used and useful in providing service to the public.

In this case, a review of the pre-filed testimony reveals a plethora of vigorously contested issues. Despite the numerous differences, a consensus on all issues was reached, a clear representation of the Parties' willingness to compromise.

First, the Parties' final revenue requirement proposals varied substantially. Columbia's final position, \$5,045,188, was more than \$4 million higher than OPC's lower recommendation of \$1,042,970,³⁰ with Staff's recommendation falling squarely in between at \$2,357,053. As noted by Ms. Poberesky, the agreed upon \$2.4 million revenue requirement increase was approximately \$2.7 million less than the Company's final position, approximately \$1.35 million higher than OPC's recommendation, and just slightly

²⁹ *Re Baltimore Gas and Elec. Co.*, 105 Md. P.S.C. 596, 605 (2014), citing *Re Potomac Elec. Power Co.*, 80 Md. P.S.C. at 64.

³⁰ OPC made two separate revenue requirement recommendations based upon different ROEs. The lower figure of \$1,042,970 was based upon an 8.75% ROE, and the second figure of \$1,253,410 based was upon a 9.00% ROE. See OPC Ex. 12 at 1-2.



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above Staff's position.³¹ The Parties' agreement on the revenue requirement confirms that both Columbia and OPC made significant concessions from their final positions. Therefore, I find that the \$2.4 million increase is both just and reasonable. I also find that the \$2.4 million increase will avoid causing rate shock to any classes based on the agreed-upon rate design and revenue allocation.

Next, the Parties' ROE recommendations varied widely. Columbia recommended a 10.90% ROE, whereas OPC recommended 8.75% or 9.00%, with Staff's recommendation of 9.65% again falling squarely in between. The ROE that was ultimately agreed upon for the purpose of a future "Make Whole" proceeding, 9.70%, is the same ROE agreed upon in the Company's previous rate case, which also resulted in a settlement.³² The agreement on this issue is further evidence of the Parties' substantial compromises.

In relation to depreciation, the Company argued for departing from Commission precedent in relation to net salvage methodology. Specifically, the Company proposed to use the traditional method and to discard the Commission's reliance upon its modified SFAS 143 methodology. OPC and Staff both maintained that Commission precedent be followed. Ultimately, a consensus was reached for the purposes of a future "Make Whole" proceeding, for which the Company's depreciation rates by gas plant account would

³¹ See Staff Ex. 13 at 3.

³² *In the Matter of the Application by Columbia Gas of Maryland, Inc., for Authority to Increase Rates and Charges*, Case No. 9417, Order No. 87851 (dated September 26, 2016), slip op. at 8.



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be used, but revised to reflect the SFAS 143 method for net salvage, with a 7.352% discount rate.³³

Columbia also sought a substantial increase to the residential System Charge from \$14.25 to \$18.04 per month: Staff recommended an increase to \$15.25, and OPC recommended either no increase at all or the charge be increased in accordance with OPC's recommended revenue requirement increase (approximately 1.9% (\$0.27)). The Parties agreed to adopt OPC's recommended increase of \$0.27 to the fixed residential customer charge, or to \$14.52.³⁴ The agreement on this issue is a major concession by both Columbia and Staff and represents a noteworthy reduction from their proposed charges of \$18.04 and \$15.25, respectively.

The Commission's precedent on fixed charges is well-established; the Commission prefers to increase volumetric and demand charges rather than significant increases to fixed customer charges. For example, in a recent DPL rate case, DPL recommended a \$12.00 fixed customer charge for the residential class, an increase of \$4.06, and OPC recommended a \$1.55 increase, whereas Staff recommended no increase.³⁵ In that case, the Proposed Order adopted OPC's recommendation; however, on appeal, the Commission found the proposed residential charge to be excessive, stating, "Augmenting the customer charge from the current \$7.94 to the

³³ Staff Ex. 1 at 3, para. 1.i)5).

³⁴ *Id.* at 3, para. 1.g).

³⁵ *In the Matter of the Application of Delmarva Power & Light Co. for Adjustments to Its Retail Rates for the Distribution of Electric Energy*, Case No. 9424, Order No. 88033 (dated February 15, 2017), slip op. at 25-26.



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proposed \$9.49 represents a significant percentage increase of nearly 20% and could interfere with important Commission policy goals that have been consistently emphasized in Commission decisions."³⁶

I find the agreed-upon increase to be consistent with both the gradualism principle and the Commission's precedent and policy goals, especially when compared to Columbia's (\$3.52) and Staff's (\$1.00) proposed increases. I also note that the increase is slightly less than the \$0.33 fixed charge increase in Columbia's most recent rate case.³⁷ Accordingly, I find that the agreed-upon \$0.27 increase to the residential system charge to be just and reasonable, and residential customers will continue to have an incentive to conserve energy.

The Parties also agreed to amortize rate case expenses and the Company's 2015 STRIDE Audit Fee over a period of one year, and Columbia agreed to withdraw its proposal to defer post-test year expenses related to its proposed GPS mapping initiatives.³⁸ These concessions are additional evidence of the Parties' extensive compromises to reach a unanimous agreement.

However, the mere fact that the Parties have reached an agreement and compromised their positions does not mandate approval

³⁶ *Id.* at 26. The Commission authorized an increase of \$0.23 to \$8.17 for the residential customer charge, a 2.84% increase which was the same percentage approved in a recent Potomac Electric Power Company rate case. *Id.* at 27; see *In the Matter of the Application of the Potomac Elec. Power Co. for Adjustments to Its Retail Rates for the Distribution of Electric Energy*, Case No. 9418, Order No. 87884 (dated May 4, 2017), slip op. at 111.

³⁷ Case No. 9417, Order No. 87851, slip op. at 18.

³⁸ Staff Ex. 1 at 2-3, para. 1(c), (e) and (g).



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of the Settlement. While the \$2.4 million revenue requirement was less than one-half the amount Columbia sought, I must consider this proceeding's entire record to determine the Company's need for an increase, to ensure the Company's continued ability to maintain safe and reliable service, and to make certain the resulting rates are both just and reasonable.

In a 2016 Baltimore Gas and Electric Company ("BGE") rate case, the Commission noted its obligation to both determine just and reasonable rates for utility customers and ensure the utility "has an opportunity to earn a return on its investment that permits it to remain financially sound and able to maintain credit and attract capital. This requires a delicate balancing of competing interests, and presents among the most challenging tasks to any Commission."³⁹ In that same case, the Commission stated:

[W]e acknowledge and remain deeply concerned about the burdens that increased rates place on limited-income customers. We have strived to limit the rate impact in this case while allowing the Company to invest in safety and reliability and continue to modernize its distribution systems for the benefit of its customers.⁴⁰

When determining if the resulting rates are just and reasonable in this proceeding, I am especially cognizant of Columbia's residential ratepayers and the potential impact of the

³⁹ *In the Matter of the Application of the Baltimore Gas and Elec. Co. for Adjustments to Its Electric and Gas Base Rates*, Case No. 9406, Order No. 87951 (Errata) (dated June 6, 2016), slip op. at 1 (footnotes omitted).

⁴⁰ *Id.* at 5.



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proposed revenue increase. During both public hearings and in the written comments, residential customers, some of whom were on fixed-incomes, voiced concerns regarding the Company's requested increase and the frequency of the Company's recent rate cases. While the referenced BGE case was litigated and this case involves a Settlement, the concerns and principles expressed by the Commission remain the same. Based upon the Settlement, the increase to the average residential customer, who uses seven dekatherms of gas, will be 5.30% (\$4.47 per month).⁴¹ This is a significant decrease from the 16.54% (\$13.93 per month) originally sought by the Company.⁴² While I realize many customers are on fixed incomes, as noted by the Commission, I must balance the needs of the Company with the justness and reasonableness of the rates paid by Columbia's customers. In this case, I believe the Settlement adequately balances the competing interests of the Company with its ratepayers and produces just and reasonable rates.

Finally, there was a request that customers should be permitted to choose their own gas supplier and sought to have Columbia's Choice Program ("the Choice Program") reinstated. The Commission approved the termination of the Choice Program on April 13, 2012,⁴³ effective with the Company's October 2012 billing cycle.⁴⁴

⁴¹ See Staff Ex. 1, Appx. B at 7.

⁴² See Columbia Ex. 4 at 37 and Attch. CEN-2 at 1.

⁴³ Commission's Letter Order, dated April 13, 2012.

⁴⁴ Commission's Letter Order, dated July 3, 2012.



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There is no information in the record that supports mandating Columbia to reinstate the Choice Program. During the Settlement hearing, Columbia's counsel indicated the Choice Program had been terminated due to low enrollment and high administrative costs due to the size of Columbia's Maryland service territory.⁴⁵ It is unknown whether the conditions that resulted in the Choice Program's termination approximately five years ago have changed. However, given the frequency of Columbia's rate cases, it may be beneficial for the Company to explore the possibility of reintroducing the Choice Program, or a variation thereof, as a way for customers to potentially lower their gas bills.

Having considered the entire record in this proceeding, including all of the testimony and exhibits, public and written comments, and the terms and conditions of the Settlement, as well as ratemaking principles and Commission precedent, I find the Settlement, as submitted, should be accepted without change. I also specifically find the Settlement to be reasonable, and that the terms and final rates are well within a range of reasonableness had the agreed upon issues been fully litigated. I further find that the resulting rates will not induce rate shock, are just and reasonable, and will not unduly burden any one class of customers. Furthermore, I find that approval of the Settlement to be in the public interest, as lengthy evidentiary hearings, briefs and

⁴⁵ Settlement Hearing Tr. at 16-17.



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potential appeals will be avoided, thereby saving all Parties time, effort, and further litigation costs.

IT IS, THEREFORE, this 17th day of August, in the year Two Thousand Seventeen,

ORDERED: (1) That the Application filed by Columbia Gas of Maryland, Inc. on April 14, 2017, is hereby denied.

