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Academy for Educational Development

ARMENIA ENERGY TRAINING PROGRAM

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Technical Report

Course on Natural Gas Transmission and Distribution Pricing

April 30, 1999

Submitted to U S Agency for International Development

Submitted by the Academy for Educational Development
with Hagler Bailly Services

ARMENIA ENERGY SECTOR TRAINING PROGRAM
Technical Report
Course #3 Natural Gas Transmission and Distribution Pricing

USAID Strategic Objective 1.5	A more economically sustainable and environmentally sound energy sector
Intermediate Result 2	Increased economic efficiency in the energy sector
Participant profile	Armenia's energy companies, government ministries and regulatory entities with competence over the energy sector

1 Course Purpose

The objectives of the AED seminar were to build consensus and awareness of the need for tariff reform in the natural gas industry, to enable participants in the use of methods and approaches for introducing full-cost recovery and transparent tariffs to increase cash flow and savings into the sector, and to improve understanding regarding international trends in the natural gas industry

2 Dates/Trainers/Attendees

The course was conducted April 5-9, 1999. Helmut Merklein served as the primary instructor with support from Mr. Dave Nikol Dr. A. Hovsepyan, Commissioner and Mr. V. Matevosyan served as the Armenian co-trainers and also taught sections of the course. All of the trainers received positive evaluations from course participants on the course evaluation form. The list of participants is shown as Table 1. Participants represented a variety of Managers from the Gas Enterprises, Ministry officials and officials of the Regulatory Commission.

The course was scheduled for a full five days, but Tuesday, April 6 was Women's Day, a national holiday in Armenia. Women's Day has been reset to another date, and there was uncertainty how the Government would treat this date in 1999. Only days before April 6, the Government decided to celebrate the occasion for the last time on this date. The instructors made up for the lost time by working for an hour or so longer every day, and by having in-depth discussions after each formal seminar with small groups directly involved in tariffs.

**Table 1 List of participants
Natural Gas Transmission and Distribution Pricing
(April 5-9, 1999)**

	Name	Organization	April 5	April 6	April 8	April 9
1	Gabrielyan Haroutiun	Ministry of Energy	X	X		X
2	Petrosyan Marine	Ministry of Energy		X	X	X
3	Danielyan Galina	Hayrusgasart	X	X	X	X
4	Sargsyan Angela	Hayrusgasart			X	
5	Hovhannisyan Nikoghos	Hayrusgasart	X	X	X	X
6	Grigoryan Levon	Hayrusgasart	X			
7	Matevosyan Vahagn	Hayrusgasart	X	X	X	X
8	Karapetyan Aram	ERC			X	
9	Martirosyan Vahagn	ERC	X		X	X
10	Avetisyan Anahit	ERC	X	X	X	X
11	Grigoryan Gevorg	ERC		X	X	X
12	Nazaryan Samvel	ERC	X	X	X	
13	Babayan Anahit	ERC			X	X
14	Vardanyan Arthur	ERC			X	
15	Knachatryan Levon	Haygasproject	X	X	X	X
16	Aghasaryan Robert	Haygasproject	X	X	X	
17	Orbelyan Yuri	Haygasproject	X	X		X
18	Arakelyan Vahan	Haygas		X		
19	Alaverdyan Haroutiun	Haygas		X		X
20	Zakaryan Araik	Haygas	X	X		X
21	Poghosyan Hakob	Armtransgas	X	X	X	X
22	Baybourtyan Hasmik	Armtransgas	X	X	X	X
23	Hakobyan David	Armtransgas	X			
24	Saponjyan Anna	Armtransgas		X		X
25	Shahbazyan Tigran	Yerevangas	X			
26	Khambaryan Meroujan	Yerevangas	X			X
27	Mheryan Samvel	Yerevangas		X		
28	Serchinyan Garnik	Yerevangas	X	X	X	X
Total Attendance			18	19	17	18

C Material Covered

The objectives of the AED seminar were to build consensus and awareness of the need for tariff reform in the natural gas industry, to enable participants in the use of methods and approaches for introducing full-cost recovery and transparent tariffs to increase cash flow and savings into the sector, and to improve understanding regarding international trends in the natural gas industry. The targeted course participants were Enterprise Managers, Ministry officials, and officials of the Regulatory Commission. Some 17-19 staff members of these organizations attended the seminar. A daily list of the attendants is attached.

This AED seminar was divided into three segments. The first day dealt with the re-definition of operating and maintenance costs as agreed on after negotiations with the Armenian Energy Regulatory Commission, especially Commissioner Hovsepyan. The second day saw the introduction of the US Federal Energy Regulatory Commission's principal data collection form (FERC Form 2). Days three and four were devoted to the introduction and discussion of a pipeline and distribution company tariff model, complete with an attendant 30-year financial cash-flow projection. The participants in the seminar received a copy of the spreadsheet model for their own use. The two co-trainers in the seminar, Commissioner Hovsepyan and Mr. Vaghan Matevosyan, a computer expert from the finance department of the Armenian pipeline company, fully understand the model and will be able to carry on after we leave.

PRINCIPAL TOPICS

Included among the principal topics of the AED seminar were

- A historical Background of Gas Consumption in Armenia prior to 1989, since 1989, and Projected Consumption into the Future
- General Pricing Principles: Cost Recovery, Asset Valuation, Depreciation, Profits
- Earlier Merklein & Associates Tariff Study and Implications for Armenia
- Demand and Commodity Charges
- Comparison of Suggested Armenian Residential Tariffs with Residential Tariffs World-Wide
- Current International Trends in Gas Production, Consumption, and Prices
- Data Requirements for Pipelines and Gas Distribution Companies
- Comparison of current Russian type of data classification by type of expenditure (wages, automotive expenses, travel, etc.) with western type classification by function
- Federal Energy Regulatory Commission (FERC) Form No. 2 (Annual Report of Major Natural Gas Companies)
- General Corporate Information and Financial Statements
- Comparative Balance Sheets

- Statement of Income for the Year
- Statement of Retained Earnings for the Year
- Statement of Cash Flows
- Regulatory Commission Expenses
- Gas Plant Statistical Data
- Revised Pipeline Tariffs and 30-Year Financial Plan
- Introduction of Revised Pipeline Cost Data, Based on Commission Suggestions
- Introduction of Simplified Tariff Calculation Methodology
- Calculation of Average Pipeline Tariff Based on New Data and Revised Model
- 30-Year Financial Plan for Armenian Pipeline, Including Cash Flows and Development of Rehabilitation Funds
- Revised Distribution Tariffs and 30-Year Financial Plan
- Introduction of Revised Distribution Cost Data, Based on Commission Suggestions
- Introduction of Simplified Tariff Calculation Methodology
- Calculation of Average Distribution Tariff Based on New Data and Revised Model
- 30-Year Financial Plan for Armenian Distribution Operations, Including Cash Flows and Securing of Rehabilitation Funds
- Review of Current Situation and Final Recommendations
- Course Evaluation

The full course agenda is attached as Appendix A. The course materials presented are attached as Appendix B.

D Participant Evaluations

AED administered an exit questionnaire to assess participant satisfaction with the course immediately after its conclusion. The following key points emerged from the evaluation:

- Most of the participants believe that the course will be very useful for them, and that it was conducted at their level of expertise. Most of the participants (86%) consider the program to be directly relevant to their work, and anticipate they will be able to apply what they learned in their work.
- Participants gave the instructors high marks for the course. Most participants indicated that they have made arrangements to maintain contact with the instructors and/or each other through e-mail, telephone, etc.
- The interpretation for this course was provided by an individual with extensive knowledge of the material being presented. As a result, participants were extremely satisfied with the

interpretation and commented on the interpreter's knowledge of the subject and terminology

- Participants feel that the course offered a strong balance between theory and practice, and that the course length was appropriate for the material covered. The pace of instruction, group discussions, and written materials all received high marks

E Anticipated Outcomes

Short-Term Much remains to be done to implant the Western tariff methodology in the minds of the men and women in charge of the natural gas industry. However, the educational exposure from here on out should be more of a hands-on experience rather than in-class seminars. For example, someone needs to actually work with the pipeline and gas distribution personnel over an extended period of time, and with Commission personnel for that matter, to achieve the switch to data collection along the lines suggested in the AED seminar. For that to happen, though, there will have to be a commitment by the Regulatory Commission that the data collection form we have proposed will be accepted by them.

Based on the course evaluations and on feedback received during the course, participants seem to be better informed about the response of end-user tariffs to change in underlying parameters than they were before the seminar. They felt that they would be able to apply the gained knowledge and share training with their colleagues when they returned to their work. By actually having a model available and using it in the seminar, the participants for the first time were able to receive instant responses to questions regarding the impact on tariffs of variations in different cost items.

Long-Term Regardless of whether the Government of Armenia accepts the Western concept of tariff methodologies, having been exposed to the tariff model and having actually worked it, the seminar participants have a much deeper understanding of tariff design under any methodology.

F Recommended Follow-up

Much remains to be done to implant the Western tariff methodology in the minds of the men and women in charge of the natural gas industry. The AED team believes that hands-on experience is the most effective next step so that participants will be able to apply the theory presented in the seminar. For example, someone needs to actually work with the pipeline and gas distribution personnel over an extended period of time, and with Commission personnel for that matter, to achieve the switch to data collection along the lines suggested in the AED seminar. In order for this to happen, there will have to be a commitment by the Regulatory Commission that the data collection form proposed will be accepted by them.

7 Conclusions

Overall, the workshop was positively received and was given high marks by the attendees. This seminar seems to have met its objectives and to have helped advance the reforms being undertaken under the Armenia Power Sector Reform project by increasing knowledge about distribution tariffs.

APPENDIX A

Seminar Outline

Natural Gas Transmission and Distribution Pricing

Day One

- Introductions
- Course Objectives and Overview
- Historical Background Gas Consumption in Armenia prior to 1989, since 1989, and Projected Consumption into the Future
- General Pricing Principles Cost Recovery, Asset Valuation, Depreciation, Profits
- Earlier Merklein & Associates Tariff Study and Implications for Armenia
- Demand and Commodity Charges
- Comparison of Suggested Armenian Residential Tariffs with Residential Tariffs World-Wide
- Current International Trends in Gas Production, Consumption, and Prices
- Question and Answer Session

Text Material Merklein and Associates Tariff Study entitled Natural Gas Tariffs, Design and Implementation Focus will be on Executive Summary which will be handed out in Russian

Day Two

- Data Requirements for Pipelines and Gas Distribution Companies
- Comparison of current Russian type of data classification by type of expenditure (wages, automotive expenses, travel, etc) with western type classification by function
- Federal Energy Regulatory Commission (FERC) Form No 2 (Annual Report of Major Natural Gas Companies), See Note at End of Day Three
- General Corporate Information and Financial Statements
- General Information
- Control over Respondent
- Corporations Controlled by Respondent
- Security Holders and Voting Powers
- Important Changes during the Year
- Comparative Balance Sheet
- Question and Answer Session

Day Three

- Data Requirements for Pipelines and Gas Distribution Companies, Continued
- Statement of Income for the Year
- Statement of Retained Earnings for the Year
- Statement of Cash Flows

- Supporting Schedules for above Statements
- Regulatory Commission Expenses
- Gas Plant Statistical Data
- Compressor Stations
- Gas Storage Operations
- Transmission Lines
- Auxiliary Peaking Facilities
- Question and Answer Session

Text Material Condensed FERC Form No 2

Note The emphasis on FERC Form No 2 is in response to the desire of the Armenian Energy Regulatory Commission to use the FERC cost classifications The original FERC Form No 2 form will be adapted to Armenian usage and it will be condensed from its current size of some 120 pages to 25 - 30 pages The revised Form will be translated in its entirety It will be available in draft form at the seminar and it will eventually be included in the Merklein and Associates final Armenian natural gas report due no later than June 1999

Day Four

- Revised Pipeline Tariffs and 30-Year Financial Plan
- Introduction of Revised Pipeline Cost Data, Based on Commission Suggestions
- Introduction of Simplified Tariff Calculation Methodology
- Calculation of Average Pipeline Tariff Based on New Data and Revised Model
- 30-Year Financial Plan for Armenian Pipeline, Including Cash Flows and Securing of Rehabilitation Funds
- Question and Answer Session

Text Material A spreadsheet model on pipeline tariffs and finance will be made available to all participants in hard-cover and spreadsheet format The model includes an example of how to calculate a cost-recovery tariff and a 30-year financial plan for the pipeline system This will be the tool for Commission Members and industry finance experts to deal with future tariff applications and financial planning See Note at End of Day Five

Day Five

- Revised Distribution Tariffs and 30-Year Financial Plan
- Introduction of Revised Distribution Cost Data, Based on Commission Suggestions
- Introduction of Simplified Tariff Calculation Methodology

- Calculation of Average Distribution Tariff Based on New Data and Revised Model
- 30-Year Financial Plan for Armenian Distribution Operations, Including Cash Flows and Securing of Rehabilitation Funds
- Question and Answer Session
- Review of Current Situation and Final Recommendations
- Course Evaluation

Text Material A spreadsheet model on distribution tariffs and finance will be made available to all participants in hard-cover and spreadsheet format. The model includes an example of how to calculate a cost-recovery tariff and a 30-year financial plan for the distribution system. This will be the tool for Commission Members and industry finance experts to deal with future tariff applications and financial planning.

Note Western capital is not likely to come to the rescue of Armenia's ailing gas pipeline and distribution system, and the credit rating of the Government of Armenia is such that debt financing for the purpose of rehabilitating the system is out of the question. The revised model and financial plan was developed at the urging of the Armenian Energy Regulatory Commission. A summary lecture will alert the audience to the urgent need to proceed with the suggested reforms.

APPENDIX B

Seminar Materials

Natural Gas Transmission and Distribution Pricing

GAS PIPELINE AND DISTRIBUTION TARIFFS IN ARMENIA

AN AED SEMINAR

April 1999

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**Energy and Infrastructure Division
Office of Development Resources
U S Agency for International Development
USAID Contract LAG-I-00-98-00011-00**

INTRODUCTION

Nine Months ago, we introduced a new tariff methodology and suggested tariffs for natural gas pipelines and distribution companies in Armenia. We presented our findings in a report entitled *NATURAL GAS TARIFFS, Design and Implementation*. The principal findings and suggestions of that report were presented in an Executive Summary which is reproduced here as a convenience to the reader.

While we were on time with our tariff design, the implementation has lagged behind, in part because the inevitable findings of our report were that, to survive, the pipeline and distribution companies cannot go on charging tariffs below cost. To do so would lead to self-dismemberment of the companies and to their eventual inability to operate safely and reliably. Thus, the decision regarding natural gas tariffs can only be one way: to increase them, and to increase them by a substantial margin. In an elective political system, where the Government somehow assumes the responsibility for tariff increases, this is certainly not a popular idea, and it may not be a politically viable idea.

Of course, in emulating a Western regulatory environment we stipulated that all monopoly tariffs, not just natural gas, be removed from the political arena precisely because they need to be based on reasonable costs, rather than on meeting the public's needs or ability to pay. At the same time we were not entirely oblivious to the dilemma posed by rising tariffs, and we did allow for transitional subsidies, to be funded from substantial increases in governmental tax revenues.

Having said all this, we have had an opportunity to observe the political reaction to suggested increases in electric tariffs and to gauge the difficulties experienced by the Armenian Energy Regulatory Commission in making the painful but necessary adjustments. We have had lengthy and supportive discussions with Officials of the Commission and with representatives of the natural gas industry, and we have come to the conclusion that some adjustments to our earlier proposal might be helpful. These adjustments are the topic of this report, but before we put them before the public, we wish to reiterate that our original proposals are on the mark and will eventually have to be implemented.

As time goes by, there are two forces at work to reduce natural gas tariffs. These are expected increases in through-put volumes and depreciation-induced reductions in the rate base. We have no quarrel with passing on to the consumer as rapidly as possible any volume-based tariff reductions but we would suggest that new cost studies be done to determine whether rate-base related reductions should automatically be applied. In fact, we will argue in our cash-flow model that the rate base needs to be built up through rehabilitation investments, and we will attempt to show how the delicate balance between capital investment needs, investor claims to a reasonable rate of return, and the public's protection against predatory monopolistic pricing behavior can be achieved.

First, though, to the business immediately at hand: the Executive Summary of our predecessor report.

Executive Summary Predecessor Report

- Both the pipeline and distribution systems in Armenia are currently in a state of advanced deterioration
- The purpose of this study is to find the causes of this deterioration and to develop a tariff methodology and tariffs designed to restore system to normalcy
- This tariff methodology had to be such that it would inspire confidence among foreign investors. This meant cost-recovery tariffs that would be objective, transparent, non-political and free from permanent subsidies
- The causes of the current deterioration of the Armenian natural gas industry are inadequate cash flows to operating gas companies due to a tariff methodology and financial management procedures that are rooted in the old Soviet tariff system. Specific problems include
 - 1 The use of negotiated mark-ups on operating costs in lieu of profits,
 - 2 The disallowance of interest payments as operating costs (now corrected)
 - 3 The failure to recognize property tax as operating costs,
 - 4 A totally inadequate valuation of the asset base, leading to depreciation allowances of about 1/20th of what they should have been (now corrected),
 - 5 A heavy tax burden pre-empting the passing through of adequate cash flows to the operating companies
- In this report, we developed a tariff methodology conformant with international standards. In so doing, we accepted the current structure of the gas industry, consisting of the following three major Divisions: a Management Company (Armgasprom), a Pipeline Company (Transgas), and a Distribution Company (Haygas). We developed specific incremental tariffs for each company, as well as a final overall tariff for four different classes of end-users
- The residential tariff at current consumption rates, based on the use of a Western cost-recovery tariff methodology, is too large to be politically viable in Armenia, about three times the rate allowed under current Energy Commission Resolutions and 35% higher than the current average US residential tariff (\$302/1000 CM, compared to current allowable tariff of \$102/MCM, and to the US average of \$224/MCM)
- The reasons for the high residential tariffs under a Western cost-recovery methodology include
 - 1 Substantial under-capacity utilization (roughly 20% utilization of pipeline capacity and less than 10% utilization of residential distribution capacity),
 - 2 Residential use of natural gas in part for cooking only, with a complex and expensive distribution network delivering very small volumes per end-user,
 - 3 High taxation, including 20% VAT on the value of gas imported and delivered, plus a 25% profit tax
- Using volume projections developed by the Armenian Energy Regulatory Commission (ERC) and the Armenian gas industry, we calculated the residential tariffs for consumption volumes that would be achievable by 2001/2002. At that time and with residential consumption volumes ten times what they are now (but 74% of what they were in the 1990 peak year), residential

tariffs will be cut in half compared to what they would be at today's consumption volumes. However, that is still 50% higher than current ERC-allowed tariffs.

