

Vermont Gas Systems
Determination of Firm Rates Change

Required Revenue

Operating Costs

| | |
|--|---------------------|
| Production | \$36,229 |
| Transmission | \$2,382,497 |
| Distribution | \$4,605,550 |
| Customer Accounts | \$1,932,576 |
| Sales | \$296,340 |
| Admin & General | \$11,998,749 |
| Total Operating Costs | \$21,251,940 |
| Non-Operating Costs (Depreciation, Taxes, cost of rate base) | \$44,411,385 |
| Earning Sharing | \$0 |
| Other Income | (\$2,143,772) |
| SERF withdrawal | (\$3,500,000) |
| Total Required Non-Gas Revenue | \$60,019,554 |

Current Non-Gas Revenue

\$56,528,815

Non-Gas Rate Change Supported

6.18%

Total Required Non-Gas Revenue**\$60,019,554**

Foregone Collection

Total Requested Non-Gas Revenue**\$60,019,554**

Current Non-Gas Revenue

\$56,528,815

Non-Gas Rate Change Requested

6.18%

Plus Net Gas Costs

\$34,612,787

Current Gas Revenues

\$34,724,383

PGA Change

-0.3%

Total Firm Revenue Requirements

\$94,632,341

Total Current Firm Revenues

\$91,253,198.80

Overall Firm Rate Change**3.7%****Total Cost of Service**

| | |
|---------------------------|---------------|
| Required Non-Gas Revenues | \$60,019,554 |
| Plus Misc. Revenues | \$2,143,772 |
| Gas Costs | \$67,715,269 |
| Total Cost of Service | \$129,878,595 |

Collected From

| | |
|-------------------------|--------------|
| Daily Access Charge | \$19,056,020 |
| Natural Gas Charge | \$34,612,399 |
| Distribution Charges | \$40,961,082 |
| Sub-Total Firm Revenues | \$94,629,501 |
| Unbilled | \$0 |
| Total Firm Revenues | \$94,629,501 |

| | |
|------------------------|--------------|
| Interruption Revenues | \$33,102,482 |
| Off-System Revenues | \$0 |
| Transport Revenues | \$0 |
| Miscellaneous Revenues | \$2,143,772 |

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|----------------------|---------------|
| Grand Total Revenues | \$129,875,754 |
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