(2) That the Joint Motion for Approval of Agreement of Unanimous Stipulation and Settlement is hereby granted, and the Stipulation and Settlement Agreement, attached hereto and incorporated by reference, is approved without modification.

(3) That Columbia Gas of Maryland, Inc. is hereby authorized, pursuant to § 4-204 of the Public Utilities Article, *Annotated Code of Maryland*, to file tariffs that shall increase natural gas distribution rates by no more than \$2.4 million for service rendered on or after October 27, 2017.

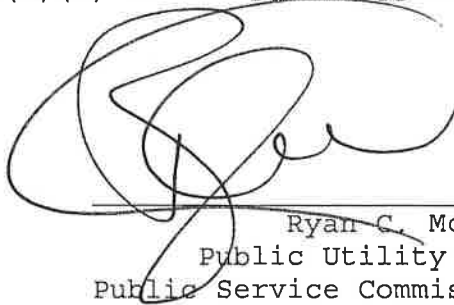
(4) That Columbia Gas of Maryland, Inc. shall file clean tariff pages consistent with this Proposed Order of Public Utility Law Judge, subject to acceptance by the Commission, with an effective date of October 27, 2017.

(5) That this Proposed Order will become a final order of the Commission on September 19, 2017, unless before that date an appeal is noted with the Commission by any party to this proceeding as provided in Section 3-113(d)(2) of the Public Utilities Article, or the Commission modifies or reverses the



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Proposed Order or initiates further proceedings in this matter as provided in Section 3-114(c)(2) of the Public Utilities Article.

A handwritten signature in black ink, appearing to read 'Ryan C. McLean', is written over a horizontal line. The signature is stylized with large loops and a long horizontal stroke.

Ryan C. McLean
Public Utility Law Judge
Public Service Commission of Maryland



**BEFORE THE
PUBLIC SERVICE COMMISSION OF MARYLAND**

**IN THE MATTER OF THE
APPLICATION OF COLUMBIA
GAS OF MARYLAND, INC. FOR
ADJUSTMENTS TO ITS GAS
BASE RATES**

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Case No. 9447

**JOINT MOTION FOR APPROVAL OF
AGREEMENT OF UNANIMOUS
STIPULATION AND SETTLEMENT**

Columbia Gas of Maryland, Inc. ("Columbia" or "the Company"), an indirect, wholly-owned subsidiary of NiSource Inc. ("NiSource"); the Staff of the Public Service Commission of Maryland ("Staff"); and the Office of People's Counsel ("OPC"), by their undersigned counsel, hereby respectively move the Public Service Commission of Maryland (the "Commission") to: (1) approve the Unanimous Stipulation and Settlement set forth in this document ("Stipulation") among all parties to this proceeding, in full settlement of all issues in the above-captioned proceeding; and (2) waive such provisions of the Commission's Rules and Regulations as may be necessary to permit the relief requested herein.

Background

On April 14, 2017, Columbia filed an Application with the Commission, seeking an annual increase of approximately \$6.0 million in its rates for providing gas distribution service to customers, along with testimony and exhibits in support of the proposed increase. ("Columbia Application"). The requested annual revenue increase was later revised to approximately \$5.0 million.

On April 19, 2017, the Commission suspended the proposed rate increase for an initial period of 150 days from May 15, 2017, and delegated the matter to the Public

Utility Law Judge Division ("PULJ"). A prehearing conference was held on May 18, 2017, before Public Utility Law Judge Ryan C. McLean. In an order issued the same day, Judge McLean established a procedural schedule for this proceeding. In accordance with that schedule, both Staff and OPC served direct testimony on June 23, 2017, and the Company, and OPC submitted rebuttal testimony on July 11, 2017. The Staff and OPC served surrebuttal testimony on July 19, 2017. Evening hearings were held in Hagerstown on July 19, 2017, and in Cumberland on July 20, 2017, for the purpose of receiving comments from interested members of the public.

The Parties have engaged in settlement discussions with respect to Columbia's Application. As a result of those discussions, the Parties have agreed to the Unanimous Stipulation and Settlement Agreement set forth below. Proposed tariff sheets that would implement this Stipulation are attached hereto as Appendix A.

Unanimous Stipulation and Settlement Agreement

1. The Parties agree as follows:
 - a) The rates agreed to herein will be effective with bills rendered beginning with Unit 1 of Columbia's November 2017 billing cycle, and will reflect an increase in the annual revenue requirement of \$2.4 million, and reflects a compromise of various parties' proposals.
 - b) Rates will be designed on volumes reflecting a 20-year weather normalization.
 - c) Rate Case Expenses – Actual rate case expenses, up to and including the date that the parties file this Joint Motion for approval of Settlement, will be amortized over a one year period beginning with the effective date of the new rates.
 - d) Revenue Allocation – The revenue requirement increase will be allocated among customer classes based upon Staff's proposed revenue increase allocations.
 - e) 2015 and 2016 STRIDE (IRIS) Audit Fee – Columbia's 2015 STRIDE (IRIS) Audit Fee shall be amortized through base rates over a period of one year (12-

months). The cost of Columbia's 2016 STRIDE Audit will remain on the Company's books as a regulatory asset. Columbia will not earn a return on any unamortized balance of the regulatory asset and the parties retain the right to challenge the prudence of these costs in Columbia's next general rate case.

- f) DIMP Proposals – Columbia withdraws its proposal to defer post-test year expenses (incurred after April 30, 2017) associated with its GPS mapping initiatives, up to a maximum of \$200,000 per year; to record these amounts as a regulatory asset (Account 182, Other Regulatory Assets); and seek recovery of those expenses in the Company's next general rate case proceeding.
- g) Rate design will be as set forth in Appendix B hereto and reflects a compromise of various parties' rate design proposals. In designing residential rates, the residential class system charge will be increased to \$14.52 per month.
- h) Allocated Cost of Service Study – Columbia agrees to complete and include a Non-Coincident Peak study in its next base rate case filing.
- i) For the purpose of any proceeding that may in the future be initiated by Columbia pursuant to § 4-207 of the Public Utility Companies Article of the Annotated Code of Maryland ("Make Whole Case"), the following principles shall apply:
 - 1) The Company's return on equity shall be 9.70% and its overall rate of return shall be 7.352%, which reflects a compromise of various parties' proposals;
 - 2) The application for revised rates shall be based upon fully historical (actual) results for the test year proposed by the Company;
 - 3) The proposed rates shall be based upon a 13-month historical average rate base, and terminal Safety and Reliability plant additions, as well as two months of post-test year Safety and Reliability plant additions that are known and measurable;
 - 4) The proposed rates shall continue to be based upon volumes reflecting a 20-year weather normalization;
 - 5) Depreciation rates by gas plant account will be those presented by the Company in its direct testimony in Case No. 9447, revised to reflect use of the SFAS 143 Method for net salvage, and applying a 7.352% discount rate and are set forth in Appendix C hereto;
 - 6) All items of rate base, revenues, and expenses shall be subject to adjustment for known and certain changes in accordance with the Commission's precedents and usual practice.
- j) The Company shall use the following factors for purposes of future IRIS Surcharge filings:

- 1) An effective property tax rate of 1.0619%, adjusted to exclude Firm Storage Service and associated tax payments on storage;
- 2) A gross revenue conversion factor of 1.701964, which includes a three-year average of uncollectible expense rate of 0.783753% and PSC Fee of 0.1877%; and
- 3) An overall rate of return of 7.352%.

The cost of all STRIDE projects completed through June 30, 2017 will be moved from the IRIS into base rates when new rates are implemented as a result of this Stipulation. The associated annual revenue requirement will be calculated using the overall rate of return and depreciation rates approved in this settlement agreement.

k) All other tariff changes proposed by the Company will be approved.

2. Competent and Substantial Evidence. The Parties agree to the admission of all pre-filed testimony, exhibits, and any attachments thereto as competent and substantial evidence supporting Commission approval of this Stipulation.

General Provisions

3. This Stipulation is being entered into for the purpose of disposing of the issues that are specifically addressed in this Stipulation. In presenting this Stipulation, none of the Parties shall be deemed to have approved, accepted, agreed to, consented to, or acquiesced in any ratemaking or procedural principle, including, without limitation, any method of cost or revenue determination or cost allocation or revenue-related methodology or any specific justification for any tariff revision, and none of the Parties shall be prejudiced or bound in any manner by the terms of this Stipulation (whether it is approved or not) in this or any other proceeding, other than a proceeding limited to enforcement of the terms of this Stipulation.

4. This Stipulation has resulted from extensive negotiations involving the resolution of disputed claims and the terms hereof are independent. If the Commission does not approve this Stipulation without modification, then the Stipulation shall be void and no signatory shall be bound by any of the agreements or provisions herein.

5. If the Commission does not unconditionally approve this Stipulation without modification, and notwithstanding its provision that it shall become void, neither this Stipulation, nor any matters associated with its consideration by the Commission, shall be considered or argued to be a waiver of the rights that any signatory has to a decision in this matter. The Parties shall retain all procedural and due process rights as fully as though this Stipulation had not been presented for approval, and any memoranda, testimony, or exhibits that have been offered or received in support of this Stipulation shall become privileged as reflecting the substantive content of settlement discussion and shall be stricken from and not be considered as part of the administrative or evidentiary record before the Commission for any further purpose whatsoever.

6. If the Commission unconditionally accepts the specific terms of this Stipulation without modification, the Parties waive, with respect to the issues resolved herein, their respective rights to: (1) call, examine, and cross-examine witnesses; (2) present oral argument and/or written briefs to the PULJ; (3) appeal a proposed order of the PULJ to the Commission; (4) seek rehearing of a Commission order; and (5) seek judicial review of a Commission order. These waivers apply only to a Commission order respecting this Stipulation issued in the above-captioned proceeding, and do not apply to any matters raised in any prior or subsequent Commission proceeding, or any matters not explicitly addressed by this Stipulation. This Stipulation contains the entire agreement of the Parties concerning the issues addressed herein.