- The Armenian residential tariff at 2001/2002 volumes would be \$153/MCM, using a Western cost-recovery tariff methodology. As mentioned, this compares to the ERC-allowed residential tariff of \$102/MCM, and to US residential tariffs of \$224/MCM. Put differently, 2001/2002 Armenian residential tariffs would come in at 68% of US tariffs, but are 50% higher than currently allowed ERC tariffs.
- Under the suggested average tariff of \$153/MCM (actually \$9.34 per month fixed fee and \$102.79 variable commodity charge), average monthly gas bills per household will be

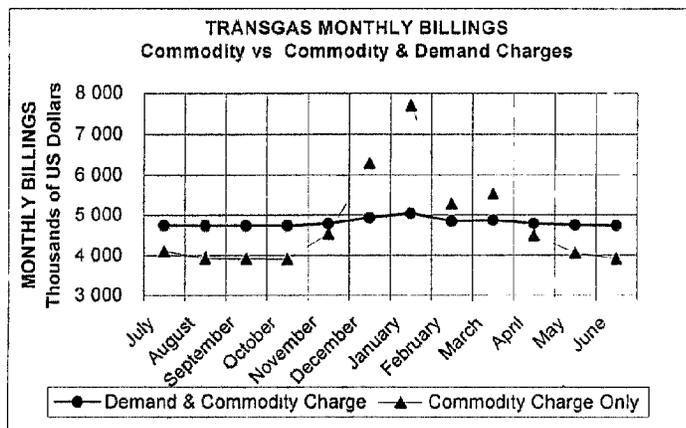
\$11.14 per month, if gas is used for cooking only

\$28.59 per month, if gas is used for cooking, water heating, and space heating

- Our recommended tariffs are listed in the box below

RECOMMENDED TARIFFS	
Armegasprom Tariff	Commodity Charge at \$68.80 per MCM delivered each billing period
Transgas Tariffs	
Sales for Resale	Demand Charge @ \$263 per Month per MCM Contract Demand Commodity Charge @ \$71.60 per MCM delivered each billing period
Transport Service	Demand Charge @ \$263 per Month per MCM Contract Demand, plus Commodity Charge @ \$2.80 per MCM delivered each billing period Contract Daily Demand equals the maximum daily delivery that occurred in the 365-day period ending with each billing period
Haygas Tariffs	
Residential Service	Fixed Monthly Fee @ \$9.34 per Month each billing period Commodity Charge @ \$102.79 per MCM delivered each billing period Service Charge @ \$60.00 each time service is reconnected
General Service	Commodity Charge @ \$108.61 per MCM delivered each billing period or Monthly Minimum Bill of \$28.02
Large Volume Service	Available to customers using more than 10,000 SCM/Month Demand Charge @ \$263 per Month per MCM Contract Demand plus Commodity Charge @ \$78.26 per MCM delivered each billing period Contract Daily Demand equals the maximum daily delivery that occurred in the 365-day period ending with each billing period
Special Contract Service	Available to Customers using more than 10,000 SCM per Month Subject to special terms of service by special contract Customer must have the capability to switch to alternate fuel within 30 Minutes upon request by Haygas Commodity Charge @ \$95.13 per MCM delivered each billing period

- The tariffs listed in the preceding box are based on a 30-year straight-line depreciation regime and on a rate of return on assets of 15%
- While our suggested tariffs appear to be high relative to current Armenian residential gas tariffs and to Armenian household incomes, they are among the lowest in the world. Of the 24 countries for which we developed residential tariff data, our suggested tariff of \$153/MCM is the fifth lowest, with lower tariffs only in the Czech and Slovak Republics, and in Hungary and Venezuela
- By comparison, State-owned French residential gas tariffs are \$430/MCM, privately owned German residential tariffs are \$401/MCM, and privately owned cost-recovery US residential tariffs are \$224/MCM
- The reason the calculated Armenian residential tariff is low compared to tariffs in the rest of the world is that we made two significant concessions in our calculations: (1) we used a very low depreciation rate and (2) we used a low asset base in scaling costs from US standards to Armenian operating costs
- Our suggested tariffs include gas storage costs, but they do not include rehabilitation expenditures and they do not include the installation of residential gas meters
- Financed on 2-year terms, residential gas meters will cost approximately \$4-5 per month
- Our suggested tariffs do not include costs incurred in installing and maintaining gas-burning consumer appliances which will have to be serviced by an independent work force of licensed technicians
- Our suggested tariffs feature demand-commodity components for pipeline tariffs and for large-volume industrial customers, mostly (in terms of gas sales) but not exclusively power plants. Similarly, the suggested residential tariff has a fixed monthly component and a variable commodity component
- The use of demand-commodity charges for Transgas services has the effect of
 - 1 Reducing the volatility of monthly billings due to volume fluctuations, including seasonal fluctuations (see graph below),
 - 2 Protecting consumers against sudden upswings in consumption
 - 3 Protecting the pipeline against sudden declines in consumption



- Given Armenia's undoubted technical capability to restore earlier consumption rates and the Country's political will to do so, we developed two options for a transitional subsidy program. These options are tax concessions and mothballing of unused capacity. Specific features of the programs are
 - 1 They are limited with respect to amounts,
 - 2 They are limited with respect to time (3 years),
 - 3 They do not involve tariff adjustments per se,
 - 4 They are not a burden to the State since they are financed through increases in tax collections accruing from our proposed changes in methodology,
 - 5 They are to be administered by a separate Agency (we suggested the Ministry of Finance and Economy),
 - 6 They are transparent and publicized

- We prefer tax concessions over mothballing since tax concessions are funded by windfall tax receipts accruing to State under our proposed Western tariff methodology, whereas the burden of mothballing is carried one third by the State and two thirds by the gas companies that can ill afford this shortfall in cash flow

- We also discussed, but did not offer specifics, regarding temporary reductions in rates of return if the new joint-venture partner, the Russian pipeline company Gasprom, is prepared to go along in the interest of securing a long-term market outlet. These reductions could be achieved through an adjustment of structural- and country-risk components

- Tariffs other than residential come in at seemingly acceptable rates, i.e. they do not need subsidies. Average cost-recovery tariffs at 2001/2002 projected volumes are listed in the following Table, \$/MCM

	Pipeline Sales	Residential Sales	Small Industrial & Commercial	Power Plants	District Heating
Currently ERC-Allowed	\$69	\$102	N/A	\$79	\$55 (a)
Cost Recovery	\$92	\$153	\$109	\$97	\$95
US Tariffs	\$115	\$224	\$191	\$121(b)	N/A

- N/A Not Applicable
- (a) District Heating Tariff currently has no cost or tax allowance of any kind
- (b) Does not include third-party tariffs under by-pass arrangement

- In summary, the Armenian gas industry can only be rehabilitated if the operating companies can generate private financing from lenders. These lenders will only provide funds when they see tariffs high enough to provide the gas industry with cash flow from its customers to pay the principal and interest on the borrowed money. We believe that the tariffs recommended in this report are the minimum required to meet the lender's expectations. If the gas industry cannot meet this expectation, we only see further deterioration of the system with attendant hazardous conditions to the welfare of the people of Armenia

ARMENIA ENERGY TRAINING PROGRAM

Day Two

Executive Summary

The objective of data collection is threefold to the three affected groups. These groups include (A) the customers, (B) the public and (C) the employees. Another view of these affected groups changes the names. These names are (A) Consumers, (B) Investors and (C) Regulatory Agencies. The reasons for data collection include first, information signals on the changing costs being incurred to serve the customers. Second, data collection includes information history on investment cost and value of the facilities being used to serve the customer. Third, data collection includes the information history on actual costs incurred for labor, materials and services used to serve customers.

The information collection and recording process needs to be comprehensive so that the managers and regulatory commission can use them to test the impact of changing operations to become more effective in increasing productivity. The cardinal idea in all work is to change operating procedures to improve the service and the value of the service to the customers. This improvement will also improve the value of the work done by the employees and the profits derived for the owners of the facilities.

The delivery of energy service can be more effective when the entry of competition is controlled by the government through regulatory oversight on the private business pricing and expansion. This oversight can be balanced by the government against the needs of the customers for reasonable service and reasonable price and the needs of the employees and investors for adequate wages for both labor and capital and the opportunity to participate in sharing the benefits of a limited opportunity for alternate suppliers in a given area.

- **Data Requirements for Pipelines and Gas Distribution Companies**

The data requirements for pipelines and distribution companies are very similar. The terms only have meaning for the managing of detail. The primary differential can be measured in a simplistic analogy, the location of different consumers in a given area can be controlling on the definition for the pipeline and distribution enterprises. I have always used an old standard set forth in the agreements between the enterprises and the local government. This standard defines the responsibility of the enterprise to offer service to all customers within a reasonable distance from existing facilities. The agreements, which are common, use the standard that the enterprise must build a connecting pipe from its existing facilities to a new customer whose delivery point is within fifty feet (17 meters). The point I am making is that the functional delivery of gas through a pipeline deals with the needs for a delivery at a single point. The functional delivery of gas through a distribution system of pipelines deals with the need for many delivery points. Because of the inherent efficiency of flow through pipes, pipelines may be compared to highways going from town to town. The distribution systems are primarily like town streets connecting all buildings by road to a central point. The operating differences are affected by the relative importance of the control of the gas flow through each segment. The practical situation results in some enterprises performing both functions. The reporting requirements then are expanded to cover both functions in a single report.

This approach allows the use of one report form for either pipeline enterprises or for distribution enterprises

- **Comparison of current Russian type of data classification by type of expenditure (wages, automotive expenses, travel, etc) with Western type classification by function**

The current Russian type of data classification by type of expenditure was designed for central planning. A similar classification used in Western economies is the data requirement of corporate finance departments which need the records on all expenditures that are paid by check. The responsibility of the corporate finance department includes the maintenance of sufficient funds at the bank to cover payment of these checks. The department must know the amount paid out to major users of cash such as wages, automotive expenses, travel, etc.

The Western economy classifies expenditures by function. The users of the information are the managers of the enterprise and the regulatory agency. These users are interested in measuring the efficiency of utilization of manpower, material and services to provide a given level of functional service. These users have set cost standards for each functional service. The actual recorded cost by function compared to the cost standards permits the managers and regulatory agency to measure and question the non-achievement of the service within the cost standards.

- **Federal Energy Regulatory Commission (FERC) Form No 2 (*Annual Report of Major Natural Gas Companies*), See Note at End of Day Three**

The regulatory agencies for gas pipeline and distribution enterprises in the United States have developed a comprehensive uniform classification of accounts by function descriptions. The Federal Energy Regulatory Commission has published such description for the use of the enterprise subject to their oversight. They require that the enterprises maintain books of account using this system. They also require these enterprises to periodically report the information to them. The document entitled Federal Energy Regulatory Commission (FERC) Form No 2 is the format which each enterprise uses to present their annual reports. This report form is the primary tool which this seminar presents. We now will comment on the portion of this report that covers the summary of the enterprise for the reporting period.

- **General Corporate Information and Financial Statements**

Refer to the Form No 2 List of Schedules displayed on page 2. The first general heading includes the schedules listed on lines 1 through 10. This section of the report displays the Schedules, which summarize much of the detail information shown for all functions of the enterprise.

- **General Information**

The first schedule included in the group of schedules covers the legal information, which is needed to coordinate the direction of inquiries regarding the enterprise and the information on that enterprise. The first item identifies the name, title and location of the employee with the responsibility to maintain the books of account for the enterprise. Items two through four are generally unchanged for each annual report but they do provide for reporting major changes in the data regarding the legal identity of the enterprise.

The fifth item refers to an important issue regarding the validity of the information reported and recorded on the books of account for the enterprise. The regulatory agency depends on independent accountants to certify that the information displayed on the books of account has been reported in accordance with standard accounting principles. This use of an independent accountant helps assure the three interested groups that the information reported is true. These groups were identified earlier as the customers, the investors and the regulatory agencies. The item also alerts these groups if shift in responsibility has occurred in this important work.

- **Control over Respondent**

The next schedule is entitled "Control over Respondent". Here the report identifies the names of other enterprises that control the management and policies of the enterprise. This information alerts interested groups that there can be costs included in the reports that reflect services rendered by these persons without the discipline of the market.

The Uniform System of Accounts defines the word "control". The full definition follows (from page 498 of the Code of Federal Regulations, Volume 18): "Control means the possession, directly or indirectly, of the power to direct or cause the direction of management and policies of a company, whether such power is exercised through one or more intermediate companies, or alone, or in conjunction with, or pursuant to an agreement, and whether such power was established through a majority or minority ownership or voting of securities, common directors, officers, or stockholder, voting trusts, holding trusts, associated companies, contract or any other direct or indirect means."

- **Corporations Controlled by Respondent**

The next schedule is entitled "Corporations Controlled by Respondent". Here the report identifies the names of other enterprises controlled by the management and policies of the enterprise. This information alerts interested groups that there can be costs included in the reports that reflect services rendered by these persons without the discipline of the market.

- **Security Holders and Voting Powers**

This Schedule displayed on page 107 shows the names and addresses of the larger security owners. This information also alerts the three interest groups to potential conflicts of interest between the security owners and the interest groups. These owners by their possible indirect control of the management could affect costs for services, etc., which are included in the reports. Such costs also may be incurred without the discipline of the market.

- **Important Changes during the Year**

This page identifies eleven important areas, which may impact the reasonableness of tariffs. These areas are as follows:

- (1) Changes in and important additions to franchise rights
- (2) Acquisition of ownership in other companies
- (3) Purchase or sale of an operating unit or system
- (4) Important leaseholds that have been acquired, given, assigned or surrendered
- (5) Important extensions or reductions of transmission or distribution system

- (6) Obligations incurred or assumed by respondent as guarantor for the performance of another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after issue
- (7) Changes in articles of incorporation or amendments to the corporate charter
- (8) The estimated annual effect and nature of any important wage scale changes during the year
- (9) Any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year
- (10) Any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which such person had a material interest
- (11) Estimated increase or decrease in annual revenues caused by important rate changes

This information again is the signal to the three interested parties about items that affect their interest in fair and reasonable prices to the customers

- **Comparative Balance Sheet**

This schedule summarizes the amount of all-major assets and liabilities at the end of the reporting period. It also gives the same information for each account for the end to the prior annual reporting period. We will explore the source documents for this schedule tomorrow.

- **Question and Answer Session**

ARMENIA ENERGY TRAINING PROGRAM

Day Three

- **Data Requirements for Pipelines and Gas Distribution Companies, Continued**

Yesterday we set the stage for the need and scope of data requirements for Pipelines and Gas Distribution Companies. That stage gave you the reasons for data collection and the use of that data by the three interest groups. These groups are the customers, the public and the employees. Today we discuss some of the individual detail schedules on information for the reporting period.

- **Statement of Income for the Year**

This schedule like its predecessor on assets and liabilities summarizes detailed income and expense schedules which follow in the report. It is the primary place where the net profit for the year appears with a comparable net profit for the prior year. The word "Net Income" represents the net profit available to common stock shareholders for payment of dividends and investment in opportunities available to the enterprise.

The schedule also distinguishes between Net Utility Operating income and Net Income. The difference shown on page 116 reflects the demands of other parties on the operating income before the residue is made available to the common shareholder. These demands include the government for income taxes, senior security holders for priority payment on their interest in the enterprise. These demands also include a general category of Non-Utility Operating Income and Other Income Deductions.

- **Statement of Retained Earnings for the Year**

This schedule presents the action taken by the owners to pay dividends to the equity owners of the enterprise. This information also reflects the resulting amount of net income which the enterprise has retained to reinvest in the business.

- **Statement of Cash Flows**

This schedule is presented to reflect the source of funds being invested in the facilities owned by the enterprise. This is a very important tool in the management of cash requirements.

- **Supporting Schedules for above Statements**

This group of schedules makes up the majority of the pages in the report. They can be grouped into two large groups. First are those schedules supporting the balance sheet accounts. Second are those schedules supporting the revenue and expense accounts for the income statements. The detail shown here represents the source of information to prepare analyses on the reasonableness of future incomes. The detail also permits the measure of the future profits related to the future value of the facilities used. The resulting rate of return allows the three interest groups to judge

whether the enterprise should change its prices in the future. Much of the judgment depends upon the establishment of the results of a test period adjusted for known changes.

The details of establishment of the test period adjusted for known changes is a subject well beyond the time limit and scope of this seminar. This presentation shows the type of information, which must be collected to begin that process. The establishment of procedures on properly classifying each cost into the proper account also is the subject well beyond the time limit and scope of this seminar. One brief example can be shown for the changes in the account recording the cost of the transmission lines. The activity in that account includes both additions and retirements. Each retirement must reduce the amount in the account for the cost of the property retired. This means that the detail record in the account can identify the cost of a given section of line by size, age, length and location. This kind of record requires a system of coding so that the information can be identified without an independent study for each retirement.

The same kind of detailed records for revenues and operating expenses are necessary to establish the adjustment for known changes.

The instructions on each page basically say report the information which is displayed on the books of account for the enterprise as shown in detail for each account.

- **Regulatory Commission Expenses**

This schedule displayed on page 350 reports the expense of the enterprise related to the formal proceeding before the regulatory agency. In general these expenses are not incurred to operate the enterprise. The costs are legitimate costs that can be recovered from the customers as a cost of doing business. Normally the costs are accumulating during the proceeding as a deferred debit. The decision of the regulatory agency establishes the period and the amounts to be charged as an operating expense in the period during which the new prices are effective. This Schedule keeps all groups informed on the current charges for prior proceeding.

- **Gas Plant Statistical Data**

Much of the remaining statistical information forms the database used to allocate common costs to specific customer groups. These allocated cost studies help the regulatory agency in forming a judgment on the reasonableness for price discrimination between customer groups. The need to report this information assures the collection of the daily reports which are necessary for such allocation studies.

The following schedules are representative of such statistical information:

- Compressor Stations
- Gas Storage Operations
- Transmission Lines
- Auxiliary Peaking Facilities

Summary and Conclusion

The seminar has presented you with an organized system to collect and report accounting and statistical data. The need to collect this information is paramount if the regulatory agencies are to

have the capacity to fairly regulate the pipeline and gas distribution enterprises in Armenia. The benefits are many in satisfying the interests of all groups. These groups are the customers, the public, the employees, the consumers, the investors and the government. In such a forum all parties will be able to participate in the better delivery of the energy needs of Armenia.

- **Question and Answer Session**

Check appropriate box

Original signed form

Conformed copy

Form Approved
OMB No 1902 0028
(Expires 12/31/98)



FERC FORM NO 2
ANNUAL REPORT OF MAJOR NATURAL
GAS COMPANIES

This report is mandatory under the Natural Gas Act Sections 10(a) and 16 and 18 CFR 260.1. Failure to report may result in criminal fines, civil penalties and other sanctions as provided by law. The Federal Energy Regulatory Commission does not consider this report to be of a confidential nature.

Exact Legal Name of Respondent (Company)

Year of Report

Dec 31, ____

INSTRUCTIONS FOR FILING THE
FERC FORM NO 2

GENERAL INFORMATION

I Purpose

This form is designed to collect financial and operational information from major interstate natural gas companies subject to the jurisdiction of the Federal Energy Regulatory Commission. This report is a nonconfidential public use form.

II Who Must Submit

Each Major natural gas company which meets the filing requirements of 18 CFR 260.1 must submit this form.

NOTE: Major means having combined gas transported or stored for a fee exceeding 50 million Dth in each of the 3 previous calendar years.

III What and Where to Submit

- (a) Submit the electronic medium in accordance with the procedures specified in 18 CFR § 385.2011 and an original and four (4) copies of this form to

Office of the Secretary
Federal Energy Regulatory Commission
Washington, DC 20426

Retain one copy of this report for your files.

- (b) Submit immediately upon publication, four (4) copies of the latest annual report to stockholders and any *annual* financial or statistical report regularly prepared and distributed to bondholders, security analysts, or industry associations. (Do not include monthly and quarterly reports. Indicate by checking the appropriate box on page 3, List of Schedules, if the reports to stockholders will be submitted or if no annual report to stockholders is prepared.) Mail these reports to

Chief Accountant
Federal Energy Regulatory Commission
Washington, DC 20426

- (c) For the CPA certification, submit with the original submission of this form, a letter or report (not applicable to respondents classified as Class C or Class D prior to January 1, 1984) prepared in conformity with current standards of reporting which will

- (i) contain a paragraph attesting to the conformity, in all material respects, of the schedules listed below with the Commission's applicable Uniform System of Accounts (including applicable notes relating thereto and the Chief Accountant's published accounting releases) and

GENERAL INFORMATION

(ii) be signed by independent certified public accountants or independent licensed public accountants, certified or licensed by a regulatory authority of a State or other political subdivision of the United States (See 18 CFR 158 10-158 12 for specific qualifications)

<u>Schedules</u>	<u>Reference Pages</u>
Comparative Balance Sheet	110 113
Statement of Income	114 116
Statement of Retained Earnings	118 119
Statement of Cash Flows	120-121
Notes to Financial Statements	122

Insert the letter or report immediately following the cover sheet of the original and each copy of this form

(d) Federal, State and Local Governments and other authorized users may obtain additional blank copies to meet their requirement free of charge from

Public Reference and Files Maintenance Branch
Washington, DC 20426
(202) 208 2356

IV When to Submit

Submit this report form on or before April 30th of the year following the year covered by this report

V Where to Send Comments on Public Reporting Burden

The public reporting burden for this collection of information is estimated to average 2,475 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any aspect of this collection of information, including suggestions for reducing this burden, to the Federal Energy Regulatory Commission, Washington, DC 20426 (Attention Michael Miller, ED 12 4), and to the Office of Information and Regulatory Affairs Office of the Management and Budget, Washington, DC 20503 (Attention Desk Officer for the Federal Energy Regulatory Commission)

You shall not be penalized for failure to respond to this collection of information unless the collection of information displays a valid OMB control number

GENERAL INSTRUCTIONS

- I Prepare this report in conformity with the Uniform Systems of Accounts (18 CFR 201)(U S of A) Interpret all accounting words and phrases in accordance with the U S of A
- II Enter in whole numbers (dollars or Dth) only, except where otherwise noted (Enter cents for averages and figures per unit where cents are important) The truncating of cents is allowed except on the four basic financial statements where rounding to dollars is required The amounts shown on all supporting pages must agree with the amounts entered on the statements that they support When applying thresholds to determine significance for reporting purposes, use for balance sheet accounts the balances at the end of the current reporting year, and use the current year amounts for statement of income accounts
- III Complete each question fully and accurately, even if it has been answered in a previous annual report Enter the word "None" where it truly and completely states the fact
- IV For any page(s) that is not applicable to the respondent, either
- (a) Enter the words "Not Applicable" on the particular page(s), or
 - (b) Omit the page(s) and enter "NA," "NONE," or "Not Applicable" in column (d) on the List of Schedules, pages 2 and 3
- V Enter the month, day, and year for all dates Use customary abbreviations The ' Date of Report ' at the top of each page is applicable only to resubmissions (see VII below)
- VI Indicate negative amounts (such as decreases) by enclosing the figures in parentheses ()
- VII When making revisions, resubmit the electronic medium and only those pages that have been changed from the original submission Submit the same number of copies as required for filing the form Include with the resubmission the Identification and Attestation, page 1 Mail dated resubmissions to
Chief Accountant
Federal Energy Regulatory Commission
Washington, DC 20426
- VIII Provide a supplemental statement further explaining accounts or pages as necessary Attach the supplemental statement (8 1/2 by 11 inch size) to the page being supplemented Provide the appropriate identification information, including the title(s) of the page and the page number supplemented
- IX Do not make references to reports of previous years or to other reports in lieu of required entries, except as specifically authorized
- X Wherever (schedule) pages refer to figures from a previous year, the figures reported must be based upon those shown by the annual report of the previous year, or an appropriate explanation given as to why the different figures were used
- XI Report all gas volumes in MMBtu and Dth
- XII Respondents may submit computer printed schedules (reduced to 8 1/2 x 11) instead of the schedules in the FERC Form 2 if they are in substantially the same format
- XIII Report footnotes on pages 551 and 552 Sort data on page 551 by page number Sort data on page 552 by footnote number The page number component of the footnote reference is the first page of a schedule whether it is a single page schedule or a multi page schedule Even if a footnote appears on a later page of a multi page schedule the footnote will only reference the first page of the schedule The first page of a multi page schedule now becomes a proxy for the entire schedule For example, Gas Plant in Service ranges across pages 204 through 209 A footnote on page 207 would contain a page reference of 204

DEFINITIONS

- I Btu per cubic foot—The total heating value, expressed in Btu, produced by the combustion, at constant pressure, of the amount of the gas which would occupy a volume of 1 cubic foot at a temperature of 60°F if saturated with water vapor and under a pressure equivalent to that of 30 inches of mercury at 32°F, and under standard gravitational force (980 665 cm per sec) with air of the same temperature and pressure as the gas, when the products of combustion are cooled to the initial temperature of gas and air when the water formed by combustion is condensed to the liquid state (called gross heating value or total heating value)
- II Commission Authorization—The authorization of the Federal Energy Regulatory Commission, or any other Commission Name the Commission whose authorization was obtained and give date of the authorization
- III Dekatherm—A unit of heating value equivalent to 10 therms or 1,000,000 Btu
- IV Respondent—The person, corporation, licensee, agency, authority, or other legal entity or instrumentality on whose behalf the report is made

EXCERPTS FROM THE LAW

(Natural Gas Act, 15 U S C 717-717w)

"Sec 10(a) Every natural gas company shall file with the Commission such annual and other periodic or special reports as the Commission may by rules and regulations or order prescribe as necessary or appropriate to assist the Commission in the proper administration of this act The Commission may prescribe the manner and form in which such reports shall be made and require from such natural gas companies specific answers to all questions upon which the Commission may need information The Commission may require that such reports shall include, among other things, full information as to assets and liabilities, capitalization, investment and reduction thereof, gross receipts, interest due and paid, depreciation, amortization, and other reserves, costs of facilities, cost of maintenance and operation of facilities for the production, transportation, delivery, use, or sale of natural gas, cost of renewal and replacement of such facilities, transportation, delivery, use, and sale of natural gas "

"Sec 16 The Commission shall have power to perform any and all acts, and to prescribe, issue, make, amend, and rescind such orders, rules, and regulations as it may find necessary or appropriate to carry out the provisions of this act Among other things, such rules and regulations may define accounting, technical, and trade terms used in this act, and may prescribe the form or forms of all statements declarations, applications, and reports to be filed with the Commission, the information which they shall contain, and time within which they shall be filed "

GENERAL PENALTIES

"Sec 21(b) Any person who willfully and knowingly violates any rule, regulation, restriction, condition, or order made or imposed by the Commission under authority of this act, shall, in addition to any other penalties provided by law, be punished upon conviction thereof by a fine of not exceeding \$500 for each and every day during which such offense occurs "

**FERC FORM NO 2
ANNUAL REPORT OF MAJOR NATURAL GAS COMPANIES**

IDENTIFICATION		
01 Exact Legal Name of Respondent	02 Year of Report Dec 31, ____	
03 Previous Name and Date of Change <i>(If name changed during year)</i>		
04 Address of Principal Office at End of Year <i>(Street, City, State, Zip Code)</i>		
05 Name of Contact Person	06 Title of Contact Person	
07 Address of Contact Person <i>(Street, City, State, Zip Code)</i>		
08 Telephone of Contact Person, Including Area Code	09 This Report is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	10 Date of Report <i>(Mo, Da, Yr)</i>
ATTESTATION		
The undersigned officer certifies that he/she has examined the accompanying report, that to the best of his/her knowledge, information, and belief, all statements of fact contained in the accompanying report are true and the accompanying report is a correct statement of the business and affairs of the above named respondent in respect to each and every matter set forth therein during the period from and including January 1 to and including December 31 of the year of the report		
11 Name	12 Title	
13 Signature	14 Date Signed	
Title 18, U S C 1001, makes it a crime for any person knowingly and willingly to make to any Agency or Department of the United States any false, fictitious or fraudulent statements as to any matter within its jurisdiction		

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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LIST OF SCHEDULES (Natural Gas Company)

Enter in column (d) the terms none not applicable ' or "NA as appropriate where no information or amounts have been reported for certain pages Omit pages where the responses are none,' not applicable or NA

Line No	Title of Schedule (a)	Reference Page No (b)	Date Revised (c)	Remarks (d)
GENERAL CORPORATE INFORMATION AND FINANCIAL STATEMENTS				
1	General Information	101		
2	Control Over Respondent	102		
3	Corporations Controlled by Respondent	103		
4	Security Holders and Voting Powers	107		
5	Important Changes During the Year	108		
6	Comparative Balance Sheet	110 113		
7	Statement of Income for the Year	114 116		
8	Statement of Retained Earnings for the Year	118 119		
9	Statements of Cash Flows	120 121		
10	Notes to Financial Statements	122		
BALANCE SHEET SUPPORTING SCHEDULES (Assets and Other Debits)				
11	Summary of Utility Plant and Accumulated Provisions for Depreciation Amortization and Depletion	200 201		
12	Gas Plant in Service	204 209		
13	Gas Property and Capacity Leased from Others	212		
14	Gas Property and Capacity Leased to Others	213		
15	Gas Plant Held for Future Use	214		
16	Construction Work in Progress Gas	216		
17	General Description of Construction Overhead Procedure	218		
18	Accumulated Provision for Depreciation of Gas Utility Plant	219		
19	Gas Stored	220		
20	Investments	222 223		
21	Investments in Subsidiary Companies	224 225		
22	Prepayments	230		
23	Extraordinary Property Losses	230		
24	Unrecovered Plant and Regulatory Study Costs	230		
25	Other Regulatory Assets	232		
26	Miscellaneous Deferred Debits	233		
27	Accumulated Deferred Income Taxes	234 235		
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)				
28	Capital Stock	250 251		
29	Capital Stock Subscribed Capital Stock Liability for Conversion, Premium on Capital Stock and Installments Received on Capital Stock	252		
30	Other Paid in Capital	253		
31	Discount on Capital Stock	254		
32	Capital Stock Expense	254		
33	Securities issued or Assumed and Securities Refunded or Retired During the Year	255		
34	Long Term Debt	256 257		
35	Unamortized Debt Expense Premium and Discount on Long Term Debt	258 259		
36	Unamortized Loss and Gain on Reacquired Debt	260		
37	Reconciliation of Reported Net Income with Taxable Income for Federal Income Taxes	261		

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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LIST OF SCHEDULES (Natural Gas Company)(Continued)

Enter in column (d) the terms 'none', 'not applicable,' or 'NA' as appropriate where no information or amounts have been reported for certain pages. Omit pages where the responses are "none", "not applicable," or "NA"

Line No	Title of Schedule (a)	Reference Page No (b)	Date Revised (c)	Remarks (d)
BALANCE SHEET SUPPORTING SCHEDULES (Liabilities and Other Credits)(Continued)				
38	Taxes Accrued Prepaid and Charged During Year	262 263		
39	Miscellaneous Current and Accrued Liabilities	268		
40	Other Deferred Credits	269		
41	Accumulated Deferred Income Taxes Other Property	274 275		
42	Accumulated Deferred Income Taxes Other	276 277		
43	Other Regulatory Liabilities	278		
INCOME ACCOUNT SUPPORTING SCHEDULES				
44	Gas Operating Revenues	300 301		
45	Revenues from Transportation of Gas of Others Through Gathering Facilities	302 303		
46	Revenues from Transportation of Gas of Others Through Transmission Facilities	304 305		
47	Revenues from Storage Gas of Others	306 307		
48	Other Gas Revenues	308		
49	Gas Operation and Maintenance Expenses	317 325		
50	Exchange and Imbalance Transactions	328		
51	Gas Used in Utility Operations	331		
52	Transmission and Compression of Gas by Others	332		
53	Other Gas Supply Expenses	334		
54	Miscellaneous General Expenses Gas	335		
55	Depreciation Depletion and Amortization of Gas Plant	336 338		
56	Particulars Concerning Certain Income Deduction and Interest Charges Accounts	340		
COMMON SECTION				
57	Regulatory Commission Expenses	350 351		
58	Distribution of Salaries and Wages	354 355		
59	Charges for Outside Professional and Other Consultative Services	357		
GAS PLANT STATISTICAL DATA				
60	Compressor Stations	508 509		
61	Gas Storage Projects	512 513		
62	Transmission Lines	514		
63	Transmission System Peak Deliveries	518		
64	Auxiliary Peaking Facilities	519		
65	Gas Account Natural Gas	520		
66	System Map	522		
67	Footnote Reference	551		
68	Footnote Text	552		
69	Stockholders Reports (check appropriate box)			
70	<input type="checkbox"/> Four copies will be submitted			
71	<input type="checkbox"/> No annual report to stockholders is prepared			

33

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i>	Year of Report Dec 31, ____
GENERAL INFORMATION			
<p>1 Provide name and title of officer having custody of the general corporate books of account and address of office where the general corporate books are kept and address of office where any other corporate books of account are kept if different from that where the general corporate books are kept</p>			
<p>2 Provide the name of the State under the laws of which respondent is incorporated and date of incorporation If incorporated under a special law, give reference to such law If not incorporated, state that fact and give the type of organization and the date organized</p>			
<p>3 If at any time during the year the property of respondent was held by a receiver or trustee give (a) name of receiver or trustee (b) date such receiver or trustee took possession (c) the authority by which the receivership or trusteeship was created and (d) date when possession by receiver or trustee ceased</p>			
<p>4 State the classes of utility and other services furnished by respondent during the year in each State in which the respondent operated</p>			
<p>5 Have you engaged as the principal accountant to audit your financial statements an accountant who is not the principal accountant for your previous year s certified financial statements?</p> <p>(1) <input type="checkbox"/> Yes Enter the date when such independent accountant was initially engaged _____</p> <p>(2) <input type="checkbox"/> No</p>			

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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CONTROL OVER RESPONDENT

1 Report in column (a) the names of all corporations, partnerships, business trusts, and similar organizations that directly, indirectly, or jointly held control (see page 103 for definition of control) over the respondent at the end of the year. If control is in a holding company organization, report in a footnote the chain of organization.

2 If control is held by trustees, state in a footnote the names of trustees, the names of beneficiaries for whom the trust is maintained, and the purpose of the trust.

3 In column (b) designate type of control over the respondent. Report an "M" if the company is the main parent or controlling company having ultimate control over the respondent. Otherwise report a "D" for direct, an "I" for indirect, or a "J" for joint control.

Line No	Company Name (a)	Type of Control (b)	State of Incorporation (c)	Percent Voting Stock Owned (d)
1				
2				
3				
4				
5				

35

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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CORPORATIONS CONTROLLED BY RESPONDENT

1 Report below the names of all corporations, business trusts, and similar organizations controlled directly or indirectly by respondent at any time during the year. If control ceased prior to end of year, give particulars (details) in a footnote

2 If control was by other means than a direct holding of voting rights state in a footnote the manner in which control was held, naming any intermediaries involved

3 If control was held jointly with one or more other interests state the fact in a footnote and name the other interests

4 In column (b) designate type of control of the respondent as D for direct an I for indirect or a J for joint control

DEFINITIONS

1 See the Uniform System of Accounts for a definition of control

2 Direct control is that which is exercised without interposition of an intermediary

3 Indirect control is that which is exercised by the interposition of an intermediary that exercises direct control

4 Joint control is that in which neither interest can effectively control or direct action without the consent of the other as where the voting control is equally divided between two holders or each party holds a veto power over the other. Joint control may exist by mutual agreement or understanding between two or more parties who together have control within the meaning of the definition of control in the Uniform System of Accounts regardless of the relative voting rights of each party

Line No	Name of Company Controlled (a)	Type of Control (b)	Kind of Business (c)	Percent Voting Stock Owned (d)	Footnote Reference (e)
1					
2					
3					
4					
5					

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
--------------------	---	--------------------------------	--------------------------------

SECURITY HOLDERS AND VOTING POWERS

1 Give the names and addresses of the 10 security holders of the respondent who, at the date of the latest closing of the stock book or compilation of list of stockholders of the respondent, prior to the end of the year had the highest voting powers in the respondent and state the number of votes that each could cast on that date if a meeting were held. If any such holder held in trust, give in a footnote the known particulars of the trust (whether voting trust, etc.) duration of trust and principal holders of beneficiary interests in the trust. If the company did not close the stock book or did not compile a list of stockholders within one year prior to the end of the year, or if since it compiled the previous list of stockholders some other class of security has become vested with voting rights then show such 10 security holders as of the close of the year. Arrange the names of the security holders in the order of voting power commencing with the highest. Show in column (a) the titles of officers and directors included in such list of 10 security holders.

rights and give other important details concerning the voting rights of such security. State whether voting rights are actual or contingent if contingent describe the contingency.

3 If any class or issue of security has any special privileges in the election of directors trustees or managers or in the determination of corporate action by any method explain briefly in a footnote.

4 Furnish details concerning any options warrants or rights outstanding at the end of the year for others to purchase securities of the respondent or any securities or other assets owned by the respondent including prices expiration dates and other material information relating to exercise of the options warrants or rights. Specify the amount of such securities or assets any officer director associated company or any of the 10 largest security holders is entitled to purchase. This instruction is inapplicable to convertible securities or to any securities substantially all of which are outstanding in the hands of the general public where the options warrants or rights were issued on a prorata basis.

2 If any security other than stock carries voting rights, explain in a supplemental statement how such security became vested with voting

1 Give date of the latest closing of the stock book prior to end of year and, in a footnote state the purpose of such closing

2 State the total number of votes cast at the latest general meeting prior to the end of year for election of directors of the respondent and number of such votes cast by proxy
Total
By Proxy

3 Give the date and place of such meeting

Line No	Name (Title) and Address of Security Holder (a)	VOTING SECURITIES			
		Total Votes (b)	Common Stock (c)	Preferred Stock (d)	Other (e)
4		4 Number of votes as of (date)			
5	TOTAL votes of all voting securities				
6	TOTAL number of security holders				
7	TOTAL votes of security holders listed below				
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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IMPORTANT CHANGES DURING THE YEAR

Give details concerning the matters indicated below. Make the statements explicit and precise and number them in accordance with the inquiries. Answer each inquiry. Enter 'none' or 'not applicable' where applicable. If the answer is given elsewhere in the report, refer to the schedule in which it appears.

1 Changes in and important additions to franchise rights. Describe the actual consideration and state from whom the franchise rights were acquired. If the franchise rights were acquired without the payment of consideration, state that fact.

2 Acquisition of ownership in other companies by reorganization, merger, or consolidation with other companies. Give names of companies involved, particulars concerning the transactions, name of the Commission authorizing the transaction, and reference to Commission authorization.

3 Purchase or sale of an operating unit or system. Briefly describe the property and the related transactions, and cite Commission authorization, if any was required. Give date journal entries called for by Uniform System of Accounts were submitted to the Commission.

4 Important leaseholds (other than leaseholds for natural gas lands) that have been acquired or given, assigned or surrendered. Give effective dates, lengths of terms, names of parties, rents, and other conditions. State name of Commission authorizing lease and give reference to such authorization.

5 Important extension or reduction of transmission or distribution system. State territory added or relinquished and date operations began or ceased and cite Commission authorization, if any was required. State also the approximate number of customers added or lost and approximate annual revenues of each class of service.

Each natural gas company must also state major new continuing sources of gas made available to it from purchases, development, purchase contract or otherwise, giving location and approximate total gas volumes available, period of contracts, and other parties to any such arrangements, etc.

6 Obligations incurred or assumed by respondent as guarantor for the performance by another of any agreement or obligation, including ordinary commercial paper maturing on demand or not later than one year after date of issue. State on behalf of whom the obligation was assumed and amount of the obligation. Cite Commission authorization if any was required.

7 Changes in articles of incorporation or amendments to charter. Explain the nature and purpose of such changes or amendments.

8 State the estimated annual effect and nature of any important wage scale changes during the year.

9 State briefly the status of any materially important legal proceedings pending at the end of the year, and the results of any such proceedings culminated during the year.

10 Describe briefly any materially important transactions of the respondent not disclosed elsewhere in this report in which an officer, director, security holder, voting trustee, associated company or known associate of any of these persons was a party or in which any such person had a material interest.

11 Estimated increase or decrease in annual revenues caused by important rate changes. State effective date and approximate amount of increase or decrease for each revenue classification. State the number of customers affected.