7. This Stipulation does not constitute a contract with the Commission. Acceptance of this Stipulation by the Commission shall not be deemed as constituting an agreement on the part of the Commission to forego the use of any discovery or

investigative or other power that the Commission currently has. Nothing in this Stipulation is intended to impinge upon or restrict in any manner the exercise by the Commission of any statutory right, including the right to access information, or any statutory obligation.

8. If the Commission has questions for the Parties' witnesses or Parties, the Parties will make available, at any on-the-record session, their witnesses and attorneys on the issues resolved by this Stipulation, so long as all Parties have adequate notice of that session. The Parties agree to cooperate in presenting this Stipulation to the Commission for approval, and will take no action, direct or indirect, in opposition to the request for approval of this Stipulation.

9. This Stipulation may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In the event that any signature is delivered by facsimile transmission or by e-mail delivery of a "pdf" or other formatted data file, such signature shall be treated as an original and create a valid and binding obligation of the executing party.

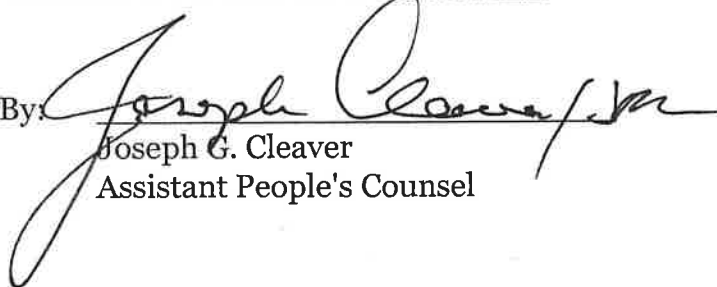
[Remainder of page intentionally left blank]

WHEREFORE, for the foregoing reasons, the undersigned parties respectfully request that the Public Service Commission of Maryland enter an order granting this request and approving the Unanimous Stipulation and Settlement Agreement contained herein.

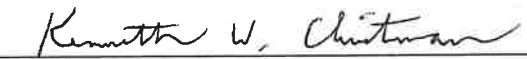
STAFF OF THE PUBLIC SERVICE COMMISSION

By: 
Jennifer J. Grace
Deputy Staff Counsel

OFFICE OF PEOPLE'S COUNSEL

By: 
Joseph G. Cleaver
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COLUMBIA GAS OF MARYLAND, Inc.

By: 
Kenneth W. Christman
Assistant General Counsel, NiSource Corporate Services Co.
Attorney for Columbia Gas of Maryland, Inc.

COLUMBIA GAS OF MARYLAND, INC.

**121 Champion Way, Suite 100
Canonsburg, PA 15317**

Rates, Rules and Regulations for Furnishing

GAS SERVICE

IN

THE TERRITORY AS DESCRIBED HEREIN

**Filed with
THE PUBLIC SERVICE COMMISSION OF MARYLAND**

Issued Date: July 28, 2017 Effective Date: October 27, 2017

**ISSUED BY: M. A. HUWAR, PRESIDENT
121 CHAMPION WAY, SUITE 100
CANONSBURG, PENNSYLVANIA 15317**

RATE RS - RESIDENTIAL SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available at one location for the total requirements of any residential customer.

CHARACTER OF SERVICE

Residential customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE

System Charge:	\$ 14.52	(I)
Distribution Charge:	\$ 0.53122 per therm	(I)

TERMS OF PAYMENT

The above rates are net. Bills for gas service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall be not less than twenty (20) days after presentation.

MINIMUM CHARGE

The minimum charge shall be the System Charge.

SPECIAL PROVISIONS

If service is discontinued at the request of the customer, the Company will not resume service to such customer at the same premises within twelve (12) months, unless it shall first receive payment of the applicable minimum charge for each month of the intervening period, but not to exceed twelve (12) months.

Where a customer has installed a gas light(s) in lighting devices approved by the Company, and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be twenty-one (21) therms per month when the Btu/hr input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hr input or fraction thereof, the assumed consumption shall be increased by one eleven (11) therms per month. Such assumed consumption shall be billed under the rates contained herein, or if in combination with metered usage under this rate schedule, shall be added to the customer's metered usage and the total billed under the rates contained herein.

(C) Indicates Change (I) Indicates Increase

RATE GS - GENERAL SERVICE {PRIVATE }

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available at one location, for the total requirements of any commercial or industrial customer.

CHARACTER OF SERVICE

Industrial and commercial customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE

System Charge:

Annual consumption < 20,920 therms	\$ 47.51	(I)
Annual consumption = > 20,920 therms and = < 523,000 therms	\$ 157.02	(I)
Annual consumption > 523,000 therms	\$ 797.07	(I)

Distribution Charge:

Annual consumption < 20,920 therms	\$ 0.48223 per therm	(I)
Annual consumption = > 20,920 therms and = < 523,000 therms	\$ 0.31613 per therm	(I)
Annual consumption > 523,000 therms	\$ 0.13790 per therm	(I)

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therms for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve (12) months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

TERMS OF PAYMENT

The above rates are net. Bills for gas service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall be not less than fifteen (15) days after presentation.

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

MINIMUM CHARGE

The minimum charge shall be the System Charge.

(C) Indicates Change (I) Indicates Increase

Issued by: M. A. Huwar, President
Issued on: July 28, 2017

Effective on: October 27, 2017

RATE IS - INTERRUPTIBLE SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any Industrial or Commercial customer using gas for any purpose when: (1) the Company's facilities and gas supply are adequate or can be economically provided to supply the customer's requirements, (2) such service will not unduly jeopardize the general character of existing interruptible service, (3) the customer does not take service under any other rate schedule, except where, in the sole judgement of the Company, separate metering of interruptible gas under this schedule is practicable. Interruptible service shall not be available to a commercial customer who provides residential-type service such as master-metered apartment buildings unless such customer agrees to contract for an appropriate level of standby service under Rate Schedule SS of the tariff for peak day demand, that is not protected by installed and operable alternate fuel facilities, which will enable the customer to continue to provide Human Needs services.

CHARACTER OF SERVICE

The Company undertakes no responsibility to obtain sufficient gas supplies to avoid interruption on a daily basis, and service hereunder is totally interruptible on any day when the Company gives notice to the customer that gas supply is inadequate to supply the customer's requirements, except to the extent the customer nominates Maximum Daily Firm Requirement under Rate SS.

The Company shall give the customer as much advance notice of interruption as is feasible in the sole judgement of the Company. Customer agrees that Company shall not be liable for any loss or damage that may be sustained by the customer by reason of any interruption of service.

RATE

System Charge:

Annual consumption less than 20,920 therms	\$ 47.51	(I)
Annual consumption = >20,920 therms and <= 523,000 therms	\$ 157.02	(I)
Annual consumption greater than 523,000 therms	\$ 797.07	(I)

Distribution Charge:

Annual consumption < 20,920 therms	\$ 0.48223 per therm	(I)
Annual consumption = > 20,920 therms and < = 523,000 therms	\$ 0.31613 per therm	(I)
Annual consumption > 523,000 therms	\$ 0.13790 per therm	(I)

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therm (thm), for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

(C) Indicates Change (I) Indicates Increase (D) Indicates Decrease

Issued by: M. A. Huwar, President
Issued on: July 28, 2017

Effective on: October 27, 2017

RATE STS - SMALL TRANSPORTATION SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any commercial or industrial account whose transportation requirements are less than 20,920 therms annually, provided that service can be rendered within the limits of the Company's operating conditions and facilities.

CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be firm service, with no planned interruption.

RATE

System Charge: \$ 47.51 (I)

Distribution Charge: \$ 0.48223 per therm (I)

PURCHASED GAS ADJUSTMENT CLAUSE

Charges for all gas consumed will include the Purchased Gas Demand Component included in the monthly purchased gas adjustment clause as set forth in this tariff.

In addition, if the customer transfers to this rate from Rate GS-General Service, then for a period of twelve (12) months, the rate shall be adjusted to include the amount per therm equal to the commodity and demand ACA factors included in the monthly purchased gas adjustment clause as set forth in the monthly purchased gas adjustment clause of this tariff, plus the associated Office of People's Counsel assessment fees.

MINIMUM CHARGE

The minimum charge shall be the System Charge.

TERMS OF PAYMENT

Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which dates shall be not less than fifteen (15) days after presentation.

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

(C) Indicates Change (I) Indicates Increase

RATE TS - TRANSPORTATION SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any commercial or industrial customer whose transportation requirements under separately billed account(s) are at least 20,920 therms annually; however, transportation service shall not be available to a commercial or industrial customer who provides residential-type service such as master-metered apartment buildings unless such customer agrees to contract for an appropriate level of Standby Service under Rate Schedule SS of this Tariff for peak day demand, that is not protected by installed and operable alternate fuel facilities, which will enable the customer to continue to provide human needs services. Service is available when such customer acquires its own gas and executes a contract with the Company for a period of not less than one (1) year for delivery service in accordance with all terms and conditions of such contract.

CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be considered firm service on the Company's system; provided, however, that it is the customer's obligation to deliver sufficient gas supplies to the mutually agreed upon receipt point in the Company's facilities.

RATE

A. System Charge:

Annual consumption < = 523,000 therms	\$ 157.02	(I)
Annual consumption > 523,000 therms	\$ 797.07	(I)

B. Distribution Charge:

Annual consumption < = 523,000 therms	\$ 0.23137 per therm	(I)
Annual consumption > 523,000 therms	\$ 0.13790 per therm	(I)

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therms (thm), for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve (12) months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

WEATHER NORMALIZATION ADJUSTMENT PROVISION

The quantities of gas sales sold to Commercial customers under this rate schedule are subject to adjustment for weather as set forth in the Weather Normalization Adjustment provisions of the Rules and Regulations of this Tariff.

(C) Indicates Change (I) Indicates Increase

IRIS - INFRASTRUCTURE REPLACEMENT AND IMPROVEMENT SURCHARGE

PURPOSE

The purpose of the Infrastructure Replacement and Improvement Surcharge ("IRIS" or "Surcharge") is to recover reasonable and prudent costs of proposed eligible infrastructure replacement projects. An eligible infrastructure replacement project is defined as replacement of infrastructure that: 1) is made on or after June 1, 2013; 2) is designed to improve public safety or infrastructure reliability; 3) does not increase the revenue of the Company by connecting an improvement directly to new customers; 4) reduces or has the potential to reduce greenhouse gas emissions through a reduction in natural gas system leaks; and 5) is not included in current rate base as determined in the Company's most recent rate base proceeding.

APPLICABILITY

The Infrastructure Replacement and Improvement Surcharge ("IRIS") shall be applicable to all customers throughout the territory served under this tariff.

SURCHARGE

<u>Rate Class</u>	<u>Fixed Surcharge per Month</u>	
Residential Service	\$ 2.00	
Commercial & Industrial Service		
Usage < 20,920 therms/yr	\$ 6.79	(I)
Usage => 20,920 and =<523,000 therms/yr	\$ 59.41	(I)
Usage > 523,000 therms/yr	\$ 604.32	(I)

The Surcharge will appear as a separate line item on each customer bill.

CALCULATION OF SURCHARGE

The Surcharge is calculated as follows:

$$((\text{Net RB} * \text{RRB}) * \text{CF}) + \text{Dep} + \text{Tax} + \text{IntSync} = \text{EPC}$$

$$(\text{EPC} + \text{PYR}) * \text{AF} = \text{AIRIS}$$

$$\text{AIRIS} / \text{NOB} = \text{IRIS}$$

where:

Net RB, or Net Rate Base, equals eligible plant additions plus cost of removal, less the sum of accumulated depreciation and Accumulated Deferred Income Tax (ADIT).

RRB equals the Return on Rate Base, capital structure and cost of capital as approved in the most recent rate case.

Dep equals the Depreciation Expense based on the most recent approved depreciation rates as applied to the average net plant balance grossed-up for bad debt expense, regulatory fees and gross receipts tax.

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

COLUMBIA GAS OF MARYLAND, INC.

**121 Champion Way, Suite 100
Canonsburg, PA 15317**

Rates, Rules and Regulations for Furnishing GAS SERVICE

IN

THE TERRITORY AS DESCRIBED HEREIN

**Filed with
THE PUBLIC SERVICE COMMISSION OF MARYLAND**

Issued Date: ~~April 17, 2017~~ July 28, 2017 Effective Date: ~~May 31, 2017~~ October 27, 2017

ISSUED BY: M. A. HUWAR, PRESIDENT
121 CHAMPION WAY, SUITE 100
CANONSBURG, PENNSYLVANIA 15317

RATE RS - RESIDENTIAL SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available at one location for the total requirements of any residential customer.

CHARACTER OF SERVICE

Residential customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE

System Charge: \$ ~~14.25~~14.52 (I)

Distribution Charge: \$ ~~0.471100~~0.53122 per therm (I)

TERMS OF PAYMENT

The above rates are net. Bills for gas service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall be not less than twenty (20) days after presentation.

MINIMUM CHARGE

The minimum charge shall be the System Charge.

SPECIAL PROVISIONS

If service is discontinued at the request of the customer, the Company will not resume service to such customer at the same premises within twelve (12) months, unless it shall first receive payment of the applicable minimum charge for each month of the intervening period, but not to exceed twelve (12) months.

Where a customer has installed a gas light(s) in lighting devices approved by the Company, and the gas used by such light(s) is unmetered, the gas consumed by such light(s) shall be assumed to be twenty-one (21) therms per month when the Btu/hr input rating for such light(s) is 2,700 or less. For each additional 1,350 Btu/hr input or fraction thereof, the assumed consumption shall be increased by one eleven (11) therms per month. Such assumed consumption shall be billed under the rates contained herein, or if in combination with metered usage under this rate schedule, shall be added to the customer's metered usage and the total billed under the rates contained herein.

(C) Indicates Change -(I) Indicates Increase

Issued by: ~~Mark Kempic~~ M. A. Huwar, President
Issued on: ~~October 27, 2016~~ July 28, 2017

Effective on: ~~October 27, 2016~~ October 27, 2017

RATE GS - GENERAL SERVICE {PRIVATE }

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available at one location, for the total requirements of any commercial or industrial customer.

CHARACTER OF SERVICE

Industrial and commercial customers who take service under this rate schedule are entitled to firm retail gas service from the Company.

RATE

System Charge:

Annual consumption < 20,920 therms	\$ 44.5047.51	(I)
Annual consumption = > 20,920 therms and = < 523,000 therms	\$ 144.59157.02	(I)
Annual consumption > 523,000 therms	\$ 751.95797.07	(I)

Distribution Charge:

therm	Annual consumption < 20,920 therms	\$ 0.449430.48223 per	(I)
	Annual consumption = > 20,920 therms and = < 523,000 therms	\$ 0.31613 per therm	(+)
therm	Annual consumption > 523,000 therms	\$ 0.128640.13790 per	(I)

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therms for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve (12) months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

TERMS OF PAYMENT

The above rates are net. Bills for gas service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which date shall be not less than fifteen (15) days after presentation.

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

MINIMUM CHARGE

The minimum charge shall be the System Charge.

(C) Indicates Change (I) Indicates Increase

Issued by: Mark Kempig M. A. Huwar, President
Issued on: ~~October 27, 2016~~ July 28, 2017

Effective on: ~~October 27, 2016~~ October 27, 2017

RATE IS - INTERRUPTIBLE SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any Industrial or Commercial customer using gas for any purpose when: (1) the Company's facilities and gas supply are adequate or can be economically provided to supply the customer's requirements, (2) such service will not unduly jeopardize the general character of existing interruptible service, (3) the customer does not take service under any other rate schedule, except where, in the sole judgement of the Company, separate metering of interruptible gas under this schedule is practicable. Interruptible service shall not be available to a commercial customer who provides residential-type service such as master-metered apartment buildings unless such customer agrees to contract for an appropriate level of standby service under Rate Schedule SS of the tariff for peak day demand, that is not protected by installed and operable alternate fuel facilities, which will enable the customer to continue to provide Human Needs services.

CHARACTER OF SERVICE

The Company undertakes no responsibility to obtain sufficient gas supplies to avoid interruption on a daily basis, and service hereunder is totally interruptible on any day when the Company gives notice to the customer that gas supply is inadequate to supply the customer's requirements, except to the extent the customer nominates Maximum Daily Firm Requirement under Rate SS.

The Company shall give the customer as much advance notice of interruption as is feasible in the sole judgement of the Company. Customer agrees that Company shall not be liable for any loss or damage that may be sustained by the customer by reason of any interruption of service.

RATE

System Charge:

Annual consumption less than 20,920 therms	\$ 44.5047.51	(I)
Annual consumption = >20,920 therms and <= 523,000 therms	\$ 144.59157.02	(I)
Annual consumption greater than 523,000 therms	\$ 751.95797.07	(I)

Distribution Charge:

Annual consumption < 20,920 therms	\$ 0.449430.48223 per therm	(I)
Annual consumption = > 20,920 therms and < = 523,000 therms	\$ 0.27578-0.31613 per therm	(I)
Annual consumption > 523,000 therms	\$ 0.12864-0.13790 per therm	(I)

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therm (thm), for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

(C) Indicates Change- (I) Indicates Increase -(D) Indicates Decrease

Issued by: Mark Kempie M. A. Huwar, President

Issued on: October 27, 2016 July 28, 2017

Effective on: October 27, 2016 October 27, 2017

RATE STS - SMALL TRANSPORTATION SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any commercial or industrial account whose transportation requirements are less than 20,920 therms annually, provided that service can be rendered within the limits of the Company's operating conditions and facilities.

CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be firm service, with no planned interruption.

RATE

System Charge: \$ 44.5047.51

Distribution Charge: \$ 0.449430.48223 per therm

(I)
(I)

PURCHASED GAS ADJUSTMENT CLAUSE

Charges for all gas consumed will include the Purchased Gas Demand Component included in the monthly purchased gas adjustment clause as set forth in this tariff.

In addition, if the customer transfers to this rate from Rate GS-General Service, then for a period of twelve (12) months, the rate shall be adjusted to include the amount per therm equal to the commodity and demand ACA factors included in the monthly purchased gas adjustment clause as set forth in the monthly purchased gas adjustment clause of this tariff, plus the associated Office of People's Counsel assessment fees.

MINIMUM CHARGE

The minimum charge shall be the System Charge.

TERMS OF PAYMENT

Bills for distribution service will be rendered monthly and are due and payable upon presentation. All bills shall be paid on or before the due date of payment shown on the bill, which dates shall be not less than fifteen (15) days after presentation.

If the customer fails to pay the full amount of any bill which is Two Thousand Dollars (\$2,000.00) or more, a delayed payment penalty charge of one and one-quarter percent (1¼%) per month will accrue on the unpaid portion of such bill from the due date to the date of payment but not to exceed five percent (5%).

(C) Indicates Change (I) Indicates Increase

Issued by: Mark Kempic M. A. Huwar, President
Issued on: October 27, 2016 July 28, 2017

Effective on: October 27, 2016 October 27, 2017

RATE TS - TRANSPORTATION SERVICE

APPLICABILITY

Throughout the territory served under this Tariff.