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	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec 31, ____

COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)

Line No	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)
1	UTILITY PLANT			
2	Utility Plant (101 106 114)	200 201		
3	Construction Work in Progress (107)	200 201		
4	TOTAL Utility Plant (Total of lines 2 and 3)	200 201		
5	(Less) Accum Provision for Depr Amort Depl (108 111 115)			
6	Net Utility Plant (Total of line 4 less 5)			
7	Nuclear Fuel (120 1 thru 120 4 and 120 6)			
8	(Less) Accum Provision for Amort of Nuclear Fuel Assemblies (120 5)			
9	Nuclear Fuel (Total of line 7 less 8)			
10	Net Utility Plant (Total of lines 6 and 9)			
11	Utility Plant Adjustments (116)	122		
12	Gas Stored Base Gas (117 1)	220		
13	System Balancing Gas (117 2)	220		
14	Gas Stored in Reservoirs and Pipelines -- Noncurrent (117 3)	220		
15	Gas Owned to System Gas (117 4)	220		
16	OTHER PROPERTY AND INVESTMENTS			
17	Nonutility Property (121)			
18	(Less) Accum Provision for Depreciation and Amortization (122)			
19	Investments in Associated Companies (123)	222 223		
20	Investments in Subsidiary Companies (123 1)	224 225		
21	(For Cost of Account 123 1 See Footnote Page 224 line 40)			
22	Noncurrent Portion of Allowances			
23	Other Investments (124)	222 223		
24	Special Funds (125 thru 128)			
25	TOTAL Other Property and Investments (Total of lines 17 20, 22 24)			
26	CURRENT AND ACCRUED ASSETS			
27	Cash (131)			
28	Special Deposits (132 134)			
29	Working Funds (135)			
30	Temporary Cash Investments (136)	222 223		
31	Notes Receivable (141)			
32	Customer Accounts Receivable (142)			
33	Other Accounts Receivable (143)			
34	(Less) Accum Provision for Uncollectible Accounts Credit (144)			
35	Notes Receivable from Associated Companies (145)			
36	Accounts Receivable from Associated Companies (146)			
37	Fuel Stock (151)			
38	Fuel Stock Expenses Undistributed (152)			
39	Residuals (Elec) and Extracted Products (Gas) (153)			
40	Plant Materials and Operating Supplies (154)			
41	Merchandise (155)			
42	Other Materials and Supplies (156)			
43	Nuclear Materials Held for Sale (157)			

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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COMPARATIVE BALANCE SHEET (ASSETS AND OTHER DEBITS)(Continued)

Line No	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)
44	Allowances (158 1 and 158 2)			
45	(Less) Noncurrent Portion of Allowances			
46	Stores Expense Undistributed (163)			
47	Gas Stored Underground— Current (164 1)	220		
48	Liquefied Natural Gas Stored and Held for Processing (164 2 thru 164 3)	220		
49	Prepayments (165)	230		
50	Advances for Gas (166 thru 167)			
51	Interest and Dividends Receivable (171)			
52	Rents Receivable (172)			
53	Accrued Utility Revenues (173)			
54	Miscellaneous Current and Accrued Assets (174)			
55	TOTAL Current and Accrued Assets (Total of lines 27 thru 54)			
56	DEFERRED DEBITS			
57	Unamortized Debt Expense (181)			
58	Extraordinary Property Losses (182 1)	230		
59	Unrecovered Plant and Regulatory Study Costs (182 2)	230		
60	Other Regulatory Assets (182 3)	232		
61	Preliminary Survey and Investigation Charges (Electric)(183)			
62	Preliminary Survey and Investigation Charges (Gas)(183 1 and 183 2)			
63	Clearing Accounts (184)			
64	Temporary Facilities (185)			
65	Miscellaneous Deferred Debits (186)	233		
66	Deferred Losses from Disposition of Utility Plant (187)			
67	Research Development and Demonstration Expend (188)			
68	Unamortized Loss on Reacquired Debt (189)			
69	Accumulated Deferred Income Taxes (190)	234 235		
70	Unrecovered Purchased Gas Costs (191)			
71	TOTAL Deferred Debits (Total of lines 57 thru 70)			
72	TOTAL Assets and Other Debits (Total of lines 10 15,25 55 and 71)			

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)

Line No	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)
1	PROPRIETARY CAPITAL			
2	Common Stock Issued (201)	250 251		
3	Preferred Stock Issued (204)	250 251		
4	Capital Stock Subscribed (202 205)	252		
5	Stock Liability for Conversion (203 206)	252		
6	Premium on Capital Stock (207)	252		
7	Other Paid In Capital (208 211)	253		
8	Installments Received on Capital Stock (212)	252		
9	(Less) Discount on Capital Stock (213)	254		
10	(Less) Capital Stock Expense (214)	254		
11	Retained Earnings (215 215 1 216)	118 119		
12	Unappropriated Undistributed Subsidiary Earnings (216 1)	118 119		
13	(Less) Reacquired Capital Stock (217)	250 251		
14	TOTAL Proprietary Capital (Total of lines 2 thru 13)			
15	LONG TERM DEBT			
16	Bonds (221)	256 257		
17	(Less) Reacquired Bonds (222)	256 257		
18	Advances from Associated Companies (223)	256 257		
19	Other Long Term Debt (224)	256 257		
20	Unamortized Premium on Long Term Debt (225)	258 259		
21	(Less) Unamortized Discount on Long Term Debt Dr (226)	258 259		
22	(Less) Current Portion of Long Term Debt			
23	TOTAL Long Term Debt (Total of lines 16 thru 22)			
24	OTHER NONCURRENT LIABILITIES			
25	Obligations Under Capital Leases—Noncurrent (227)			
26	Accumulated Provision for Property Insurance (228 1)			
27	Accumulated Provision for Injuries and Damages (228 2)			
28	Accumulated Provision for Pensions and Benefits (228 3)			
29	Accumulated Miscellaneous Operating Provisions (228 4)			
30	Accumulated Provision for Rate Refunds (229)			
31	TOTAL Other Noncurrent Liabilities (Total of lines 25 thru 30)			

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COMPARATIVE BALANCE SHEET (LIABILITIES AND OTHER CREDITS)(Continued)

Line No	Title of Account (a)	Reference Page Number (b)	Balance at End of Current Year (in dollars) (c)	Balance at End of Previous Year (in dollars) (d)
32	CURRENT AND ACCRUED LIABILITIES			
33	Current Portion of Long Term Debt			
34	Notes Payable (231)			
35	Accounts Payable (232)			
36	Notes Payable to Associated Companies (233)			
37	Accounts Payable to Associated Companies (234)			
38	Customer Deposits (235)			
39	Taxes Accrued (236)	262 263		
40	Interest Accrued (237)			
41	Dividends Declared (238)			
42	Matured Long Term Debt (239)			
43	Matured Interest (240)			
44	Tax Collections Payable (241)			
45	Miscellaneous Current and Accrued Liabilities (242)	268		
46	Obligations Under Capital Leases—Current (243)			
47	TOTAL Current and Accrued Liabilities (Total of lines 33 thru 46)			
48	DEFERRED CREDITS			
49	Customer Advances for Construction (252)			
50	Accumulated Deferred Investment Tax Credits (255)			
51	Deferred Gains from Disposition of Utility Plant (256)			
52	Other Deferred Credits (253)	269		
53	Other Regulatory Liabilities (254)	278		
54	Unamortized Gain on Reacquired Debt (257)	260		
55	Accumulated Deferred Income Taxes (281 283)			
56	TOTAL Deferred Credits (Total of lines 49 thru 55)			
57	TOTAL Liabilities and Other Credits (Total of lines 14,23,31 47 and 56)			

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STATEMENT OF INCOME FOR THE YEAR

1 Report amounts for accounts 412 and 413 *Revenue and Expenses from Utility Plant Leased to Others*, in another utility column (i j) in a similar manner to a utility department Spread the amount(s) over lines 2 thru 24 as appropriate Include these amounts in columns (c) and (d) totals

2 Report amounts in discount 414 *Other Utility Operating Income*, in the same manner as accounts 412 and 413 above

3 Report data for lines 7 9 and 10 for Natural Gas companies using accounts 404 1 404 2 404 3, 407 1 and 407 2

Line No	Title of Account (a)	Reference Page Number (b)	Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
1	UTILITY OPERATING INCOME			
2	Gas Operating Revenues (400)	300 301		
3	Operating Expenses			
4	Operation Expenses (401)	317 325		
5	Maintenance Expenses (402)	317 325		
6	Depreciation Expense (403)	336 338		
7	Amortization and Depletion of Utility Plant (404 405)	336 338		
8	Amortization of Utility Plant Acu Adjustment (406)	336 338		
9	Amort of Prop Losses Unrecovered Plant and Reg Study Costs (407 1)			
10	Amortization of Conversion Expenses (407 2)			
11	Regulatory Debits (407 3)			
12	(Less) Regulatory Credits (407 4)			
13	Taxes Other than Income Taxes (408 1)	262 263		
14	Income Taxes—Federal (409 1)	262 263		
15	Income Taxes—Other (409 1)	262 263		
16	Provision of Deferred Income Taxes (410 1)	234 235		
17	(Less) Provision for Deferred Income Taxes—Credit (411 1)	234 235		
18	Investment Tax Credit Adjustment—Net (411 4)			
19	(Less) Gains from Disposition of Utility Plant (411 6)			
20	Losses from Disposition of Utility Plant (411 7)			
21	(Less) Gains from Disposition of Allowances (411 8)			
22	Losses from Disposition of Allowances (411 9)			
23	TOTAL Utility Operating Expenses (Total of lines 4 thru 22)			
24	Net Utility Operating Income (Total of lines 2 less 23) (Carry forward to page 116 line 25)			

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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STATEMENT OF INCOME FOR THE YEAR (Continued)

4 Explain in a footnote if the previous year's figures are different from those reported in prior reports

5 If the columns are insufficient for reporting additional utility departments supply the appropriate account titles lines 2 to 23 and report the information in the blank space on page 122 or in a supplemental statement

ELECTRIC UTILITY		GAS UTILITY		OTHER UTILITY		Line No
Current Year (in dollars) (e)	Previous Year (in dollars) (f)	Current Year (in dollars) (g)	Previous Year (in dollars) (h)	Current Year (in dollars) (i)	Previous Year (in dollars) (j)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
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						24

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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STATEMENT OF INCOME FOR THE YEAR (Continued)

Line No	Title of Account (a)	Reference Page Number (b)	Total Current Year (in dollars) (c)	Total Previous Year (in dollars) (d)
25	Net Utility Operating Income (Carried forward from page 114)			
26	OTHER INCOME AND DEDUCTIONS			
27	Other Income			
28	Nonutility Operating Income			
29	Revenues from Merchandising Jobbing and Contract Work (415)			
30	(Less) Costs and Expense of Merchandising Job & Contract Work			
31	Revenues from Nonutility Operations (417)			
32	(Less) Expenses of Nonutility Operations (417 1)			
33	Nonoperating Rental Income			
34	Equity in Earnings of Subsidiary Companies (418 1)	119		
35	Interest and Dividend Income (419)			
36	Allowance for Other Funds Used During Construction (419 1)			
37	Miscellaneous Nonoperating Income (421)			
38	Gain on Disposition of Property (421 1)			
39	TOTAL Other Income (Total of lines 29 thru 38)			
40	Other Income Deductions			
41	Loss on Disposition of Property (421 2)			
42	Miscellaneous Amortization (425)			
43	Miscellaneous Income Deductions (426 1 thru 426 5)	340		
44	TOTAL Other Income Deductions (Total of lines 41 thru 43)	340		
45	Taxes Applicable to Other Income and Deductions			
46	Taxes Other than Income Taxes (406 2)	262 263		
47	Income Taxes—Federal (409 2)	262 263		
48	Income Taxes—Other (409 2)	262 263		
49	Provision for Deferred Income Taxes (410 2)	234 235		
50	(Less) Provision for Deferred Income Taxes Credit (411 2)	234 235		
51	Investment Tax Credit Adjustments—Net (411 5)			
52	(Less) Investment Tax Credits (420)			
53	TOTAL Taxes on Other Income and Deductions (Total of lines 46 52)			
54	Net Other Income and Deductions (Total of lines 39 44, 53)			
55	INTEREST CHARGES			
56	Interest on Long Term Debt (427)			
57	Amortization of Debt Disc and Expense (428)	258 259		
58	Amortization of Loss on Reacquired Debt (428 1)			
59	(Less) Amortization of Premium on Debt Credit (429)	258 259		
60	(Less) Amortization of Gain on Reacquired Debt Credit (429 1)			
61	Interest on Debt to Associated Companies (430)	340		
62	Other Interest Expense (431)	340		
63	(Less) Allowance for Borrowed Funds Used During Construction Credit			
64	Net Interest Charges (Total of lines 56 thru 63)			
65	Income Before Extraordinary Items (Total of lines 25 54 and 64)			
66	EXTRAORDINARY ITEMS			
67	Extraordinary Income (434)			
68	(Less) Extraordinary Deductions (435)			
69	Net Extraordinary Items (Total of line 67 less line 68)			
70	Income Taxes—Federal and Other (409 3)	262 263		
71	Extraordinary Items after Taxes (Total of line 69 less line 70)			
72	Net Income (Total of lines 65 and 71)			

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

- | | |
|---|--|
| <p>1 Report all changes in appropriated retained earnings, unappropriated retained earnings and unappropriated undistributed subsidiary earnings for the year</p> <p>2 Each credit and debit during the year should be identified as to the retained earnings account in which recorded (Accounts 433-436 439 inclusive) Show the contra primary account affected in column (b)</p> | <p>3 State the purpose and amount for each reservation or appropriation of retained earnings</p> <p>4 List first Account 439 <i>Adjustments to Retained Earnings</i> reflecting adjustments to the opening balance of retained earnings Follow by credit then debit items in that order</p> <p>5 Show dividends for each class and series of capital stock</p> |
|---|--|

Line No	Item (a)	Contra Primary Account Affected (b)	Current Year Amount (in dollars) (c)	Previous Year Amount (in dollars) (d)
UNAPPROPRIATED RETAINED EARNINGS				
1	Balance—Beginning of Year			
2	Changes (Identify by prescribed retained earnings accounts)			
3	Adjustments to Retained Earnings (Account 439)			
3 01	Credit			
3 02	Credit			
3 03	Credit			
3 04	Credit			
3 05	Credit			
4	TOTAL Credits to Retained Earnings (Account 439) (Total of lines 3 01 thru 3 ?)			
4 01	Debit			
4 02	Debit			
4 03	Debit			
4 04	Debit			
4 05	Debit			
5	TOTAL Debits to Retained Earnings (Account 439) (Total of lines 4 01 thru 4 ?)			
6	Balance Transferred from Income (Acct 433 less Acct 418 1)			
7	Appropriations of Retained Earnings (Account 436)			
7 01				
7 02				
7 03				
7 04				
8	TOTAL Appropriations of Retained Earnings (Account 436) (Total of lines 7 01 thru 7 ?)			
9	Dividends Declared Preferred Stock (Account 437)			
9 01				
9 02				
9 03				
9 04				
10	TOTAL Dividends Declared Preferred Stock (Account 437) (Total of lines 9 01 thru 9 ?)			
11	Dividends Declared Common Stock (Account 438)			
11 01				
11 02				
11 03				
11 04				
12	TOTAL Dividends Declared Common Stock (Account 438) (Total of lines 11 01 thru 11 ?)			
13	Transfers from Account 216 1 Unappropriated Undistributed Subsidiary Earnings			
14	Balance End of Year (Total of lines 1 4 5 6 8,10 12 and 13)			

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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STATEMENT OF RETAINED EARNINGS FOR THE YEAR

6 Show separately the State and Federal income tax effect of items shown in Account 439 *Adjustments to Retained Earnings*

7 Explain in a footnote the basis for determining the amount reserved or appropriated. If such reservation or appropriation is to be recurrent, state the number and annual amounts to be reserved or appropriated as well as the totals eventually to be accumulated.

8 At lines 3, 4, 7, 9, 11, and 15, add rows as necessary to report all data. When rows are added, the additional row numbers should follow in sequence, e.g., 3.01, 3.02, etc.

Line No	Item (a)	Current Year Amount (in dollars) (b)	Previous Year Amount (in dollars) (c)
	APPROPRIATED RETAINED EARNINGS (Account 215) State balance and purpose of each appropriated retained earnings amount at end of year and give accounting entries for any applications of appropriated retained earnings during the year.		
15 01 15 02 15 03 15 04 15 05 15 06 15 07 15 08			
16	TOTAL Appropriated Retained Earnings (Account 215)		
	APPROPRIATED RETAINED EARNINGS-AMORTIZATION RESERVE, FEDERAL (Account 215 1) State below the total amount set aside through appropriations of retained earnings as of the end of the year in compliance with the provisions of Federally granted hydroelectric project licenses held by the respondent. If any reductions or changes other than the normal annual credits hereto have been made during the year, explain such items in a footnote.		
17	TOTAL Appropriated Retained Earnings Amortization Reserve Federal (Account 215 1)		
18	TOTAL Appropriated Retained Earnings (Accounts 215, 215 1) (Total of lines 16 and 17)		
19	TOTAL Retained Earnings (Accounts 215, 215 1, 216) (Total of lines 14 and 18)		
	UNAPPROPRIATED UNDISTRIBUTED SUBSIDIARY EARNINGS (Account 216 1)		
20	Balance Beginning of Year (Debit or Credit)		
21	Equity in Earnings for Year (Credit) (Account 418 1)		
22	(Less) Dividends Received (Debit)		
23	Other Changes (Explain)		
24	Balance End of Year		

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STATEMENT OF CASH FLOWS

1 Information about noncash investing and financing activities should be provided on page 122. Provide also on page 122 a reconciliation between Cash and Cash Equivalents at End of Year with related amounts on the balance sheet.

2 Under Other specify significant amounts and group others

3 Operating Activities Other Include gains and losses pertaining to operating activities only. Gains and losses pertaining to investing and financing activities should be reported in those activities. Show on page 122 the amounts of interest paid (net of amounts capitalized) and income taxes paid.