AVAILABILITY

Available to any commercial or industrial customer whose transportation requirements under separately billed account(s) are at least 20,920 therms annually; however, transportation service shall not be available to a commercial or industrial customer who provides residential-type service such as master-metered apartment buildings unless such customer agrees to contract for an appropriate level of Standby Service under Rate Schedule SS of this Tariff for peak day demand, that is not protected by installed and operable alternate fuel facilities, which will enable the customer to continue to provide human needs services. Service is available when such customer acquires its own gas and executes a contract with the Company for a period of not less than one (1) year for delivery service in accordance with all terms and conditions of such contract.

CHARACTER OF SERVICE

Service furnished pursuant to this rate schedule shall be considered firm service on the Company's system; provided, however, that it is the customer's obligation to deliver sufficient gas supplies to the mutually agreed upon receipt point in the Company's facilities.

RATE

A. System Charge:

Annual consumption < = 523,000 therms	\$ 144.59 <u>157.02</u>	(I)
Annual consumption > 523,000 therms	\$ 751.95 <u>797.07</u>	(I)

B. Distribution Charge:

Annual consumption < = 523,000 therms	\$ 0.20044 <u>0.23137</u> per therm	(I)
Annual consumption > 523,000 therms	\$ 0.12864 <u>0.13790</u> per therm	(I)

The rate billed to the customer will be determined based upon the customer's actual throughput quantities, including sales and distribution, measured in therms (thm), for the most recent twelve-month period ended with the customer's October billing cycle. If a customer does not have sufficient consumption history to determine its rate based on twelve (12) months, the rate will be developed by annualizing the consumption history available. In the instance where a customer has no consumption history, the Company will request the customer to submit estimated annual gas requirements, including sales and distribution, upon which to develop the rate. The Company in all cases retains the right to review and modify the customer's estimate where necessary. A customer's rate will remain constant annually, subject to change effective with the January billing cycle each year.

WEATHER NORMALIZATION ADJUSTMENT PROVISION

The quantities of gas sales sold to Commercial customers under this rate schedule are subject to adjustment for weather as set forth in the Weather Normalization Adjustment provisions of the Rules and Regulations of this Tariff.

(C) Indicates Change (I) Indicates Increase

Issued by: Mark Kempie M. A. Huwar, President
Issued on: October 27, 2016 July 28, 2017

Effective on: October 27, 2016 October 27, 2017

IRIS - INFRASTRUCTURE REPLACEMENT AND IMPROVEMENT SURCHARGE

PURPOSE

The purpose of the Infrastructure Replacement and Improvement Surcharge ("IRIS" or "Surcharge") is to recover reasonable and prudent costs of proposed eligible infrastructure replacement projects. An eligible infrastructure replacement project is defined as replacement of infrastructure that: 1) is made on or after June 1, 2013; 2) is designed to improve public safety or infrastructure reliability; 3) does not increase the revenue of the Company by connecting an improvement directly to new customers; 4) reduces or has the potential to reduce greenhouse gas emissions through a reduction in natural gas system leaks; and 5) is not included in current rate base as determined in the Company's most recent rate base proceeding.

APPLICABILITY

The Infrastructure Replacement and Improvement Surcharge ("IRIS") shall be applicable to all customers throughout the territory served under this tariff.

SURCHARGE

<u>Rate Class</u>	<u>Fixed Surcharge per Month</u>	
Residential Service	\$ 2.00	(+)
Commercial & Industrial Service		
Usage < 20,920 therms/yr	\$ 6,646.79	(I)
Usage => 20,920 and =<523,000 therms/yr	\$ 55,8659.41	(I)
Usage > 523,000 therms/yr	\$ 510,25604.32	(I)

The Surcharge will appear as a separate line item on each customer bill.

CALCULATION OF SURCHARGE

The Surcharge is calculated as follows:

$$((\text{Net RB} * \text{RRB}) * \text{CF}) + \text{Dep} + \text{Tax} + \text{IntSync} = \text{EPC}$$

$$(\text{EPC} + \text{PYR}) * \text{AF} = \text{AIRIS}$$

$$\text{AIRIS} / \text{NOB} = \text{IRIS}$$

where:

Net RB, or Net Rate Base, equals eligible plant additions plus cost of removal, less the sum of accumulated depreciation and Accumulated Deferred Income Tax (ADIT).

RRB equals the Return on Rate Base, capital structure and cost of capital as approved in the most recent rate case.

Dep equals the Depreciation Expense based on the most recent approved depreciation rates as applied to the average net plant balance grossed-up for bad debt expense, regulatory fees and gross receipts tax.

(C) Indicates Change (D) Indicates Decrease (I) Indicates Increase

Issued by: M. A. Huwar, President
Issued on: ~~March 15, 2017~~ July 28, 2017

Effective on: ~~May 1, 2017~~ October 27, 2017

Columbia Gas of Maryland, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the Twelve Months Ending April 30, 2017

Line No.	DESCRIPTION	Adjusted Bills (1)	Adjusted Volumes (2)	Revenue @ Current Rates (3)	Proposed Revenue Increase (4)	Total Proposed Revenue (5=3+4)	Proposed Increase By Rate Sched (6)	Proposed Increase By Rate Class (7)
1	Total Revenues	(Exhibit 2-B)	(Exhibit 2-C)	(Exhibit 2-E)	(Exhibit 2-E)	(Exhibit 2-E)		
2	RS - Residential Service	355,693	2,370,053.3	\$28,109,195	\$1,520,913	\$29,630,108	5.41%	5.41%
3	GS1 - General Service Under 2,092 Dth Annually	41,509	1,004,190.7	11,391,823	454,317	11,846,140	3.99%	4.12%
4	GS2 - General Service 2,092 Dth up to 52,300 Dth Annually	1,247	488,441.1	4,171,767	15,500	4,187,267	0.37%	3.93%
5	IS1 - Interruptible Service Under 2,092 Dth Annually	0	0.0	0	0	0	0.00%	4.12%
6	IS2 - Interruptible Service 2,092 Dth up to 52,300 Dth Annually	36	26,657.1	180,519	11,204	191,723	6.21%	3.93%
7	TS1 - Small Transportation Service Under 2,092 Dth Annually	1,991	134,418.9	857,127	50,081	907,208	5.84%	4.12%
8	TS2 - Transportation Service less than or equal to 52,300 Dth Annually	864	605,134.0	1,359,782	197,907	1,557,689	14.55%	3.93%
9	TS3 - Transportation Service greater than 52,300 Dth Annually	132	1,555,457.4	2,151,151	149,992	2,301,143	6.97%	6.97%
10	Other Gas Department Revenue			76,439	0	76,439	0.00%	0.00%
11	Total Revenues	401,472	6,184,352.5	\$48,297,803	\$2,399,914	\$50,697,717	4.97%	4.97%
12	Base Revenue Only							
13	RS - Residential Service	355,693	2,370,053.3	\$16,233,946	\$1,520,913	\$17,754,859	9.37%	9.37%
14	GS1 - General Service Under 2,092 Dth Annually	41,509	1,004,190.7	6,360,285	454,317	6,814,602	7.14%	7.15%
15	GS2 - General Service 2,092 Dth up to 52,300 Dth Annually	1,247	488,441.1	1,724,413	15,500	1,739,913	0.90%	7.15%
16	IS1 - Interruptible Service Under 2,092 Dth Annually	0	0.0	0	0	0	0.00%	7.15%
17	IS2 - Interruptible Service 2,092 Dth up to 52,300 Dth Annually	36	26,657.1	78,720	11,204	89,924	14.23%	7.15%
18	TS1 - Small Transportation Service Under 2,092 Dth Annually	1,991	134,418.9	692,719	50,081	742,800	7.23%	7.15%
19	TS2 - Transportation Service less than or equal to 52,300 Dth Annually	864	605,134.0	1,337,857	197,907	1,535,764	14.79%	7.15%
20	TS3 - Transportation Service greater than 52,300 Dth Annually	132	1,555,457.4	2,100,197	149,992	2,250,189	7.14%	7.14%
21	Total Base Revenues	401,472	6,184,352.5	\$28,528,137	\$2,399,914	\$30,928,051	8.41%	8.41%

Columbia Gas of Maryland, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the Twelve Months Ending April 30, 2017

Line No.	DESCRIPTION	Adjusted Bills (1) DTH (Exhibit 2-B)	Adjusted Volumes (2) DTH (Exhibit 2-C)	Revenue @ Current Rates (3) \$ (Exhibit 2-E)	Proposed Revenue Increase (4) \$ (Exhibit 2-E)	Total Proposed Revenue (5=3+4) \$ (Exhibit 2-E)	Proposed Increase By Rate Sched (6) % (Exhibit 2-E)	Proposed Increase By Rate Class (7) % (Exhibit 2-E)
1	PGA Revenue Only							
2	RS - Residential Service			\$11,664,077	\$0	\$11,664,077	0.00%	0.00%
3	GS1 - General Service Under 2,092 Dth Annually			4,942,065	0	4,942,065	0.00%	0.00%
4	GS2 - General Service 2,092 Dth up to 52,300 Dth Annually			2,403,834	0	2,403,834	0.00%	0.00%
5	IS1 - Interruptible Service Under 2,092 Dth Annually			0	0	0	0.00%	0.00%
6	IS2 - Interruptible Service 2,092 Dth up to 52,300 Dth Annually			99,957	0	99,957	0.00%	0.00%
7	TS1 - Small Transportation Service Under 2,092 Dth Annually			156,316	0	156,316	0.00%	0.00%
8	TS2 - Transportation Service less than or equal to 52,300 Dth Annually			0	0	0	0.00%	0.00%
9	TS3 - Transportation Service greater than 52,300 Dth Annually			0	0	0	0.00%	0.00%
10	Total PGA Revenues			\$19,266,249	\$0	\$19,266,249	0.00%	0.00%
11	Uncollectible Surcharge Only							
12	RS - Residential Service			\$68,495	\$0	\$68,495	0.00%	0.00%
13	GS1 - General Service Under 2,092 Dth Annually			29,021	0	29,021	0.00%	0.00%
14	GS2 - General Service 2,092 Dth up to 52,300 Dth Annually			14,116	0	14,116	0.00%	0.00%
15	IS1 - Interruptible Service Under 2,092 Dth Annually			0	0	0	0.00%	0.00%
16	IS2 - Interruptible Service 2,092 Dth up to 52,300 Dth Annually			770	0	770	0.00%	0.00%
17	TS1 - Small Transportation Service Under 2,092 Dth Annually			0	0	0	0.00%	0.00%
18	TS2 - Transportation Service less than or equal to 52,300 Dth Annually			0	0	0	0.00%	0.00%
19	TS3 - Transportation Service greater than 52,300 Dth Annually			0	0	0	0.00%	0.00%
20	Total Uncollectible Surcharge Revenues			\$112,402	\$0	\$112,402	0.00%	0.00%

Columbia Gas of Maryland, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the Twelve Months Ending April 30, 2017

Line No.	DESCRIPTION	Adjusted Bills (1) DTH (Exhibit 2-B)	Adjusted Volumes (2) DTH (Exhibit 2-C)	Revenue @ Current Rates (3) \$ (Exhibit 2-E)	Proposed Revenue Increase (4) \$ (Exhibit 2-E)	Total Proposed Revenue (5=3+4) \$ (Exhibit 2-E)	Proposed Increase By Rate Sched (6) % (Exhibit 2-E)	Proposed Increase By Rate Class (7) %
1	Consumption Tax Revenue Only							
2	RS - Residential Service			\$95,276	\$0	\$95,276	0.00%	0.00%
3	GS1 - General Service Under 2,092 Dth Annually			40,368	0	40,368	0.00%	0.00%
4	GS2 - General Service 2,092 Dth up to 52,300 Dth Annually			19,635	0	19,635	0.00%	0.00%
5	IS1 - Interruptible Service Under 2,092 Dth Annually			0	0	0	0.00%	0.00%
6	IS2 - Interruptible Service 2,092 Dth up to 52,300 Dth Annually			1,072	0	1,072	0.00%	0.00%
7	TS1 - Small Transportation Service Under 2,092 Dth Annually			5,404	0	5,404	0.00%	0.00%
8	TS2 - Transportation Service less than or equal to 52,300 Dth Annually			21,925	0	21,925	0.00%	0.00%
9	TS3 - Transportation Service greater than 52,300 Dth Annually			50,954	0	50,954	0.00%	0.00%
10	Total Consumption Tax Revenues			\$234,634	\$0	\$234,634	0.00%	0.00%
11	DSM Charge Only							
12	RS - Residential Service			\$47,401	\$0	\$47,401	0.00%	0.00%
13	GS1 - General Service Under 2,092 Dth Annually			20,084	0	20,084	0.00%	0.00%
14	GS2 - General Service 2,092 Dth up to 52,300 Dth Annually			9,769	0	9,769	0.00%	0.00%
15	IS1 - Interruptible Service Under 2,092 Dth Annually			0	0	0	0.00%	0.00%
16	IS2 - Interruptible Service 2,092 Dth up to 52,300 Dth Annually			0	0	0	0.00%	0.00%
17	TS1 - Small Transportation Service Under 2,092 Dth Annually			2,688	0	2,688	0.00%	0.00%
18	TS2 - Transportation Service less than or equal to 52,300 Dth Annually			0	0	0	0.00%	0.00%
19	TS3 - Transportation Service greater than 52,300 Dth Annually			0	0	0	0.00%	0.00%
20	Total DSM Charge Revenues			\$79,942	\$0	\$79,942	0.00%	0.00%

Columbia Gas of Maryland, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the Twelve Months Ending April 30, 2017

Line No.	Description	Total (1)	RS (2)	GS1/IS1/TS1 (3)	GS2/IS2/TS2 (4)	GS3/IS3/TS3 (5)
1	Determination of Revenue Distribution					
2	Revenue Required Increase Per Settlement	2,400,000	1,520,832	504,360	224,616	150,192
3	Percent Distribution (Staff's Allocations Exhibit KLS-1)	100.000%	63.368%	21.015%	9.359%	6.258%
4	Less: Proposed Change Other Gas Department Revenue (Exhibit 2 Sheet 2)	0	0	0	0	0
5	Proposed Increase to Base Revenue	\$2,400,000	\$1,520,832	\$504,360	\$224,616	\$150,192
6	Percent Distribution to Rate Classes	100.000%	63.368%	21.015%	9.359%	6.258%
7	Current Base Revenue	28,528,137	16,233,946	7,053,004	3,140,990	2,100,197
8	Current Percent Distribution of Rate Classes	100.000%	56.905%	24.723%	11.010%	7.362%
9	Proposed Base Revenue	30,928,137	17,754,778	7,557,364	3,365,606	2,250,389
10	Proposed Percent Distribution of Rate Classes	100.000%	57.407%	24.435%	10.882%	7.276%

Columbia Gas of Maryland, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the Twelve Months Ending April 30, 2017

		<u>Bills</u>	<u>Dth</u>	<u>Proposed Rate</u> (\$)	<u>Proposed Revenue</u> (\$)	<u>Current Rev Revenue</u> (\$)	<u>Current Rate</u> (\$)	<u>Proposed Inc. (Dec.)</u> (\$)
1	RS Rate Design							
2	Total Revenue @ Current Rates				28,109,195			
3	Less: Gas Cost Revenue				11,664,077			
4	Less: Uncollectible Surcharge				68,495			
5	Less: Consumption Tax				95,276			
6	Less: DSM Surcharge				47,401			
7	Plus: Proposed Increase to Base Rates				1,520,832			
8	Proposed Base Revenue				17,754,778			
9	Less: System Charge Revenue (Exhibit 2E)			14.52	5,164,662	5,068,625	14.25	96,037
10	Net Volumetric Base Revenue	355,693			12,590,116			
11	All Gas Consumed		2,370,053.3	5.3122	12,590,197	11,165,321	4.7110	1,424,876
12	Total Base Revenue Change							1,520,913
13	GS1/IS1/TS1 Rate Design	<u>Bills</u>	<u>Dth</u>	<u>Proposed Rate</u> (\$)	<u>Proposed Revenue</u> (\$)	<u>Current Revenue</u> (\$)	<u>Current Rate</u> (\$)	<u>Proposed Inc. (Dec.)</u> (\$)
14	Total Revenue @ Current Rates				12,248,950			
15	Less: Gas Cost Revenue				5,098,381			
16	Less: Uncollectible Surcharge				29,021			
17	Less: Consumption Tax				45,772			
18	Less: DSM Surcharge				22,772			
19	Plus: Proposed Increase to Base Rates				504,360			
20	Net Base Revenue				7,557,364			
21	Less: System Charge Revenue (GS1/IS1/TS1 under 2,092 Dth Annually)			47.51	2,066,685	1,935,751	44.50	130,934
22	Net Volumetric Base Revenue (GS1/IS1/TS1)	43,500			5,490,679			
23	All Gas Consumed		1,138,609.6	4.8223	5,490,717	5,117,253	4.4943	373,464
24	Total Base Revenue Change							504,398

Columbia Gas of Maryland, Inc.
Allocation of Proposed Annual Revenues by Rate Schedule Based on Revenue Requirement
For the Twelve Months Ending April 30, 2017

	Bills	Dth	Proposed Rate (\$)	Proposed Revenue (\$)	Current Revenue (\$)	Current Rate [1] (\$)	Proposed Inc. (Dec.) (\$)
1	GS2/IS2/TS2 Rate Design						
2	Total Revenue @ Current Rates						
3	Less: Gas Cost Revenue			5,712,068			
4	Less: Uncollectible Surcharge			2,503,791			
5	Less: Consumption Tax			14,886			
6	Less: DSM Surcharge			42,632			
7	Plus: Proposed Increase to Base Rates			9,769			
8	Net Base Revenue			224,616			
9	Less: System Charge Revenue (GS2/IS2/TS2) 2.092 Dth up to 52,300 Dth Annual)			3,365,606			
10	Net Volumetric Base Revenue (GS2/IS2/TS2)	2,147	157.02	337,122	310,435	144.59	26,687
11	All Gas Consumed (GS2)			3,028,484			
12	All Gas Consumed (IS2)	488,441.1	3.1613	1,544,109	1,544,109	3.1613	0
13	All Gas Consumed (TS2)	26,657.1	3.1613	84,271	73,515	2.7578	10,756
14	Total Base Revenue Change	605,134.0	2.3137	1,400,104	1,212,931	2.0044	187,173
							224,616
15	GS3/IS3/TS3 Rate Design						
16	Total Revenue @ Current Rates						
17	Less: Gas Cost Revenue			2,151,151			
18	Less: Uncollectible Surcharge			0			
19	Less: Consumption Tax			0			
20	Less: DSM Surcharge			50,954			
21	Plus: Proposed Increase to Base Rates			0			
22	Net Base Revenue			150,192			
23	Less: System Charge Revenue (GS3/IS3/TS3 greater than 52,300 Dth Annually)			2,250,389			
24	Net Volumetric Base Revenue (GS3/IS3/TS3)	132	797.07	105,213	99,257	751.95	5,956
25	All Gas Consumed			2,145,176			
26	Total Base Revenue Change	1,555,457.4	1.3790	2,144,976	2,000,940	1.2864	144,036
							149,992

COLUMBIA GAS OF MARYLAND, INC.
COMPARISON OF MONTHLY BILLS
RESIDENTIAL SERVICE

	PRESENT RATES	PROPOSED RATES
CUSTOMER CHARGE	\$14.25	\$14.52
ALL GAS CONSUMED	4.7110	5.3122
PGA	4.9214	4.9214
Uncollectible Surcharge	0.0298	0.0289
Consumption Tax	0.0402	0.0402
DSM	0.0200	0.0200
IRIS	2.00	2.00