Line No	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (b)	Previous Year Amount (c)
1	Net Cash Flow from Operating Activities		
2	Net Income (Line 72(c) on page 116)		
3	Noncash Charges (Credits) to Income		
4	Depreciation and Depletion		
5	Amortization of (Specify)		
5 01			
5 02			
6	Deferred Income Taxes (Net)		
7	Investment Tax Credit Adjustments (Net)		
8	Net (Increase) Decrease in Receivables		
9	Net (Increase) Decrease in Inventory		
10	Net (Increase) Decrease in Allowances Inventory		
11	Net Increase (Decrease) in Payables and Accrued Expenses		
12	Net (Increase) Decrease in Other Regulatory Assets		
13	Net Increase (Decrease) in Other Regulatory Liabilities		
14	(Less) Allowance for Other Funds Used During Construction		
15	(Less) Undistributed Earnings from Subsidiary Companies		
16	Other		
16 01			
16 02			
17	Net Cash Provided by (Used in) Operating Activities		
18	(Total of Lines 2 thru 16 ?)		
19			
20	Cash Flows from Investment Activities		
21	Construction and Acquisition of Plant (including land)		
22	Gross Additions to Utility Plant (less nuclear fuel)		
23	Gross Additions to Nuclear Fuel		
24	Gross Additions to Common Utility Plant		
25	Gross Additions to Nonutility Plant		
26	(Less) Allowance for Other Funds Used During Construction		
27	Other		
27 01			
27 02			
28	Cash Outflows for Plant (Total of lines 22 thru 27 ?)		
29			
30	Acquisition of Other Noncurrent Assets (d)		
31	Proceeds from Disposal of Noncurrent Assets (d)		
32			
33	Investments in and Advances to Assoc and Subsidiary Companies		
34	Contributions and Advances from Assoc and Subsidiary Companies		
35	Disposition of Investments in (and Advances to)		
36	Associated and Subsidiary Companies		
37			
38	Purchase of Investment Securities (a)		
39	Proceeds from Sales of Investment Securities (a)		

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STATEMENT OF CASH FLOWS (Continued)

4 Investing Activities Include at Other (Line 27) net cash outflow to acquire other companies Provide a reconciliation of assets acquired with liabilities assumed on page 122 Do not include on this statement the dollar amount of leases capitalized per U S of A General Instruction 20 instead provide a reconciliation of the dollar amount of leases capitalized with the plant cost on page 122

- 5 Codes used
 (a) Net Proceeds or payments
 (b) Bonds Debentures and other long term debt
 (c) Include commercial paper
 (d) Identify separate such items as investments fixed assets intangibles etc
- 6 Enter on page 122 clarifications and explanations
 7 At lines 5 16 27 47 56 58 and 65 add rows as necessary to report all data Number the extra rows in sequence 5 01 5 02 etc

Line No	DESCRIPTION (See Instructions for Explanation of Codes) (a)	Current Year Amount (b)	Previous Year Amount (c)
40	Loans Made or Purchased		
41	Collections on Loans		
42			
43	Net (Increase) Decrease in Receivables		
44	Net (Increase) Decrease in Inventory		
45	Net (Increase) Decrease in Allowances Held for Speculation		
46	Net Increase (Decrease) in Payables and Accrued Expenses		
47	Other		
47 01			
47 02			
48	Net Cash Provided by (Used in) Investing Activities		
49	(Total of lines 28 thru 47 ?)		
50			
51	Cash Flows from Financing Activities		
52	Proceeds from Issuance of		
53	Long Term Debt (b)		
54	Preferred Stock		
55	Common Stock		
56	Other		
56 01			
57	Net Increase in Short term Debt (c)		
58	Other		
58 01			
58 02			
59	Cash Provided by Outside Sources (Total of lines 53 thru 58 ?)		
60			
61	Payments for Retirement of		
62	Long Term Debt (b)		
63	Preferred Stock		
64	Common Stock		
65	Other		
65 01			
66	Net Decrease in Short Term Debt (c)		
67			
68	Dividends on Preferred Stock		
69	Dividends on Common Stock		
70	Net Cash Provided by (Used in) Financing Activities		
71	(Total of lines 59 thru 69)		
72			
73	Net Increase (Decrease) in Cash and Cash Equivalents		
74	(Total of line 18 49 and 71)		
75			
76	Cash and Cash Equivalents at Beginning of Year		
77			
78	Cash and Cash Equivalents at End of Year		

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year of Report Dec 31, ____
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NOTES TO FINANCIAL STATEMENTS

1 Provide important disclosures regarding the Balance Sheet, Statement of Income for the Year, Statement of Retained Earnings for the Year, and Statement of Cash Flow or any account thereof. Classify the disclosures according to each financial statement providing a subheading for each statement except where a disclosure is applicable to more than one statement. The disclosures must be on the same subject matters and in the same level of detail that would be required if the respondent issued general purpose financial statements to the public or shareholders.

2 Furnish details as to any significant contingent assets or liabilities existing at year end and briefly explain any action initiated by the Internal Revenue Service involving possible assessment of additional income taxes of material amount or a claim for refund of income taxes of a material amount initiated by the utility. Also briefly explain any dividends in arrears on cumulative preferred stock.

3 Furnish details on the respondent's pension plans, post retirement benefits other than pensions (PBOP) plans, and post employment benefit plans as required by instruction no. 1 and in addition, disclose for each individual plan the current year's cash contributions. Furnish details on the accounting for the plans and any changes in the method of accounting for them. Include details on the accounting for transition obligations or assets, gains or losses, the amounts deferred and the expected recovery periods. Also disclose any current year's plan or trust curtailments, terminations, transfers, or reversions of assets.

4 Where Account 189, *Unamortized Loss on Recquired Debt*, and 257, *Unamortized Gain on Recquired Debt*, are not used, give an explanation providing the rate treatment given these items. See General Instruction 17 of the Uniform System of Accounts.

5 Explain concisely any retained earnings restrictions and state the amount of retained earnings affected by such restrictions.

6 Disclose details on any significant financial changes during the reporting year to the respondent or the respondent's consolidated group that directly affect the respondent's gas pipeline operations, including sales, transfers or mergers of affiliates, investments in new partnerships, sales of gas pipeline facilities or the sale of ownership interests in the gas pipeline to limited partnerships, investments in related industries (i.e. production, gathering), major pipeline investments, acquisitions by the parent corporation(s), and distributions of capital.

7 Explain concisely unsettled rate proceedings where a contingency exists such that the company may need to refund a material amount to the utility's customers or that the utility may receive a material refund with respect to power or gas purchases. State for each year affected the gross revenues or costs to which the contingency relates and the tax effects and explain the major factors that affect the rights of the utility to retain such revenues or to recover amounts paid with respect to power and gas purchases.

8 Explain concisely significant amounts of any refunds made or received during the year resulting from settlement of any rate proceeding affecting revenues received or costs incurred for power or gas purchases and summarize the adjustments made to balance sheet, income, and expense accounts.

9 Explain concisely only those significant changes in accounting methods made during the year which had an effect on net income, including the basis of allocations and apportionments from those used in the preceding year. Also give the approximate dollar effect of such changes.

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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION AMORTIZATION AND DEPLETION**

Line No	Item (a)	Total (b)
1	UTILITY PLANT	
2	In Service	
3	Plant in Service (Classified)	
4	Property Under Capital Leases	
5	Plant Purchased or Sold	
6	Completed Construction not Classified	
7	Experimental Plant Unclassified	
8	TOTAL Utility Plant (Total of lines 3 thru 7)	
9	Leased to Others	
10	Held for Future Use	
11	Construction Work in Progress	
12	Acquisition Adjustments	
13	TOTAL Utility Plant (Total of lines 8 thru 12)	
14	Accumulated Provisions for Depreciation Amortization & Depletion	
15	Net Utility Plant (Total of lines 13 and 14)	
16	DETAIL OF ACCUMULATED PROVISIONS FOR DEPRECIATION AMORTIZATION AND DEPLETION	
17	In Service	
18	Depreciation	
19	Amortization and Depletion of Producing Natural Gas Land and Land Rights	
20	Amortization of Underground Storage Land and Land Rights	
21	Amortization of Other Utility Plant	
22	TOTAL In Service (Total of lines 18 thru 21)	
23	Leased to Others	
24	Depreciation	
25	Amortization and Depletion	
26	TOTAL Leased to Others (Total of lines 24 and 25)	
27	Held for Future Use	
28	Depreciation	
29	Amortization	
30	TOTAL Held for Future Use (Total of lines 28 and 29)	
31	Abandonment of Leases (Natural Gas)	
32	Amortization of Plant Acquisition Adjustment	
33	TOTAL Accum Provisions (Should agree with line 14 above)(Total of lines 22 26 30 31 and 32)	

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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**SUMMARY OF UTILITY PLANT AND ACCUMULATED PROVISIONS
FOR DEPRECIATION, AMORTIZATION AND DEPLETION (Continued)**

Electric (c)	Gas (d)	Other (Specify) (e)	Common (f)	Line No
				1
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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS PLANT IN SERVICE (ACCOUNTS 101, 102 103, AND 106)

1 Report below the original cost of gas plant in service according to the prescribed accounts

2 In addition to Account 101 *Gas Plant in Service (Classified)*, this page and the next include Account 102 *Gas Plant Purchased or Sold*, Account 103 *Experimental Gas Plant Unclassified*, and Account 106, *Completed Construction Not Classified Gas*

3 Include in column (c) and (d) as appropriate corrections of additions and retirements for the current or preceding year

4 Enclose in parenthesis credit adjustments of plant accounts to indicate the negative effect of such accounts

5 Classify Account 106 according to prescribed accounts on an estimated basis if necessary and include the entries in column (c) Also to be included in column (c) are entries for reversals of tentative distributions of prior year reported in column (b) Likewise if the respondent has a significant amount of plant retirements which have not been classified to primary accounts at the end of the year, include in column (d) a tentative distribution of such retirements on an estimated basis with appropriate contra entry to the account for accumulated depreciation provision Include also in column (d) reversals of tentative distributions of prior year's unclassified retirements Attach supplemental statement showing the account distributions of these tentative classifications in columns (c) and (d)

Line No	Account (a)	Balance at Beginning of Year (b)	Additions (c)
1	INTANGIBLE PLANT		
2	301 Organization		
3	302 Franchises and Consents		
4	303 Miscellaneous Intangible Plant		
5	TOTAL Intangible Plant (Enter Total of lines 2 thru 4)		
6	PRODUCTION PLANT		
7	Natural Gas Production and Gathering Plant		
8	325 1 Producing Lands		
9	325 2 Producing Leaseholds		
10	325 3 Gas Rights		
11	325 4 Rights of Way		
12	325 5 Other Land and Land Rights		
13	326 Gas Well Structures		
14	327 Field Compressor Station Structures		
15	328 Field Measuring and Regulating Station Equipment		
16	329 Other Structures		
17	330 Producing Gas Wells Well Construction		
18	331 Producing Gas Wells Well Equipment		
19	332 Field Lines		
20	333 Field Compressor Station Equipment		
21	334 Field Measuring and Regulating Station Equipment		
22	335 Drilling and Cleaning Equipment		
23	336 Purification Equipment		
24	337 Other Equipment		
25	338 Unsuccessful Exploration and Development Costs		
26	TOTAL Production and Gathering Plant (Enter Total of lines 8 thru 25)		
27	PRODUCTS EXTRACTION PLANT		
28	340 Land and Land Rights		
29	341 Structures and Improvements		
30	342 Extraction and Refining Equipment		
31	343 Pipe Lines		
32	344 Extracted Products Storage Equipment		
33	345 Compressor Equipment		

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103 AND 106)(Continued)

including the reversals of the prior years tentative account distributions of these amounts Careful observance of the above instructions and the texts of Account 101 and 106 will avoid serious omissions of respondent's reported amount for plant actually in service at end of year

6 Show in column (f) reclassifications or transfers within utility plant accounts Include also in column (f) the additions or reductions of primary account classifications arising from distribution of amounts initially recorded in Account 102 In showing the clearance of Account 102 include in column (e) the amounts with respect to accumulated provision for depreciation acquisition adjustments etc

and show in column (f) only the offset to the debits or credits to primary account classifications

7 For Account 399 state the nature and use of plant included in this account and if substantial in amount submit a supplementary statement showing subaccount classification of such plant conforming to the requirements of these pages

8 For each amount comprising the reported balance and changes in Account 102 state the property purchased or sold name of vendor or purchaser and date of transaction If proposed journal entries have been filed with the Commission as required by the Uniform System of Accounts give date of such filing

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No
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Name of Respondent	This Report Is	Date of Report (Mo, Da Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)(Continued)

Line No	Account (a)	Balance at Beginning of Year (b)	Additions (c)
34	346 Gas Measuring and Regulating Equipment		
35	347 Other Equipment		
36	TOTAL Products Extraction Plant (Enter Total of lines 28 thru 35)		
37	TOTAL Natural Gas Production Plant (Enter Total of lines 26 and 36)		
38	Manufactured Gas Production Plant (Submit Supplementary Statement)		
39	TOTAL Production Plant (Enter Total of lines 37 and 38)		
40	NATURAL GAS STORAGE AND PROCESSING PLANT		
41	Underground Storage Plant		
42	350 1 Land		
43	350 2 Rights of Way		
44	351 Structures and Improvements		
45	352 Wells		
46	352 1 Storage Leaseholds and Rights		
47	352 2 Reservoirs		
48	352 3 Non recoverable Natural Gas		
49	353 Lines		
50	354 Compressor Station Equipment		
51	355 Measuring and Regulating Equipment		
52	356 Purification Equipment		
53	357 Other Equipment		
54	TOTAL Underground Storage Plant (Enter Total of lines 42 thru 53)		
55	Other Storage Plant		
56	360 Land and Land Rights		
57	361 Structures and Improvements		
58	362 Gas Holders		
59	363 Purification Equipment		
60	363 1 Liquefaction Equipment		
61	363 2 Vaporizing Equipment		
62	363 3 Compressor Equipment		
63	363 4 Measuring and Regulating Equipment		
64	363 5 Other Equipment		
65	TOTAL Other Storage Plant (Enter Total of lines 56 thru 64)		
66	Base Load Liquefied Natural Gas Terminaling and Processing Plant		
67	364 1 Land and Land Rights		
68	364 2 Structures and Improvements		
69	364 3 LNG Processing Terminal Equipment		
70	364 4 LNG Transportation Equipment		
71	364 5 Measuring and Regulating Equipment		
72	364 6 Compressor Station Equipment		
73	364 7 Communications Equipment		
74	364 8 Other Equipment		
75	TOTAL Base Load Liquefied Nat I Gas Terminaling and Processing Plant (Lines 67-74)		
76	TOTAL Nat I Gas Storage and Processing Plant (Total of lines 54-65 and 75)		
77	TRANSMISSION PLANT		
78	365 1 Land and Land Rights		
79	365 2 Rights of Way		
80	366 Structures and Improvements		

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)(Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No
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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS PLANT IN SERVICE (ACCOUNTS 101, 102 103 AND 106)(Continued)

Line No	Account (a)	Balance at Beginning of Year (b)	Additions (c)
81	367 Mains		
82	368 Compressor Station Equipment		
83	369 Measuring and Regulating Station Equipment		
84	370 Communication Equipment		
85	371 Other Equipment		
86	TOTAL Transmission Plant (Enter Totals of lines 78 thru 85)		
87	DISTRIBUTION PLANT		
88	374 Land and Land Rights		
89	375 Structures and Improvements		
90	376 Mains		
91	377 Compressor Station Equipment		
92	378 Measuring and Regulating Station Equipment General		
93	379 Measuring and Regulating Station Equipment City Gate		
94	380 Services		
95	381 Meters		
96	382 Meter Installations		
97	383 House Regulators		
98	384 House Regulator Installations		
99	385 Industrial Measuring and Regulating Station Equipment		
100	386 Other Property on Customers Premises		
101	387 Other Equipment		
102	TOTAL Distribution Plant (Enter Total of lines 88 thru 101)		
103	GENERAL PLANT		
104	389 Land and Land Rights		
105	390 Structures and Improvements		
106	391 Office Furniture and Equipment		
107	392 Transportation Equipment		
108	393 Stores Equipment		
109	394 Tools Shop and Garage Equipment		
110	395 Laboratory Equipment		
111	396 Power Operated Equipment		
112	397 Communication Equipment		
113	398 Miscellaneous Equipment		
114	Subtotal (Enter Total of lines 104 thru 113)		
115	399 Other Tangible Property		
116	TOTAL General Plant (Enter Total of lines 114 and 115)		
117	TOTAL (Accounts 101 and 106)		
118	Gas Plant Purchased (See Instruction 8)		
119	(Less) Gas Plant Sold (See Instruction 8)		
120	Experimental Gas Plant Unclassified		
121	TOTAL Gas Plant In Service (Enter Total of lines 117 thru 120)		

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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS PLANT IN SERVICE (ACCOUNTS 101, 102, 103, AND 106)(Continued)

Retirements (d)	Adjustments (e)	Transfers (f)	Balance at End of Year (g)	Line No
				81
				82
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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending
	<input type="checkbox"/> An Original		Dec 31, ____
<input type="checkbox"/> A Resubmission			

GAS PROPERTY AND CAPACITY LEASED FROM OTHERS

1 Report below the information called for concerning gas property and capacity leased from others for gas operations

2 For all leases in which the average annual lease payment over the initial term of the lease exceeds \$500 000 describe in column (c) if applicable the property or capacity leased Designate associated companies with an asterisk in column (b)

Line No	Name of Lessor (a)	* (b)	Description of Lease (c)	Lease Payments For Current Year (d)
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45	TOTAL			

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS PROPERTY AND CAPACITY LEASED TO OTHERS

1 For all leases in which the average lease income over the initial term of the lease exceeds \$500 000 provide in column (c) a description of each facility or leased capacity that is classified as gas plant in service and is leased to others for gas operations

2 In column (d) provide the lease payments received from others

3 Designate associated companies with an asterisk in column (b)

Line No	Name of Lessor (a)	*	Description of Lease (c)	Lease Payments For Current Year (d)
		(b)		
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45	TOTAL			

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending
	<input type="checkbox"/> An Original		Dec 31, ____
<input type="checkbox"/> A Resubmission			

GAS PLANT HELD FOR FUTURE USE (ACCOUNT 105)

1 Report separately each property held for future use at end of the year having an original cost of \$1 000 000 or more Group other items of property held for future use

2 For property having an original cost of \$1,000,000 or more previously used in utility operations now held for future use give in column (a), in addition to other required information, the date that utility use of such property was discontinued and the date the original cost was transferred to Account 105

Line No	Description and Location of Property (a)	Date Originally Included in this Account (b)	Date Expected to be Used in Utility Service (c)	Balance at End of Year (d)
1				
2				
3				
4				
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44				
45	TOTAL			

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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CONSTRUCTION WORK IN PROGRESS GAS (ACCOUNT 107)

1 Report below descriptions and balances at end of year of projects in process of construction (Account 107) and Demonstration (see Account 107 of the Uniform System of Accounts)
 2 Show items relating to research, development, and demonstration projects last under a caption Research Development 3 Minor projects (less than \$1 000 000) may be grouped

Line No	Description of Project (a)	Construction Work in Progress Gas (Account 107) (b)	Estimated Additional Cost of Project (c)
1			
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45	TOTAL		

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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GENERAL DESCRIPTION OF CONSTRUCTION OVERHEAD PROCEDURE

1 For each construction overhead explain (a) the nature and extent of work etc, the overhead charges are intended to cover, (b) the general procedure for determining the amount capitalized, (c) the method of distribution to construction jobs (d) whether different rates are applied to different types of construction (e) basis of differentiation in rates for different types of construction, and (f) whether the overhead is directly or indirectly assigned

2 Show below the computation of allowance for funds used during construction rates in accordance with the provisions of Gas Plant Instructions 3 (17) of the Uniform System of Accounts
3 Where a net of tax rate for borrowed funds is used, show the appropriate tax effect adjustment to the computations below in a manner that clearly indicates the amount of reduction in the gross rate for tax effects

COMPUTATION OF ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION RATES

For line (5) column (d) below enter the rate granted in the last rate proceeding If not available use the average rate earned during the preceding 3 years

1 Components of Formula (Derived from actual book balances and actual cost rates)

Title (a)	Amount (b)	Capitalization Ratio (Percent) (c)	Cost Rate Percentage (d)
(1) Average Short Term Debt	S		
(2) Short Term Interest			s
(3) Long Term Debt	D		d
(4) Preferred Stock	P		p
(5) Common Equity	C		c
(6) Total Capitalization		100%	
(7) Average Construction Work In Progress Balance	W		

2 Gross Rate for Borrowed Funds $s(S/W) + d((D/(D+P+C)))(1 (S/W))$

3 Rate for Other Funds $[1 (S/W)][p(P/(D+P+C)) + c(C/(D+P+C))]$

4 Weighted Average Rate Actually Used for the Year

a Rate for Borrowed Funds

b Rate for Other Funds

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31 ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

ACCUMULATED PROVISION FOR DEPRECIATION OF GAS UTILITY PLANT (ACCOUNT 108)