Average Monthly Bill 7.0 Dth

Dth	Present \$	Proposed \$	DIFFERENCE	
			Amount \$	Percent %
1	25.97	26.84	0.87	3.35%
3	45.42	47.49	2.07	4.56%
6	74.58	78.46	3.88	5.20%
7	84.31	88.78	4.47	5.30%
8	94.03	99.10	5.07	5.39%
9	103.75	109.42	5.67	5.47%
10	113.47	119.75	6.28	5.53%
15	162.09	171.36	9.27	5.72%
20	210.70	222.97	12.27	5.82%
25	259.31	274.59	15.28	5.89%
30	307.92	326.20	18.28	5.94%
35	356.54	377.82	21.28	5.97%
40	405.15	429.43	24.28	5.99%
45	453.76	481.04	27.28	6.01%
50	502.37	532.66	30.29	6.03%

COLUMBIA GAS OF MARYLAND, INC.
COMPARISON OF MONTHLY BILLS
GENERAL SERVICE- C&I
LESS THAN 2,092 Dth PER YEAR

	PRESENT RATES	PROPOSED RATES
CUSTOMER CHARGE	\$44.50	\$47.51
ALL GAS CONSUMED	4.4943	4.8223
PGA	4.9214	4.9214
Uncollectible Surcharge	0.0298	0.0289
Consumption Tax	0.0402	0.0402
DSM	0.0200	0.0200
IRIS	6.64	6.79

Average Monthly Bill 24.0 Dth

Dth	Present \$	Proposed \$	DIFFERENCE	
			Amount \$	Percent %
1	60.65	64.13	3.48	5.74%
3	79.66	83.80	4.14	5.20%
5	98.67	103.46	4.79	4.85%
7	117.68	123.13	5.45	4.63%
8	127.19	132.96	5.77	4.54%
10	146.20	152.63	6.43	4.40%
15	193.73	201.79	8.06	4.16%
24	279.28	290.29	11.01	3.94%
30	336.31	349.29	12.98	3.86%
35	383.84	398.45	14.61	3.81%
40	431.37	447.61	16.24	3.76%
45	478.90	496.78	17.88	3.73%
50	526.43	545.94	19.51	3.71%
60	621.48	644.27	22.79	3.67%
70	716.54	742.60	26.06	3.64%
80	811.60	840.93	29.33	3.61%
90	906.66	939.26	32.60	3.60%
100	1,001.71	1,037.58	35.87	3.58%
150	1,477.00	1,529.23	52.23	3.54%
200	1,952.29	2,020.87	68.58	3.51%
250	2,427.58	2,512.51	84.93	3.50%
300	2,902.86	3,004.15	101.29	3.49%
500	4,804.01	4,970.72	166.71	3.47%

COLUMBIA GAS OF MARYLAND, INC.
COMPARISON OF MONTHLY BILLS
GENERAL SERVICE- C&I
Between 2,092 and 52,300 Dth per Year

	PRESENT RATES	PROPOSED RATES
CUSTOMER CHARGE	\$144.59	\$157.02
ALL GAS CONSUMED	3.1613	3.1613
PGA	4.9214	4.9214
Uncollectible Surcharge	0.0298	0.0289
Consumption Tax	0.0402	0.0402
DSM	0.0200	0.0200
IRIS	55.86	59.41

Average Monthly Bill 394.0 Dth

Dth	Present \$	Proposed \$	DIFFERENCE	
			Amount \$	Percent %
1	208.62	224.60	15.98	7.66%
5	241.31	257.29	15.98	6.62%
10	282.18	298.15	15.97	5.66%
25	404.77	420.73	15.96	3.94%
50	609.09	625.02	15.93	2.62%
100	1,017.72	1,033.61	15.89	1.56%
200	1,835.00	1,850.80	15.80	0.86%
300	2,652.27	2,667.98	15.71	0.59%
394	3,420.51	3,436.14	15.63	0.46%
500	4,286.82	4,302.35	15.53	0.36%
1000	8,373.19	8,388.27	15.08	0.18%
2000	16,545.93	16,560.11	14.18	0.09%
3000	24,718.67	24,731.95	13.28	0.05%
4000	32,891.41	32,903.79	12.38	0.04%
5000	41,064.15	41,075.63	11.48	0.03%
6000	49,236.89	49,247.47	10.58	0.02%
7000	57,409.63	57,419.31	9.68	0.02%

COLUMBIA GAS OF MARYLAND, INC.
COMPARISON OF MONTHLY BILLS
INTERRUPTIBLE SERVICE- C&I
LESS THAN 2,092 Dth PER YEAR

	PRESENT RATES	PROPOSED RATES
CUSTOMER CHARGE	\$44.50	\$47.51
ALL GAS CONSUMED	4.4943	4.8223
PGA	3.7497	3.7497
Uncollectible Surcharge	0.0298	0.0289
Consumption Tax	0.0402	0.0402
DSM	0.0000	0.0000
IRIS	6.64	6.79

Average Monthly Bill 0.0 Dth

Dth	Present \$	Proposed \$	DIFFERENCE	
			Amount \$	Percent %
0	51.14	54.30	3.16	6.18%
1	59.45	62.94	3.49	5.87%
3	76.08	80.22	4.14	5.44%
5	92.71	97.51	4.80	5.18%
7	109.34	114.79	5.45	4.98%
8	117.65	123.43	5.78	4.91%
10	134.28	140.71	6.43	4.79%
15	175.85	183.92	8.07	4.59%
30	300.56	313.53	12.97	4.32%
35	342.13	356.74	14.61	4.27%
40	383.70	399.95	16.25	4.24%
45	425.27	443.15	17.88	4.20%
50	466.84	486.36	19.52	4.18%
60	549.98	572.77	22.79	4.14%
70	633.12	659.18	26.06	4.12%
80	716.26	745.59	29.33	4.09%
90	799.40	832.00	32.60	4.08%
100	882.54	918.41	35.87	4.06%
150	1,298.25	1,350.47	52.22	4.02%
200	1,713.95	1,782.53	68.58	4.00%
250	2,129.65	2,214.59	84.94	3.99%
300	2,545.35	2,646.64	101.29	3.98%
500	4,208.16	4,374.87	166.71	3.96%

COLUMBIA GAS OF MARYLAND, INC.
COMPARISON OF MONTHLY BILLS
INTERRUPTIBLE SERVICE- C&I
Between 2,092 and 52,300 Dth per Year

	PRESENT RATES	PROPOSED RATES
CUSTOMER CHARGE	\$144.59	\$157.02
ALL GAS CONSUMED	2.7578	3.1613
PGA	3.7497	3.7497
Uncollectible Surcharge	0.0298	0.0289
Consumption Tax	0.0402	0.0402
DSM	0.0000	0.0000
IRIS	55.86	59.41

Average Monthly Bill 740.0 Dth

Dth	Present \$	Proposed \$	DIFFERENCE	
			Amount \$	Percent %
1	207.03	223.41	16.38	7.91%
5	233.34	251.33	17.99	7.71%
10	266.23	286.23	20.00	7.51%
25	364.89	390.93	26.04	7.14%
50	529.33	565.44	36.11	6.82%
100	858.20	914.44	56.24	6.55%
200	1,515.96	1,612.46	96.50	6.37%
400	2,831.47	3,008.49	177.02	6.25%
740	5,067.83	5,381.73	313.90	6.19%
800	5,462.48	5,800.54	338.06	6.19%
1000	6,777.99	7,196.57	418.58	6.18%
2000	13,355.53	14,176.71	821.18	6.15%
3000	19,933.07	21,156.85	1,223.78	6.14%
4000	26,510.61	28,136.99	1,626.38	6.13%
5000	33,088.15	35,117.13	2,028.98	6.13%
6000	39,665.69	42,097.27	2,431.58	6.13%
7000	46,243.23	49,077.41	2,834.18	6.13%

COLUMBIA GAS OF MARYLAND, INC.
COMPARISON OF MONTHLY BILLS
SMALL TRANSPORTATION SERVICE- C&I
LESS THAN 2,092 Dth PER YEAR

	PRESENT RATES	PROPOSED RATES
CUSTOMER CHARGE	\$44.50	\$47.51
ALL GAS CONSUMED	4.4943	4.8223
PGA	1.1629	1.1629
Consumption Tax	0.0402	0.0402
DSM	0.0200	0.0200
IRIS	6.64	6.79

Average Monthly Bill 68.0 Dth

Dth	Present \$	Proposed \$	DIFFERENCE	
			Amount \$	Percent %
1	56.86	60.35	3.49	6.14%
3	68.29	72.44	4.15	6.08%
5	79.73	84.53	4.80	6.02%
7	91.16	96.62	5.46	5.99%
8	96.88	102.66	5.78	5.97%
10	108.31	114.75	6.44	5.95%
15	136.90	144.98	8.08	5.90%
30	222.66	235.66	13.00	5.84%
35	251.25	265.89	14.64	5.83%
40	279.84	296.12	16.28	5.82%
45	308.42	326.34	17.92	5.81%
50	337.01	356.57	19.56	5.80%
68	439.92	465.39	25.47	5.79%
60	394.18	417.02	22.84	5.79%
80	508.53	537.93	29.40	5.78%
90	565.71	598.39	32.68	5.78%
100	622.88	658.84	35.96	5.77%
150	908.75	961.11	52.36	5.76%
200	1,194.62	1,263.38	68.76	5.76%
250	1,480.49	1,565.65	85.16	5.75%
300	1,766.36	1,867.92	101.56	5.75%
500	2,909.84	3,077.00	167.16	5.74%

COLUMBIA GAS OF MARYLAND, INC.
COMPARISON OF MONTHLY BILLS
TRANSPORTATION SERVICE- C&I
LESS THAN OR EQUAL TO 52,300 Dth PER YEAR