1 Explain in a footnote any important adjustments during year
 2 Explain in a footnote any difference between the amount for book cost of plant retired, line 10 column (c), and that reported for gas plant in service page 204 209 column (d), excluding retirements of nondepreciable property
 3 The provisions of Account 108 in the Uniform System of Accounts require that retirements of depreciable plant be recorded when such plant is removed from service If the respondent has a significant amount of plant retired at year end which has not been recorded and/or classified to the various reserve functional classifications make preliminary closing entries to tentatively functionalize the book cost of the plant retired In addition, include all costs included in retirement work in progress at year end in the appropriate functional classifications
 4 Show separately interest credits under a sinking fund or similar method of depreciation accounting
 5 At lines 7 and 14, add rows as necessary to report all data Additional rows should be numbered in sequence e g 7 01 7 02 etc

Line No	Item (a)	Total (c+d+e) (b)	Gas Plant in Service (c)	Gas Plant Held for Future Use (d)	Gas Plant Leased to Others (e)
Section A BALANCES AND CHANGES DURING YEAR					
1	Balance Beginning of Year				
2	Depreciation Provisions for Year Charged to				
3	(403) Depreciation Expense				
4	(413) Expense of Gas Plant Leased to Others				
5	Transportation Expenses Clearing				
6	Other Clearing Accounts				
7	Other Clearing (Specify)				
7 01					
8	TOTAL Deprec Prov for Year (Total of lines 3 thru 7 ?)				
9	Net Charges for Plant Retired				
10	Book Cost of Plant Retired				
11	Cost of Removal				
12	Salvage (Credit)				
13	TOTAL Net Chrgs for Plant Ret (Total of lines 10 thru 12)				
14	Other Debit or Credit Items (Describe)				
14 01					
15	Balance End of Year (Total of lines 1 8 13 14 to 14 ?)				
Section B BALANCES AT END OF YEAR ACCORDING TO FUNCTIONAL CLASSIFICATIONS					
16	Productions Manufactured Gas				
17	Production and Gathering Natural Gas				
18	Products Extraction Natural Gas				
19	Underground Gas Storage				
20	Other Storage Plant				
21	Base Load LNG Terminaling and Processing Plant				
22	Transmission				
23	Distribution				
24	General				
25	TOTAL (Total of lines 16 thru 24)				

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS STORED (ACCOUNTS 117 1, 117 2 117 3 117 4, 164 1 164 2 AND 164 3)

1 If during the year adjustments were made to the stored gas inventory reported in columns (d) (f) (g) and (h) (such as to correct cumulative inaccuracies of gas measurements) explain in a footnote the reason for the adjustments the Dth and dollar amount of adjustment and account charged or credited

2 Report in column (e) all encroachments during the year upon the volumes designated as base gas column (b), and system balancing gas, column (c), and gas property recordable in the plant accounts

3 State in a footnote the basis of segregation of inventory between current and noncurrent portions Also state in a footnote the method used to report storage (i.e. fixed asset method or inventory method)

Line No	Description (a)	(Account 117 1) (b)	(Account 117 2) (c)	Noncurrent (Account 117 3) (d)	(Account 117 4) (e)	Current (Account 164 1) (f)	LNG (Account 164 2) (g)	LNG (Account 164 3) (h)	Total (i)
1	Balance at Beginning of Year								
2	Gas Delivered to Storage								
3	Gas Withdrawn from Storage								
4	Other Debits and Credits								
5	Balance at End of Year								
6	Dth								
7	Amount Per Dth								

65

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

INVESTMENTS (ACCOUNT 123, 124 AND 136)

1 Report below investments in Accounts 123 *Investments in Associated Companies*, 124 *Other Investments* and 136, *Temporary Cash Investments* to authorization by the Board of Directors and included in Account 124, *Other Investments* state number of shares class and series of stock. Minor investments may be grouped by classes. Investments included in Account 136 *Temporary Cash Investments* also may be grouped by classes.

2 Provide a subheading for each account and list thereunder the information called for:

(a) Investment in Securities—List and describe each security owned, giving name of issuer date acquired and date of maturity. For bonds, also give principal amount, date of issue, maturity, and interest rate. For capital stock (including capital stock of respondent reacquired under a definite plan for resale pursuant to authorization by the Board of Directors and included in Account 124, *Other Investments*) state number of shares class and series of company the amounts of loans or investment advances that are properly includable in Account 123. Include advances subject to current repayment in Account 145 and 146. With respect to each advance show whether the advance is a note or open account.

Line No	Description of Investment (a)	*	Book Cost at Beginning of Year (if book cost is different from cost to respondent give cost to respondent in a footnote and explain difference) (c)	Purchases or Additions During Year (d)
1				
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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

INVESTMENTS (ACCOUNT 123, 124, AND 136) (Continued)

List each note giving date of issuance maturity date and specifying whether note is a renewal. Designate any advances due from officers directors stockholders or employees

3 Designate with an asterisk in column (b) any securities, notes or accounts that were pledged and in a footnote state the name of pledges and purpose of the pledge

4 If Commission approval was required for any advance made or security acquired designate such fact in a footnote and cite Commission date of authorization and case or docket number

5 Report in column (h) interest and dividend revenues from investments including such revenues from securities disposed of during the year

6 In column (i) report for each investment disposed of during the year the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof not including any dividend or interest adjustment includible in column (h)

Sales or Other Dispositions During Year (e)	Principal Amount or No. of Shares at End of Year (f)	Book Cost at End of Year (If book cost is different from cost to respondent give cost to respondent in a footnote and explain difference) (g)	Revenues for Year (h)	Gain or Loss from Investment Disposed of (i)	Line No
					1
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					10
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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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INVESTMENTS IN SUBSIDIARY COMPANIES (ACCOUNT 123 1)

1 Report below investments in Account 123 1 *Investments in Subsidiary Companies*
 2 Provide a subheading for each company and list thereunder the information called for below. Sub total by company and give a total in columns (e) (f) (g) and (h)
 (a) Investment in Securities—List and describe each security owned. For bonds give also principal amount, date of issue, maturity and interest rate.

(b) Investment Advances Report separately the amounts of loans or investment advances which are subject to repayment but which are not subject to current settlement. With respect to each advance show whether the advance is a note or open account. List each note giving date of issuance, maturity date, and specifying whether note is a renewal.
 3 Report separately the equity in undistributed subsidiary earnings since acquisition. The total in column (e) should equal the amount entered for Account 418 1.

Line No	Description of Investment (a)	Date Acquired (b)	Date of Maturity (c)	Amount of Investment at Beginning of Year (d)
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39				
40	TOTAL Cost of Account 123 1 \$ _____	TOTAL		

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Name of Respondent	This Report Is	Date of Report <i>(Mo, Da, Yr)</i>	Year Ending
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec 31, ____

INVESTMENTS IN SUBSIDIARY COMPANIES (ACCOUNT 123 1)(Continued)

4 Designate in a footnote any securities, notes, or accounts that were pledged and state the name of pledgee and purpose of the pledge

5 If Commission approval was required for any advance made or security acquired designate such fact in a footnote and give name of Commission date of authorization, and case or docket number

6 Report in column (f) interest and dividend revenues from investments including such revenues from securities disposed of during the year

7 In column (h) report for each investment disposed of during the year, the gain or loss represented by the difference between cost of the investment (or the other amount at which carried in the books of account if different from cost) and the selling price thereof not including interest adjustments includible in column (f)

8 Report on Line 40 column (a) the total cost of Account 123 1

Equity in Subsidiary Earnings for Year (e)	Revenues for Year (f)	Amount of Investment at End of Year (g)	Gain or Loss from Investment Disposed of (h)	Line No
				1
				2
				3
				4
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				10
				11
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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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PREPAYMENTS (ACCOUNT 165)

1 Report below the particulars (details) on each prepayment

Line No	Nature of Prepayment (a)	Balance at End of Year (in dollars) (b)
1	Prepaid Insurance	
2	Prepaid Rents	
3	Prepaid Taxes	
4	Prepaid Interest	
5	Miscellaneous Prepayments	
6	TOTAL	

EXTRAORDINARY PROPERTY LOSSES (ACCOUNT 182 1)

Line No	Description of Extraordinary Loss (Include the date of loss the date of Commission authorization to use Account 182 1 and period of amortization (mo yr to mo yr)) Add rows as necessary to report all data (a)	Balance at Beginning of Year (b)	Total Amount of Loss (c)	Losses Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
7							
8							
9							
10							
11							
12							
13							
14							
15	TOTAL						

UNRECOVERED PLANT AND REGULATORY STUDY COSTS (ACCOUNT 182 2)

Line No	Description of Unrecovered Plant and Regulatory Study Costs (Include in the description of costs, the date of Commission authorization to use Account 182 2 and period of amortization (mo, yr to mo yr)) Add rows as necessary to report all data Number rows in sequence beginning with the next row number after the last row number used for extraordinary property losses (a)	Balance at Beginning of Year (b)	Total Amount of Charges (c)	Costs Recognized During Year (d)	WRITTEN OFF DURING YEAR		Balance at End of Year (g)
					Account Charged (e)	Amount (f)	
16							
17							
18							
19							
20							
21							
22							
23							
24							
25							
26	TOTAL						

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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OTHER REGULATORY ASSETS (ACCOUNT 182 3)

1 Report below the details called for concerning other regulatory assets which are created through the ratemaking actions of regulatory agencies (and not includable in other accounts)
2 For regulatory assets being amortized show period of amortization in column (a)

3 Minor items (5% of the Balance at End of Year for Account 182 3 or amounts less than \$250 000 whichever is less) may be grouped by classes
4 Report separately any Deferred Regulatory Commission Expenses that are also reported on pages 350 351 Regulatory Commission Expenses

Line No	Description and Purpose of Other Regulatory Assets (a)	Balance at Beginning of Year (b)	Debits (c)	WRITTEN OFF DURING YEAR		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
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40	TOTAL					

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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

MISCELLANEOUS DEFERRED DEBITS (ACCOUNT 186)

1 Report below the details called for concerning miscellaneous deferred debits
 2 For any deferred debit being amortized show period of amortization in column (a)
 3 Minor items (less than \$250 000) may be grouped by classes

Line No	Description of Miscellaneous Deferred Debits (a)	Balance at Beginning of Year (b)	Debits (c)	CREDITS		Balance at End of Year (f)
				Account Charged (d)	Amount (e)	
1						
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38						
39	Miscellaneous Work in Progress					
40	TOTAL					

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190)

1 Report the information called for below concerning the respondent's accounting for deferred income taxes

2 At Other (Specify) include deferrals relating to other income and deductions

3 At lines 4 and 6, add rows as necessary to report all data. Number the additional rows in sequence 4 01 4 02 etc and 6 01 6 02 etc

Line No	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410 1 (c)	Amounts Credited to Account 411 1 (d)
1	Account 190			
2	Electric			
3	Gas			
4	Other (Define)			
5	Total (Total of lines 2 thru 4)			
6	Other (Specify)			
6 01				
6 02				
7	TOTAL Account 190 (Total of lines 5 thru 6 ?)			
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

ACCUMULATED DEFERRED INCOME TAXES (ACCOUNT 190) (Continued)

4 If more space is needed, use separate pages as required

5 In the space provided below identify by amount and classification significant items for which deferred taxes are being provided. Indicate insignificant amounts listed under "Other"

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No
Amounts Debited to Account 410 2 (e)	Amounts Credited to Account 411 2 (f)	DEBITS		CREDITS			
		Acct No (g)	Amount (h)	Acct No (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							6 01
							6 02
							7
							8
							9
							10
							11

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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

CAPITAL STOCK (ACCOUNTS 201 AND 204)

1 Report below the details called for concerning common and preferred stock at end of year distinguishing separate series of any general class Show separate totals for common and preferred stock

2 Entries in column (b) should represent the number of shares authorized by the articles of incorporation as amended to end of year
 3 Give details concerning shares of any class and series of stock authorized to be issued by a regulatory commission which have not yet been issued

Line No	Class and Series of Stock and Name of Stock Exchange (a)	Number of Shares Authorized by Charter (b)	Par or Stated Value Per Share (c)	Call Price at End of Year (d)
1				
2				
3				
4				
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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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CAPITAL STOCK (ACCOUNTS 201 AND 204) (Continued)

4 The identification of each class of preferred stock should show the dividend rate and whether the dividends are cumulative or noncumulative

6 Give particulars (details) in column (a) of any nominally issued capital stock reacquired stock or stock in sinking and other funds which is pledged stating name of pledgee and purpose of pledge

5 State in a footnote if any capital stock that has been nominally issued is nominally outstanding at end of year

OUTSTANDING PER BALANCE SHEET (Total amount outstanding without reduction for amounts held by respondent)		HELD BY RESPONDENT				Line No
		AS REQUIRED STOCK (Account 217)		IN SINKING AND OTHER FUNDS		
Shares (e)	Amount (f)	Shares (g)	Cost (h)	Shares (i)	Amount (j)	
						1
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						3
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Name of Respondent	This Report Is	Date of Report (Mo Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

**CAPITAL STOCK SUBSCRIBED, CAPITAL STOCK LIABILITY FOR CONVERSION,
PREMIUM ON CAPITAL STOCK, AND INSTALLMENTS RECEIVED ON CAPITAL STOCK
(ACCOUNTS 202, 203, 205, 206, 207, and 212)**

1 Show for each of the above accounts the amounts applying to each class and series of capital stock
 2 For Account 202 *Common Stock Subscribed*, and Account 205 *Preferred Stock Subscribed* show the subscription price and the balance due on each class at the end of year

3 Describe in a footnote the agreement and transactions under which a conversion liability existed under Account 203 *Common Stock Liability for Conversion* or Account 206 *Preferred Stock Liability for Conversion* at the end of year
 4 For Premium on Account 207 *Capital Stock* designate with an asterisk in column (b) any amounts representing the excess of consideration received over stated values of stocks without par value

Line No	Name of Account and Description of Item (a)	* (b)	Number of Shares (c)	Amount (d)
1				
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39				
40	TOTAL			

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

OTHER PAID IN CAPITAL (ACCOUNTS 208 211)

1 Report below the balance at the end of the year and the information specified below for the respective other paid in capital accounts Provide a subheading for each account and show a total for the account as well as a total of all accounts for reconciliation with the balance sheet page 112 Explain changes made in any account during the year and give the accounting entries effecting such change
 (a) *Donations Received from Stockholders* (Account 208) State amount and briefly explain the origin and purpose of each donation

(b) *Reduction in Par or Stated Value of Capital Stock* (Account 209) State amount and briefly explain the capital changes that gave rise to amounts reported under this caption including identification with the class and series of stock to which related

(c) *Gain or Resale or Cancellation of Reacquired Capital Stock* (Account 210) Report balance at beginning of year credits debits and balance at end of year with a designation of the nature of each credit and debit identified by the class and series of stock to which related

(d) *Miscellaneous Paid In Capital* (Account 211) Classify amounts included in this account according to captions that together with brief explanations disclose the general nature of the transactions that gave rise to the reported amounts

Line No	Item (a)	Amount (b)
1		
2		
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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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DISCOUNT ON CAPITAL STOCK (ACCOUNT 213)

1 Report the balance at end of year of discount on capital stock for each class and series of capital stock Use as many rows as necessary to report all data

2 If any change occurred during the year in the balance with respect to any class or series of stock attach a statement giving details of the change State the reason for any charge off during the year and specify the account charged

Line No	Class and Series of Stock (a)	Balance at End of Year (b)
1		
2		
3		
4		
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11		
12		
13		
14		
15	TOTAL	

CAPITAL STOCK EXPENSE (ACCOUNT 214)

1 Report the balance at end of year of capital stock expenses for each class and series of capital stock Use as many rows as necessary to report all data Number the rows in sequence starting from the last row number used for Discount on Capital Stock above

2 If any change occurred during the year in the balance with respect to any class or series of stock attach a statement giving details of the change State the reason for any charge off of capital stock expense and specify the account charged

Line No	Class and Series of Stock (a)	Balance at End of Year (b)
16		
17		
18		
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21		
22		
23		
24		
25		
26		
27		
28		
29	TOTAL	

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo Da, Yr)	Year Ending Dec 31, ____
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**SECURITIES ISSUED OR ASSUMED AND
SECURITIES REFUNDED OR RETIRED DURING THE YEAR**

1 Furnish a supplemental statement briefly describing security financing and refinancing transactions during the year and the accounting for the securities discounts, premiums expenses and related gains or losses Identify as to Commission authorization numbers and dates

2 Provide details showing the full accounting for the total principal amount par value or stated value of each class and series of security issued assumed retired or refunded and the accounting for premiums discounts expenses and gains or losses relating to the securities Set forth the facts of the accounting clearly with regard to redemption premiums unamortized discounts, expenses, and gain or losses relating to securities retired or refunded including the accounting for such amounts carried in the respondent s accounts at the date of the refunding or refinancing transactions with respect to securities previously refunded or retired

3 Include in the identification of each class and series of security as appropriate the interest or dividend rate nominal date of issuance maturity date aggregate principal amount par value or stated value and number of shares Give also the issuance of redemption price and name of the principal underwriting firm through which the security transactions were consummated

4 Where the accounting for amounts relating to securities refunded or retired is other than that specified in General Instruction 17 of the Uniform System of Accounts cite the Commission authorization for the different accounting and state the accounting method

5 For securities assumed give the name of the company for which the liability on the securities was assumed as well as details of the transactions whereby the respondent undertook to pay obligations of another company If any unamortized discount premiums expenses and gains or losses were taken over onto the respondent s books furnish details of these amounts with amounts relating to refunded securities clearly earmarked

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

LONG TERM DEBT (ACCOUNTS 221, 222, 223 AND 224)

1 Report by Balance Sheet Account the details concerning long term debt included in Account 221, *Bonds*, 222, *Reacquired Bonds*, 223 *Advances from Associated Companies* and 224 *Other Long Term Debt*
 2 For bonds assumed by the respondent include in column (a) the name of the issuing company as well as a description of the bonds

3 For Advances from Associated Companies report separately advances on notes and advances on open accounts Designate demand notes as such Include in column (a) names of associated companies from which advances were received
 4 For receivers certificates show in column (a) the name of the court and date of court order under which such certificates were issued

Line No	Class and Series of Obligation and Name of Stock Exchange (a)	Nominal Date of Issue (b)	Date of Maturity (c)	Outstanding (Total amount outstanding without reduction for amounts held by respondent) (d)
1				
2				
3				
4				
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39				
40	TOTAL			

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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LONG-TERM DEBT (ACCOUNT 221, 222 223 and 224)(Continued)

5 In a supplemental statement give explanatory details for Accounts 223 and 224 of net changes during the year With respect to long term advances show for each company (a) principal advanced during year (b) interest added to principal amount and (c) principal repaid during year Give Commission authorization numbers and dates

6 If the respondent has pledged any of its long term debt securities, give particulars (details) in a footnote including name of the pledgee and purpose of the pledge

7 If the respondent has any long term securities that have been nominally issued and are nominally outstanding at end of year describe such securities in a footnote

8 If interest expense was incurred during the year on any obligations retired or reacquired before end of year include such interest expense in column (f) Explain in a footnote any difference between the total of column (f) and the total Account 427, *Interest on Long Term Debt* and Account 430 *Interest on Debt to Associated Companies*

9 Give details concerning any long term debt authorized by a regulatory commission but not yet issued

INTEREST FOR YEAR		HELD BY RESPONDENT		Redemption Price Per \$100 at End of Year (i)	Line No
Rate (in %) (e)	Amount (f)	Reacquired Bonds (Account 222) (g)	Sinking and Other Funds (h)		
					1
					2
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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo Da Yr)	Year Ending Dec 31, ____
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UNAMORTIZED DEBT EXPENSE, PREMIUM AND DISCOUNT ON LONG TERM DEBT (ACCOUNTS 181 225,226)

1 Report under separate subheadings for Unamortized Debt Expense Unamortized Premium on Long Term Debt and Unamortized Discount on Long Term Debt, details of expense, premium or discount applicable to each class and series of long term debt

2 Show premium amounts by enclosing the figures in parentheses

3 In column (b) show the principal amount of bonds or other long term debt originally issued

4 In column (c) show the expense premium or discount with respect to the amount of bonds or other long term debt originally issued

Line No	Designation of Long Term Debt (a)	Principal Amount of Debt Issued (b)	Total Expense Premium or Discount (c)	AMORTIZATION PERIOD	
				Date From (d)	Date To (e)
1					
2					
3					
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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

UNAMORTIZED DEBT EXPENSE PREMIUM AND DISCOUNT ON LONG TERM DEBT (Accts 181,225 226)(Cont)

5 Furnish in a footnote details regarding the treatment of unamortized debt expense, premium or discount associated with issues redeemed during the year Also give in a footnote the date of the Commission's authorization of treatment other than as specified by the Uniform System of Accounts

6 Identify separately undisposed amounts applicable to issues which were redeemed in prior years
 7 Explain any debits and credits other than amortization debited to Account 428 *Amortization of Debt Discount and Expense* or credited to Account 429 *Amortization of Premium on Debt Credit*

Balance at Beginning of Year (f)	Debits During Year (g)	Credits During Year (h)	Balance at End of Year (i)	Line No
				1
				2
				3
				4
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				31
				32
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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec 31 ____

UNAMORTIZED LOSS AND GAIN ON REACQUIRED DEBT (ACCOUNTS 189, 257)

1 Report under separate subheadings for Unamortized Loss and Unamortized Gain on Reacquired Debt details of gain and loss including maturity date on reacquisition applicable to each class and series of long term debt If gain or loss resulted from a refunding transaction, include also the maturity date of the new issue

2 In column (c) show the principal amount of bonds or other long term debt reacquired

3 In column (d) show the net gain or net loss realized on each debt reacquisition as computed in accordance with General Instruction 17 of the Uniform Systems of Accounts

4 Show loss amounts by enclosing the figures in parentheses

5 Explain in a footnote any debits and credits other than amortization debited to Account 428 1 *Amortization of Loss on Reacquired Debt* or credited to Account 429 1 *Amortization of Gain on Reacquired Debt Credit*

Line No	Designation of Long Term Debt (a)	Date Reacquired (b)	Principal of Debt Reacquired (c)	Net Gain or Net Loss (d)	Balance at Beginning of Year (e)	Balance at End of Year (f)
1						
2						
3						
4						
5						
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Name of Respondent	This Report Is	Date of Report (Mo Da Yr)	Year Ending
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec 31, ____

RECONCILIATION OF REPORTED NET INCOME WITH TAXABLE INCOME FOR FEDERAL INCOME TAXES

1 Report the reconciliation of reported net income for the year with taxable income used in computing Federal Income Tax accruals and show computation of such tax accruals. Include in the reconciliation as far as practicable the same detail as furnished on Schedule M 1 of the tax return for the year. Submit a reconciliation even though there is no taxable income for the year. Indicate clearly the nature of each reconciling amount.

2 If the utility is a member of a group that files consolidated Federal tax return, reconcile reported net income with taxable net income as if a separate return were to be filed, indicating however intercompany amounts to be eliminated in such a consolidated return. State names of group members, tax assigned to each group member, and basis of allocation, assignments, or sharing of the consolidated tax among the group members.

Line No	DETAILS (a)	Amount (b)
1	Net Income for the Year (Page 116)	
2	Reconciling Items for the Year	
3		
4	Taxable Income Not Reported on Books	
5		
6		
7		
8		
9	Deductions Recorded on Books Not Deducted for Return	
10		
11		
12		
13		
14	Income Recorded on Books Not Included in Return	
15		
16		
17		
18		
19	Deductions on Return Not Charged Against Book Income	
20		
21		
22		
23		
24		
25		
26		
27	Federal Tax Net Income	
28	Show Computation of Tax	
29		
30		
31		
32		
33		
34		
35		



Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR

1 Give details of the combined prepaid and accrued tax accounts and show the total taxes charged to operations and other accounts during the year. Do not include gasoline and other sales taxes which have been charged to the accounts to which the taxed material was charged. If the actual or estimated amounts of such taxes are known show the amounts in a footnote and designate whether estimated or actual amounts.

2 Include on this page taxes paid during the year and charged direct to final accounts (not charged to prepaid or accrued taxes). Enter the amounts in both columns (d) and (e). The balancing of this

page is not affected by the inclusion of these taxes.

3 Include in column (d) taxes charged during the year: taxes charged to operations and other accounts through (a) accruals credited to taxes accrued; (b) amounts credited to the portion of prepaid taxes charged to current year; and (c) taxes paid and charged direct to operations or accounts other than accrued and prepaid tax accounts.

4 List the aggregate of each kind of tax in such manner that the total tax for each State and subdivision can readily be ascertained.

Line No	Kind of Tax (See Instruction 5) (a)	BALANCE AT BEGINNING OF YEAR	
		Taxes Accrued (b)	Prepaid Taxes (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15	TOTAL		

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Line No	Electric (Account 408 1 409 1) (i)	Gas (Account 408 1 409 1) (j)	Other Utility Department (Account 408 1 409 1) (k)	Other Income and Deductions (Account 408 2 409 2) (l)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15	TOTAL			

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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec 31, ____

TAXES ACCRUED, PREPAID AND CHARGED DURING YEAR (Continued)

5 If any tax (exclude Federal and State income taxes) covers more than one year, show the required information separately for each tax year identifying the year in column (a)

6 Enter all adjustments of the accrued and prepaid tax accounts in column (f) and explain each adjustment in a footnote. Designate debit adjustments by parentheses

7 Do not include on this page entries with respect to deferred income taxes or taxes collected through payroll deductions or otherwise pending transmittal of such taxes to the taxing authority

8 Show in columns (i) thru (p) how the taxes accounts were distributed. Show both the utility department and number of account charged. For taxes charged to utility plant show the number of the appropriate balance sheet plant account or subaccount

9 For any tax apportioned to more than one utility department or account state in a footnote the basis (necessity) of apportioning such tax

10 Items under \$250 000 may be grouped

Taxes Charged During Year (d)	Taxes Paid During Year (e)	Adjustments (f)	BALANCE AT END OF YEAR		Line No
			Taxes Accrued (Account 236) (g)	Prepaid Taxes (Included in Acct 165) (h)	
					1
					2
					3
					4
					5
					6
					7
					8
					9
					10
					11
					12
					13
					14
					15

DISTRIBUTION OF TAXES CHARGED (Show utility department where applicable and account charged)

Extraordinary Items (Account 409 3) (m)	Other Utility Opn Income (Account 408 1, 409 1) (n)	Adjustment to Ret Earnings (Account 439) (o)	Other (p)	Line No
				1
				2
				3
				4
				5
				6
				7
				8
				9
				10
				11
				12
				13
				14
				15



Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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MISCELLANEOUS CURRENT AND ACCRUED LIABILITIES (ACCOUNT 242)

1 Describe and report the amount of other current and accrued liabilities at the end of year

2 Minor items (less than \$250 000) may be grouped under appropriate title

Line No	Item (a)	Balance at End of Year (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
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38		
39		
40		
41		
42		
43		
44		
45	TOTAL	



Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

OTHER DEFERRED CREDITS (ACCOUNT 253)

1 Report below the details called for concerning other deferred credits
 2 For any deferred credit being amortized show the period of amortization
 3 Minor items (less than \$250 000) may be grouped by classes

Line No	Description of Other Deferred Credits (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Contra Account (c)	Amount (d)		
1						
2						
3						
4						
5						
6						
7						
8						
9						
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11						
12						
13						
14						
15						
16						
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32						
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36						
37						
38						
39						
40						
41						
42						
43						
44						
45	TOTAL					

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

ACCUMULATED DEFERRED INCOME TAXES-OTHER PROPERTY (ACCOUNT 282)

1 Report the information called for below concerning the respondent's accounting for deferred income taxes relating to property not subject to accelerated amortization 2 For Other include deferrals relating to other income and deductions

Line No	Account Subdivisions (a)	Balance at Beginning of Year (b)	Amounts Debited to Account 410 1 (c)	Amounts Credited to Account 411 1 (d)
1	Account 282			
2	Electric			
3	Gas			
4	Other (Define)			
5	Total (Enter Total of lines 2 thru 4)			
6	Other (Specify)			
6 01				
6 02				
7	TOTAL Account 282 (Enter Total of lines 5 thru 6 ?)			
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		Dec 31 ____

ACCUMULATED DEFERRED INCOME TAXES OTHER PROPERTY (ACCOUNT 282)(Continued)

3 Add rows as necessary to report all data. When rows are added the additional row numbers should follow in sequence 4 01, 4 02 and 6 01, 6 02, etc. Use separate pages as required.

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of Year (k)	Line No
Amounts Debited to Account 410 2 (e)	Amounts Credited to Account 411 2 (f)	Debits		Credits			
		Acct No (g)	Amount (h)	Acct No (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							6 01
							6 02
							7
							8
							9
							10
							11

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

ACCUMULATED DEFERRED INCOME TAXES OTHER (ACCOUNT 283)

1 Report the information called for below concerning the respondent's accounting for deferred income taxes relating to amounts recorded in Account 283

2 For Other, include deferrals relating to other income and deductions

Line No	Account Subdivisions (a)	Balance at Beginning of Year (b)	CHANGES DURING YEAR	
			Amounts Debited to Account 410 1 (c)	Amounts Credited to Account 411 1 (d)
1	Account 283			
2	Electric			
3	Gas			
4	Other (Define)			
5	Total (Total of lines 2 thru 4)			
6	Other (Specify)			
6 01				
6 02				
7	TOTAL Account 283 (Total of lines 5 thru 6 ?)			
8	Classification of TOTAL			
9	Federal Income Tax			
10	State Income Tax			
11	Local Income Tax			

27

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, 19__
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ACCUMULATED DEFERRED INCOME TAXES-OTHER (ACCOUNT 283)(Continued)

3 Provide in a footnote explanations for pages 276 and 277
Include amounts relating to insignificant items listed under Other

4 Add additional rows as necessary to report all data. When rows
are added the additional row numbers should follow in sequence
4 01 4 02 and 6 01 6 02 etc Use separate pages as required

CHANGES DURING YEAR		ADJUSTMENTS				Balance at End of year (k)	Line No
Amounts Debited to Account 410 2 (e)	Amounts Credited to Account 411 2 (f)	Debits		Credits			
		Account No (g)	Amount (h)	Account No (i)	Amount (j)		
							1
							2
							3
							4
							5
							6
							6 01
							6 02
							7
							8
							9
							10
							11

94

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

OTHER REGULATORY LIABILITIES (ACCOUNT 254)

1 Report below the details called for concerning other regulatory liabilities which are created through the ratemaking actions of regulatory agencies (and not includable in other amounts)

2 For regulatory liabilities being amortized show period of amortization in column (a)

3 Minor items (5% of the Balance at End of Year for Account 254 or amounts less than \$250 000, whichever is less) may be grouped by classes

Line No	Description and Purpose of Other Regulatory Liabilities (a)	Balance at Beginning of Year (b)	DEBITS		Credits (e)	Balance at End of Year (f)
			Account Credited (c)	Amount (d)		
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
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36						
37						
38						
39						
40						
41						
42						
43						
44						
45	TOTAL					

25

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS OPERATING REVENUES

1 Report below natural gas operating revenues for each prescribed account total. The amounts must be consistent with the detailed data on succeeding pages.

2 Revenues in columns (b) and (c) include transition costs from upstream pipelines.

3 Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges less revenues reflected in columns (b) through (e). Include in columns (f) and (g) revenues for Accounts 480-495.

Line No	Title of Account (a)	REVENUES for Transition Costs and Take or Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1	480-484 Sales				
2	485 Intracompany Transfers				
3	487 Forfeited Discounts				
4	488 Miscellaneous Service Revenues				
5	489-1 Revenues from Transportation of Gas of Others Through Gathering Facilities				
6	489-2 Revenues from Transportation of Gas of Others Through Transmission Facilities				
7	489-3 Revenues from Transportation of Gas of Others Through Distribution Facilities				
8	489-4 Revenues from Storing Gas of Others				
9	490 Sales of Prod Ext from Natural Gas				
10	491 Revenues from Natural Gas Proc by Others				
11	492 Incidental Gasoline and Oil Sales				
12	493 Rent from Gas Property				
13	494 Interdepartmental Rents				
14	495 Other Gas Revenues				
15	Subtotal				
16	496 (Less) Provision for Rate Refunds				
17	TOTAL				

Name of Respondent	This Report Is	Date of Report (Mo Da Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (ACCOUNT 489 1)

1 Report revenues and Dth of gas delivered through gathering facilities by zone of receipt (i.e. state in which gas enters respondent's system) 2 Revenues for penalties including penalties for unauthorized overruns must be reported on page 308

Line No	Rate Schedule and Zone of Receipt (a)	REVENUES for Transition Costs and Take or Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
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24					
25					

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH GATHERING FACILITIES (Continued)

3 Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges, less revenues reflected in columns (b) through (e) 4 Delivered Dth of gas must not be adjusted for discounting

OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS		Line No
Amount for Current Year	Amount for Previous Year	Amount for Current Year	Amount for Previous Year	Amount for Current Year	Amount for Previous Year	
(f)	(g)	(h)	(i)	(j)	(k)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
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						20
						21
						22
						23
						24
						25

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (ACCOUNT 489 2)

1 Report revenues and Dth of gas delivered by Zone of Delivery by Rate Schedule Total by Zone of Delivery and for all zones If respondent does not have separate zones provide totals by rate schedule

overruns must be reported on page 308

3 Other Revenues in columns (f) and (g) include reservation charges received by the pipeline plus usage charges for transportation and hub services, less revenues reflected in columns (b) through (e)

2 Revenues for penalties including penalties for unauthorized

Line No	Zone of Delivery Rate Schedule (a)	REVENUES for Transition Costs and Take or Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
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25					

100

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

REVENUES FROM TRANSPORTATION OF GAS OF OTHERS THROUGH TRANSMISSION FACILITIES (Continued)

4 Delivered Dth of gas must not be adjusted for discounting
 5 Each incremental rate schedule and each individually certificated rate schedule must be separately reported
 6 Where transportation services are bundled with storage services report total revenues but only transportation Dth

OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS		Line No
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
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						21
						22
						23
						24
						25

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

REVENUES FROM STORING GAS OF OTHERS (ACCOUNT 489 4)

1 Report revenues and Dth of gas withdrawn from storage by Rate Schedule and in total
 2 Revenues for penalties including penalties for unauthorized overruns must be reported on page 308
 3 Other revenues in columns (f) and (g) include reservation charges deliverability charges injection and withdrawal charges less revenues reflected in columns (b) through (e)

Line No	Rate Schedule (a)	REVENUES for Transition Cost and Take or Pay		REVENUES for GRI and ACA	
		Amount for Current Year (b)	Amount for Previous Year (c)	Amount for Current Year (d)	Amount for Previous Year (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
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22					
23					
24					
25					

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

REVENUES FROM STORING GAS OF OTHERS (ACCOUNT 489 4)(Continued)

4 Dth of gas withdrawn from storage must not be adjusted for discounting

5 Where transportation services are bundled with storage services report only Dth withdrawn from storage

OTHER REVENUES		TOTAL OPERATING REVENUES		DEKATHERM OF NATURAL GAS		Line No
Amount for Current Year (f)	Amount for Previous Year (g)	Amount for Current Year (h)	Amount for Previous Year (i)	Amount for Current Year (j)	Amount for Previous Year (k)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
						13
						14
						15
						16
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						19
						20
						21
						22
						23
						24
						25

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da Yr)	Year Ending Dec 31, ____
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OTHER GAS REVENUES (ACCOUNT 495)

1 For transactions with annual revenues of \$250 000 or more describe for each transaction commissions on sales of distributions of gas of others compensation for minor or incidental services provided for others penalties, profit or loss on sales of material and supplies sales of steam water or electricity miscellaneous royalties revenues from dehydration other processing of gas of others and gains on settlements of imbalance receivables Separately report revenues from cash out penalties

Line No	Description of Transaction (a)	Revenues (in dollars) (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	TOTAL	

104

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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GAS OPERATION AND MAINTENANCE EXPENSES

1 Report operation and maintenance expenses. If the amount for previous year is not derived from previously reported figures explain in footnotes. 2 Provide in footnotes the source of the index used to determine the price for gas supplied by shippers as reflected on line 74.

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
1	1 PRODUCTION EXPENSES		
2	A Manufactured Gas Production		
3	Manufactured Gas Production (Submit Supplemental Statement)		
4	B Natural Gas Production		
5	B1 Natural Gas Production and Gathering		
6	Operation		
7	750 Operation Supervision and Engineering		
8	751 Production Maps and Records		
9	752 Gas Well Expenses		
10	753 Field Lines Expenses		
11	754 Field Compressor Station Expenses		
12	755 Field Compressor Station Fuel and Power		
13	756 Field Measuring and Regulating Station Expenses		
14	757 Purification Expenses		
15	758 Gas Well Royalties		
16	759 Other Expenses		
17	760 Rents		
18	TOTAL Operation (Total of lines 7 thru 17)		
19	Maintenance		
20	761 Maintenance Supervision and Engineering		
21	762 Maintenance of Structures and Improvements		
22	763 Maintenance of Producing Gas Wells		
23	764 Maintenance of Field Lines		
24	765 Maintenance of Field Compressor Station Equipment		
25	766 Maintenance of Field Measuring and Regulating Station Equipment		
26	767 Maintenance of Purification Equipment		
27	768 Maintenance of Drilling and Cleaning Equipment		
28	769 Maintenance of Other Equipment		
29	TOTAL Maintenance (Total of lines 20 thru 28)		
30	TOTAL Natural Gas Production and Gathering (Total of lines 18 and 29)		

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da Yr)	Year Ending Dec 31, ____
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
31	B2 Products Extraction		
32	Operation		
33	770 Operation Supervision and Engineering		
34	771 Operation Labor		
35	772 Gas Shrinkage		
36	773 Fuel		
37	774 Power		
38	775 Materials		
39	776 Operation Supplies and Expenses		
40	777 Gas Processed by Others		
41	778 Royalties on Products Extracted		
42	779 Marketing Expenses		
43	780 Products Purchased for Resale		
44	781 Variation in Products Inventory		
45	(Less) 782 Extracted Products Used by the Utility Credit		
46	783 Rents		
47	TOTAL Operation (Total of lines 33 thru 46)		
48	Maintenance		
49	784 Maintenance Supervision and Engineering		
50	785 Maintenance of Structures and Improvements		
51	786 Maintenance of Extraction and Refining Equipment		
52	787 Maintenance of Pipe Lines		
53	788 Maintenance of Extracted Products Storage Equipment		
54	789 Maintenance of Compressor Equipment		
55	790 Maintenance of Gas Measuring and Regulating Equipment		
56	791 Maintenance of Other Equipment		
57	TOTAL Maintenance (Total of lines 49 thru 56)		
58	TOTAL Products Extraction (Total of lines 47 and 57)		