	PRESENT RATES	PROPOSED RATES
CUSTOMER CHARGE	\$144.59	\$157.02
ALL GAS CONSUMED	2.0044	2.3137
PGA	0.0000	0.0000
Consumption Tax	0.0402	0.0402
DSM	0.0000	0.0000
IRIS	55.86	59.41

Average Monthly Bill 701.0 Dth

Dth	Present \$	Proposed \$	DIFFERENCE	
			Amount \$	Percent %
1	202.49	218.78	16.29	8.04%
5	210.67	228.20	17.53	8.32%
10	220.90	239.97	19.07	8.63%
25	251.57	275.28	23.71	9.42%
50	302.68	334.13	31.45	10.39%
100	404.91	451.82	46.91	11.59%
200	609.37	687.21	77.84	12.77%
400	1,018.29	1,157.99	139.70	13.72%
701	1,633.71	1,866.51	232.80	14.25%
800	1,836.13	2,099.55	263.42	14.35%
1000	2,245.05	2,570.33	325.28	14.49%
2000	4,289.65	4,924.23	634.58	14.79%
3000	6,334.25	7,278.13	943.88	14.90%
4000	8,378.85	9,632.03	1,253.18	14.96%
5000	10,423.45	11,985.93	1,562.48	14.99%
6000	12,468.05	14,339.83	1,871.78	15.01%
7000	14,512.65	16,693.73	2,181.08	15.03%

COLUMBIA GAS OF MARYLAND, INC.
COMPARISON OF MONTHLY BILLS
TRANSPORTATION SERVICE- C&I
GREATER THAN 52,300 Dth PER YEAR

	PRESENT RATES	PROPOSED RATES
CUSTOMER CHARGE	\$751.95	\$797.07
ALL GAS CONSUMED	1.2864	1.3790
PGA	0.0000	0.0000
Consumption Tax	0.0402	0.0402
DSM	0.0000	0.0000
IRIS	510.25	604.32

Average Monthly Bill 11,784.0 Dth

Dth	Present \$	Proposed \$	DIFFERENCE	
			Amount \$	Percent %
1	1,263.53	1,402.81	139.28	11.02%
5	1,268.83	1,408.49	139.66	11.01%
10	1,275.47	1,415.58	140.11	10.98%
25	1,295.37	1,436.87	141.50	10.92%
50	1,328.53	1,472.35	143.82	10.83%
100	1,394.86	1,543.31	148.45	10.64%
200	1,527.52	1,685.23	157.71	10.32%
300	1,660.18	1,827.15	166.97	10.06%
400	1,792.84	1,969.07	176.23	9.83%
500	1,925.50	2,110.99	185.49	9.63%
1000	2,588.80	2,820.59	231.79	8.95%
2000	3,915.40	4,239.79	324.39	8.28%
3000	5,242.00	5,658.99	416.99	7.95%
4000	6,568.60	7,078.19	509.59	7.76%
5000	7,895.20	8,497.39	602.19	7.63%
6000	9,221.80	9,916.59	694.79	7.53%
7000	10,548.40	11,335.79	787.39	7.46%
8000	11,875.00	12,754.99	879.99	7.41%
10000	14,528.20	15,593.39	1,065.19	7.33%
11784	16,894.85	18,125.24	1,230.39	7.28%
20000	27,794.20	29,785.39	1,991.19	7.16%

**Columbia Gas of Maryland, Inc.
Test Year Residential Base Monthly Revenue
For the Twelve Months Ending April 30, 2017**

<u>Line No.</u>	<u>Description</u>	<u>Bills</u> (1) <i>Exhibit 2-B</i>	<u>Volumes</u> (2) Dth <i>Exhibit 2-C</i>	<u>Proposed Rates</u> (3) \$/Dth	<u>Revenue @ Proposed Rates</u> (4) \$	<u>Average Use Per Customer</u> (5) (Dth/Bill)
1	January 2017					
2	RS - Residential Service					
3	System Charge	30,004		14.52	435,658	
4	Distribution Charge		488,485.1	5.3122	<u>2,594,931</u>	
5	Total				3,030,589	16.3
6	February 2017					
7	RS - Residential Service					
8	System Charge	30,077		14.52	436,718	
9	Distribution Charge		480,907.4	5.3122	<u>2,554,676</u>	
10	Total				2,991,394	16.0
11	March 2017					
12	RS - Residential Service					
13	System Charge	30,133		14.52	437,531	
14	Distribution Charge		372,747.8	5.3122	<u>1,980,111</u>	
15	Total				2,417,642	12.4
16	April 2017					
17	RS - Residential Service					
18	System Charge	30,126		14.52	437,430	
19	Distribution Charge		262,014.0	5.3122	<u>1,391,871</u>	
20	Total				1,829,301	8.7
21	May 2016					
22	RS - Residential Service					
23	System Charge	29,752		14.52	431,999	
24	Distribution Charge		106,221.5	5.3122	<u>564,270</u>	
25	Total				996,269	3.6

**Columbia Gas of Maryland, Inc.
Test Year Residential Base Monthly Revenue
For the Twelve Months Ending April 30, 2017**

<u>Line No.</u>	<u>Description</u>	<u>Bills</u> (1) <i>Exhibit 2-B</i>	<u>Volumes</u> (2) Dth <i>Exhibit 2-C</i>	<u>Proposed Rates</u> (3) \$/Dth	<u>Revenue @ Proposed Rates</u> (4) \$	<u>Average Use Per Customer</u> (5) (Dth/Bill)
1	June 2016					
2	RS - Residential Service					
3	System Charge	29,526		14.52	428,718	
4	Distribution Charge		58,140.0	5.3122	<u>308,851</u>	
5	Total				737,569	2.0
6	July 2016					
7	RS - Residential Service					
8	System Charge	29,326		14.52	425,814	
9	Distribution Charge		32,120.4	5.3122	<u>170,630</u>	
10	Total				596,444	1.1
11	August 2016					
12	RS - Residential Service					
13	System Charge	29,188		14.52	423,810	
14	Distribution Charge		28,001.5	5.3122	<u>148,750</u>	
15	Total				572,560	1.0
16	September 2016					
17	RS - Residential Service					
18	System Charge	29,096		14.52	422,474	
19	Distribution Charge		28,761.4	5.3122	<u>152,786</u>	
20	Total				575,260	1.0
21	October 2016					
22	RS - Residential Service					
23	System Charge	29,196		14.52	423,926	
24	Distribution Charge		50,924.6	5.3122	<u>270,522</u>	
25	Total				694,448	1.7

**Columbia Gas of Maryland, Inc.
Test Year Residential Base Monthly Revenue
For the Twelve Months Ending April 30, 2017**

<u>Line No.</u>	<u>Description</u>	<u>Bills</u> (1) <i>Exhibit 2-B</i>	<u>Volumes</u> (2) Dth <i>Exhibit 2-C</i>	<u>Proposed Rates</u> (3) \$/Dth	<u>Revenue @ Proposed Rates</u> (4) \$	<u>Average Use Per Customer</u> (5) (Dth/Bill)
1	November 2016					
2	RS - Residential Service					
3	System Charge	29,444		14.52	427,527	
4	Distribution Charge		140,744.0	5.3122	<u>747,660</u>	
5	Total				1,175,187	4.8
6	December 2016					
7	RS - Residential Service					
8	System Charge	29,825		14.52	433,059	
9	Distribution Charge		320,985.6	5.3122	<u>1,705,140</u>	
10	Total				2,138,199	10.8
11	12 Months Ending April 30, 2017					
12	RS - Residential Service					
13	System Charge	355,693		14.52	5,164,662	
14	Distribution Charge		2,370,053.3	5.3122	<u>12,590,197</u>	
15	Total				17,754,859	79.4

**Columbia Gas of Maryland
Summary of Proposed Depreciation Rates
SFAS 143 Method - 7.352% Discount Rate**

ACCOUNT		Total Annual Accrual Rate
MANUFACTURED GAS PLANT		
305.00	STRUCTURES AND IMPROVEMENTS	-
311.00	LIQUEFIED PETROLEUM GAS EQUIPMENT	-
TOTAL MANUFACTURED GAS PLANT		-
DISTRIBUTION PLANT		
374.40	LAND AND LAND RIGHTS - LAND RIGHTS	1.17
374.50	LAND AND LAND RIGHTS - RIGHTS-OF-WAY	1.07
375.00	STRUCTURES AND IMPROVEMENTS	1.57
376.00	MAINS	1.46
378.00	MEASURING AND REGULATING STATION EQUIPMENT	2.63
380.00	SERVICES	3.48
381.00	METERS	1.48
382.00	METER INSTALLATIONS	1.54
383.00	HOUSE REGULATORS	1.82
384.00	HOUSE REGULATOR INSTALLATIONS	0.50
385.00	INDUSTRIAL MEASURING AND REGULATING STATION EQUIPMENT	2.96
387.41	OTHER EQUIPMENT - TELEPHONE	1.00
387.42	OTHER EQUIPMENT - RADIO	1.88
387.45	OTHER EQUIPMENT - TELEMETERING	4.84
387.46	OTHER EQUIPMENT - CUSTOMER INFORMATION SERVICES	1.23
TOTAL DISTRIBUTION PLANT		2.13
GENERAL PLANT		
391.10	OFFICE FURNITURE AND EQUIPMENT - FURNITURE	5.00
391.12	OFFICE FURNITURE AND EQUIPMENT - INFORMATION SYSTEMS	19.95
392.20	TRANSPORTATION EQUIPMENT - TRAILERS	8.13
393.00	STORES EQUIPMENT	4.00
394.00	TOOLS, SHOP AND GARAGE EQUIPMENT	3.99
395.00	LABORATORY EQUIPMENT	-
396.00	POWER OPERATED EQUIPMENT	(0.63)
398.00	MISCELLANEOUS EQUIPMENT	6.69
TOTAL GENERAL PLANT		4.39