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
59	C Exploration and Development		
60	Operation		
61	795 Delay Rentals		
62	796 Nonproductive Well Drilling		
63	797 Abandoned Leases		
64	798 Other Exploration		
65	TOTAL Exploration and Development (Total of lines 61 thru 64)		
66	D Other Gas Supply Expenses		
67	Operation		
68	800 Natural Gas Well Head Purchases		
69	800 1 Natural Gas Well Head Purchases Intracompany Transfers		
70	801 Natural Gas Field Line Purchases		
71	802 Natural Gas Gasoline Plant Outlet Purchases		
72	803 Natural Gas Transmission Line Purchases		
73	804 Natural Gas City Gate Purchases		
74	804 1 Liquefied Natural Gas Purchases		
75	805 Other Gas Purchases		
76	(Less) 805 1 Purchases Gas Cost Adjustments		
77	TOTAL Purchased Gas (Total of lines 68 thru 76)		
78	806 Exchange Gas		
79	Purchased Gas Expenses		
80	807 1 Well Expense Purchased Gas		
81	807 2 Operation of Purchased Gas Measuring Stations		
82	807 3 Maintenance of Purchased Gas Measuring Stations		
83	807 4 Purchased Gas Calculations Expenses		
84	807 5 Other Purchased Gas Expenses		
85	TOTAL Purchased Gas Expenses (Total of lines 80 thru 84)		

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	<input type="checkbox"/> An Original		
	<input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
86	808 1 Gas Withdrawn from Storage Debit		
87	(Less) 808 2 Gas Delivered to Storage Credit		
88	809 1 Withdrawals of Liquefied Natural Gas for Processing Debit		
89	(Less) 809 2 Deliveries of Natural Gas for Processing Credit		
90	Gas used in Utility Operation Credit		
91	810 Gas Used for Compressor Station Fuel Credit		
92	811 Gas Used for Products Extraction Credit		
93	812 Gas Used for Other Utility Operations Credit		
94	TOTAL Gas Used in Utility Operations Credit (Total of lines 91 thru 93)		
95	813 Other Gas Supply Expenses		
96	TOTAL Other Gas Supply Exp (Total of lines 77 78 85 86 thru 89 94 95)		
97	TOTAL Production Expenses (Total of lines 3 30 58 65 and 96)		
98	2 NATURAL GAS STORAGE TERMINALING AND PROCESSING EXPENSES		
99	A Underground Storage Expenses		
100	Operation		
101	814 Operation Supervision and Engineering		
102	815 Maps and Records		
103	816 Wells Expenses		
104	817 Lines Expense		
105	818 Compressor Station Expenses		
106	819 Compressor Station Fuel and Power		
107	820 Measuring and Regulating Station Expenses		
108	821 Purification Expenses		
109	822 Exploration and Development		
110	823 Gas Losses		
111	824 Other Expenses		
112	825 Storage Well Royalties		
113	826 Rents		
114	TOTAL Operation (Total of lines of 101 thru 113)		

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Name of Respondent	This Report Is	Date of Report (Mo, Da Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
115	Maintenance		
116	830 Maintenance Supervision and Engineering		
117	831 Maintenance of Structures and Improvements		
118	832 Maintenance of Reservoirs and Wells		
119	833 Maintenance of Lines		
120	834 Maintenance of Compressor Station Equipment		
121	835 Maintenance of Measuring and Regulating Station Equipment		
122	836 Maintenance of Purification Equipment		
123	837 Maintenance of Other Equipment		
124	TOTAL Maintenance (Total of lines 116 thru 123)		
125	TOTAL Underground Storage Expenses (Total of lines 114 and 124)		
126	B Other Storage Expenses		
127	Operation		
128	840 Operation Supervision and Engineering		
129	841 Operation Labor and Expenses		
130	842 Rents		
131	842 1 Fuel		
132	842 2 Power		
133	842 3 Gas Losses		
134	TOTAL Operation (Total of lines 128 thru 133)		
135	Maintenance		
136	843 1 Maintenance Supervision and Engineering		
137	843 2 Maintenance of Structures and Improvements		
138	843 3 Maintenance of Gas Holders		
139	843 4 Maintenance of Purification Equipment		
140	843 5 Maintenance of Liquefaction Equipment		
141	843 6 Maintenance of Vaporizing Equipment		
142	843 7 Maintenance of Compressor Equipment		
143	843 8 Maintenance of Measuring and Regulating Equipment		
144	843 9 Maintenance of Other Equipment		
145	TOTAL Maintenance (Total of lines 136 thru 144)		
146	TOTAL Other Storage Expenses (Total of lines 134 and 145)		

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original		
	<input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
147	C Liquefied Natural Gas Terminaling and Processing Expenses		
148	Operation		
149	844 1 Operation Supervision and Engineering		
150	844 2 LNG Processing Terminal Labor and Expenses		
151	844 3 Liquefaction Processing Labor and Expenses		
152	844 4 Liquefaction Transportation Labor and Expenses		
153	844 5 Measuring and Regulating Labor and Expenses		
154	844 6 Compressor Station Labor and Expenses		
155	844 7 Communication System Expenses		
156	844 8 System Control and Load Dispatching		
157	845 1 Fuel		
158	845 2 Power		
159	845 3 Rents		
160	845 4 Demurrage Charges		
161	<i>(less)</i> 845 5 Wharfage Receipts Credit		
162	845 6 Processing Liquefied or Vaporized Gas by Others		
163	846 1 Gas Losses		
164	846 2 Other Expenses		
165	TOTAL Operation (Total of lines 149 thru 164)		
166	Maintenance		
167	847 1 Maintenance Supervision and Engineering		
168	847 2 Maintenance of Structures and Improvements		
169	847 3 Maintenance of LNG Processing Terminal Equipment		
170	847 4 Maintenance of LNG Transportation Equipment		
171	847 5 Maintenance of Measuring and Regulating Equipment		
172	847 6 Maintenance of Compressor Station Equipment		
173	847 7 Maintenance of Communication Equipment		
174	847 8 Maintenance of Other Equipment		
175	TOTAL Maintenance (Total of lines 167 thru 174)		
176	TOTAL Liquefied Nat Gas Terminaling and Proc Exp (Total of lines 165 and 175)		
177	TOTAL Natural Gas Storage (Total of lines 125 146 and 176)		

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
178	3 TRANSMISSION EXPENSES		
179	Operation		
180	850 Operation Supervision and Engineering		
181	851 System Control and Load Dispatching		
182	852 Communication System Expenses		
183	853 Compressor Station Labor and Expenses		
184	854 Gas for Compressor Station Fuel		
185	855 Other Fuel and Power for Compressor Stations		
186	856 Mains Expenses		
187	857 Measuring and Regulating Station Expenses		
188	858 Transmission and Compression of Gas by Others		
189	859 Other Expenses		
190	860 Rents		
191	TOTAL Operation (Total of lines 180 thru 190)		
192	Maintenance		
193	861 Maintenance Supervision and Engineering		
194	862 Maintenance of Structures and Improvements		
195	863 Maintenance of Mains		
196	864 Maintenance of Compressor Station Equipment		
197	865 Maintenance of Measuring and Regulating Station Equipment		
198	866 Maintenance of Communication Equipment		
199	867 Maintenance of Other Equipment		
200	TOTAL Maintenance (Total of lines 193 thru 199)		
201	TOTAL Transmission Expenses (Total of lines 191 and 200)		
202	4 DISTRIBUTION EXPENSES		
203	Operation		
204	870 Operation Supervision and Engineering		
205	871 Distribution Load Dispatching		
206	872 Compressor Station Labor and Expenses		
207	873 Compressor Station Fuel and Power		



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	<input type="checkbox"/> An Original		
	<input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
208	874 Mains and Services Expenses		
209	875 Measuring and Regulating Station Expenses General		
210	876 Measuring and Regulating Station Expenses Industrial		
211	877 Measuring and Regulating Station Expenses City Gas Check Station		
212	878 Meter and House Regulator Expenses		
213	879 Customer Installations Expenses		
214	880 Other Expenses		
215	881 Rents		
216	TOTAL Operation (Total of lines 204 thru 215)		
217	Maintenance		
218	885 Maintenance Supervision and Engineering		
219	886 Maintenance of Structures and Improvements		
220	887 Maintenance of Mains		
221	888 Maintenance of Compressor Station Equipment		
222	889 Maintenance of Measuring and Regulating Station Equipment General		
223	890 Maintenance of Meas and Reg Station Equipment Industrial		
224	891 Maintenance of Meas and Reg Station Equip City Gate Check Station		
225	892 Maintenance of Services		
226	893 Maintenance of Meters and House Regulators		
227	894 Maintenance of Other Equipment		
228	TOTAL Maintenance (Total of lines 218 thru 227)		
229	TOTAL Distribution Expenses (Total of lines 216 and 228)		
230	5 CUSTOMER ACCOUNTS EXPENSES		
231	Operation		
232	901 Supervision		
233	902 Meter Reading Expenses		
234	903 Customer Records and Collection Expenses		

Name of Respondent	This Report Is	Date of Report (Mo Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original		
	<input type="checkbox"/> A Resubmission		

GAS OPERATION AND MAINTENANCE EXPENSES (Continued)

Line No	Account (a)	Amount for Current Year (b)	Amount for Previous Year (c)
235	904 Uncollectible Accounts		
236	905 Miscellaneous Customer Accounts Expenses		
237	TOTAL Customer Accounts Expenses (Total of lines 232 thru 236)		
238	6. CUSTOMER SERVICE AND INFORMATIONAL EXPENSES		
239	Operation		
240	907 Supervision		
241	908 Customer Assistance Expenses		
242	909 Informational and Instructional Expenses		
243	910 Miscellaneous Customer Service and Informational Expenses		
244	TOTAL Customer Service and Information Expenses (Total of lines 240 thru 243)		
245	7. SALES EXPENSES		
246	Operation		
247	911 Supervision		
248	912 Demonstrating and Selling Expenses		
249	913 Advertising Expenses		
250	916 Miscellaneous Sales Expenses		
251	TOTAL Sales Expenses (Total of lines 247 thru 250)		
252	8. ADMINISTRATIVE AND GENERAL EXPENSES		
253	Operation		
254	920 Administrative and General Salaries		
255	921 Office Supplies and Expenses		
256	(Less) 922 Administrative Expenses Transferred Credit		
257	923 Outside Services Employed		
258	924 Property Insurance		
259	925 Injuries and Damages		
260	926 Employee Pensions and Benefits		
261	927 Franchise Requirements		
262	928 Regulatory Commission Expenses		
263	(Less) 929 Duplicate Charges Credit		
264	930.1 General Advertising Expenses		
265	930.2 Miscellaneous General Expenses		
266	931 Rents		
267	TOTAL Operation (Total of lines 254 thru 266)		
268	Maintenance		
269	935 Maintenance of General Plant		
270	TOTAL Administrative and General Expenses (Total of lines 267 and 269)		
271	TOTAL Gas O&M Expenses (Total of lines 97, 177, 201, 229, 237, 244, 251, and 270)		

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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EXCHANGE AND IMBALANCE TRANSACTIONS

1 Report below details by zone and rate schedule concerning the gas quantities and related dollar amount of imbalances associated with system balancing and no notice service. Also report certificated natural gas exchange transactions during the year. Provide subtotals for imbalance and no notice quantities for exchanges.

If respondent does not have separate zones provide totals by rate schedule. Minor exchange transactions (less than 100 000 Dth) may be grouped.

Line No	Zone/Rate Schedule (a)	Gas Received from Others		Gas Delivered to Others	
		Amount (b)	Dth (c)	Amount (d)	Dth (e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL				

114

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

GAS USED IN UTILITY OPERATIONS

1 Report below details of credits during the year to Accounts 810, 811, and 812

2 If any natural gas was used by the respondent for which a charge was not made to the appropriate operating expense or other account list separately in column (c) the Dth of gas used omitting entries in column (d)

Line No	Purpose for Which Gas Was Used (a)	Account Charged (b)	Natural Gas		Manufactured Gas	
			Gas Used (Dth) (c)	Amount of Credit (in dollars) (d)	Gas Used (Dth) (e)	Amount of Credit (f)
1	810 Gas Used for Compressor Station Fuel Credit					
2	811 Gas Used for Products Extraction Credit					
3	Gas Shrinkage and Other Usage in Respondent s Own Processing					
4	Gas Shrinkage etc for Respondent s Gas Processed by Others					
5	812 Gas Used for Other Utility Operations Credit (Report separately for each principal use Group minor uses)					
6						
7						
8						
9						
10						
11						
12						
13						
14						
15						
16						
17						
18						
19						
20						
21						
22						
23						
24						
25	TOTAL					

115

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da Yr)	Year Ending Dec 31, ____
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TRANSMISSION AND COMPRESSION OF GAS BY OTHERS (ACCOUNT 858)

1 Report below details concerning gas transported or compressed for respondent by others equalling more than 1 000 000 Dth and amounts of payments for such services during the year. Minor items (less than 1 000,000) Dth may be grouped. Also include in column (c) amounts paid as transition costs to an upstream pipeline.

2 In column (a) give name of companies, points of delivery and receipt of gas. Designate points of delivery and receipt so that they can be identified readily on a map of respondent's pipeline system.
 3 Designate associated companies with an asterisk in column (b).

Line No	Name of Company and Description of Service Performed (a)	* (b)	Amount of Payment (in dollars) (c)	Dth of Gas Delivered (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				
23				
24				
25		TOTAL		

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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OTHER GAS SUPPLY EXPENSES (ACCOUNT 813)

1 Report other gas supply expenses by descriptive titles that clearly indicate the nature of such expenses. Show maintenance expenses revaluation of monthly encroachments recorded in Account 117 4, and losses on settlements of imbalances and gas losses not associated with storage separately. Indicate the functional classification and purpose of property to which any expenses relate. List separately items of \$250 000 or more.

Line No	Description (a)	Amount (in dollars) (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
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16		
17		
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19		
20		
21		
22		
23		
24		
25	TOTAL	

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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MISCELLANEOUS GENERAL EXPENSES (ACCOUNT 930 2)

1 Provide the information requested below on miscellaneous general expenses

2 For Other Expenses show the (a) purpose (b) recipient and (c) amount of such items List separately amounts of \$250,000 or more however amounts less than \$250,000 may be grouped if the number of items of so grouped is shown

Line No	Description (a)	Amount (in dollars) (b)
1	Industry association dues	
2	Experimental and general research expenses a Gas Research Institute (GRI) b Other	
3	Publishing and distributing information and reports to stockholders trustee registrar and transfer agent fees and expenses and other expenses of servicing outstanding securities of the respondent	
4	Other expenses	
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
17		
18		
19		
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21		
22		
23		
24		
25	TOTAL	

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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403,404 1 404 2,404 3,405)
(Except Amortization of Acquisition Adjustments)

1 Report in Section A the amounts of depreciation expense depletion and amortization for the accounts indicated and classified according to the plant functional groups shown

2 Report in Section B column (b) all depreciable or amortizable plant balances to which rates are applied and show a composite total (If more desirable, report by plant account subaccount or functional classifications other than those pre printed in column (a) Indicate in a footnote the manner in which column (b) balances are

Section A Summary of Depreciation Depletion and Amortization Charges

Line No	Functional Classification (a)	Depreciation Expense (Account 403) (b)	Amortization and Depletion of Producing Natural Gas Land and Land Rights (Account 404 1) (c)	Amortization of Underground Storage Land and Land Rights (Account 404 2) (d)
1	Intangible plant			
2	Production plant manufactured gas			
3	Production and gathering plant natural gas			
4	Products extraction plant			
5	Underground gas storage plant			
6	Other storage plant			
7	Base load LNG terminaling and processing plant			
8	Transmission plant			
9	Distribution plant			
10	General plant			
11	Common plant-gas			
12	TOTAL			

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Name of Respondent	This Report Is	Date of Report (Mo Da Yr)	Year Ending Dec 31, ____
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (ACCOUNTS 403,404 1,404 2,404 3,405)
(Except Amortization of Acquisition Adjustments) (Continued)

obtained If average balances are used state the method of averaging used For column (c) report available information for each plant functional classification listed in column (a) If composite depreciation accounting is used report available information called for in columns (b) and (c) on this basis Where the unit of production method is used to determine depreciation charges show in a footnote any revisions made to estimated gas reserves
3 If provisions for depreciation were made during the year in addition to depreciation provided by application of reported rates state in a footnote the amounts and nature of the provisions and the plant items to which related

Section A Summary of Depreciation Depletion and Amortization Charges

Amortization of Other Limited term Gas Plant (Account 404 3)	Amortization of Other Gas Plant (Account 405)	Total (b to f)	Functional Classification	Line No
(e)	(f)	(g)	(a)	
			Intangible plant	1
			Production plant manufactured gas	2
			Production and gathering plant natural gas	3
			Products extraction plant	4
			Underground gas storage plant	5
			Other storage plant	6
			Base load LNG terminaling and processing plant	7
			Transmission plant	8
			Distribution plant	9
			General plant	10
			Common plant gas	11
			TOTAL	12

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Name of Respondent	This Report Is	Date of Report (Mo Da, Yr)	Year Ending Dec 31, ____
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DEPRECIATION, DEPLETION, AND AMORTIZATION OF GAS PLANT (Continued)

4 Add rows as necessary to completely report all data. Number the additional rows in sequence as 2 01 2 02 3 01 3 02 etc.

Section B Factors Used in Estimating Depreciation Charges

Line No	Functional Classification (a)	Plant Bases (thousands) (b)	Applied Depreciation or Amortization Rates (percent) (c)
1	Production and Gathering Plant		
2	Offshore		
3	Onshore		
4	Underground Gas Storage Plant		
5	Transmission Plant		
6	Offshore		
7	Onshore		
8	General Plant		
9			
10			
11			
12			
13			
14			
15			

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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PARTICULARS CONCERNING CERTAIN INCOME DEDUCTIONS AND INTEREST CHARGES ACCOUNTS

Report the information specified below in the order given for the respective income deduction and interest charges accounts
 (a) *Miscellaneous Amortization* (Account 425)—Describe the nature of items included in this account the contra account charged, the total of amortization charges for the year and the period of amortization
 (b) *Miscellaneous Income Deductions*—Report the nature payee and amount of other income deductions for the year as required by Accounts 426 1 *Donations*, 426 2 *Life Insurance* 426 3 *Penalties* 426 4 *Expenditures for Certain Civic, Political and Related Activities* and 426 5 *Other Deductions* of the Uniform System of Accounts

Amounts of less than \$250 000 may be grouped by classes within the above accounts
 (c) *Interest on Debt to Associated Companies* (Account 430)—For each associated company that incurred interest on debt during the year indicate the amount and interest rate respectively for (a) advances on notes (b) advances on open account (c) notes payable (d) accounts payable and (e) other debt and total interest Explain the nature of other debt on which interest was incurred during the year
 (d) *Other Interest Expense* (Account 431) Report details including the amount and interest rate for other interest charges incurred during the year

Line No	Item (a)	Amount (b)
1		
2		
3		
4		
5		
6		
7		
8		
9		
10		
11		
12		
13		
14		
15		
16		
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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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REGULATORY COMMISSION EXPENSES (Account 928)

1 Report below details of regulatory commission expenses incurred during the current year (or in previous years if being amortized) relating to formal cases before a regulatory body or cases in which such a body was a party

2 In column (b) and (c) indicate whether the expenses were assessed by a regulatory body or were otherwise incurred by the utility

Line No	Description (Furnish name of regulatory commission or body the docket number and a description of the case)	Assessed by Regulatory Commission	Expenses of Utility	Total Expenses to Date	Deferred in Account 182 3 at Beginning of Year
	(a)	(b)	(c)	(d)	(e)
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					
16					
17					
18					
19					
20					
21					
22					
23					
24					
25	TOTAL				

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Name of Respondent	This Report Is	Date of Report (Mo, Da Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission		

REGULATORY COMMISSION EXPENSES (Continued)

3 Show in column (k) any expenses incurred in prior years that are being amortized List in column (a) the period of amortization
 4 Identify separately all annual charge adjustments (ACA)

5 List in column (f) (g) and (h) expenses incurred during year which were charges currently to income plant or other accounts
 6 Minor items (less than \$250 000) may be grouped

EXPENSES INCURRED DURING YEAR			AMORTIZED DURING YEAR			Deferred in Account 182 3 End of Year (l)	Line No
CHARGED CURRENTLY TO			Deferred to Account 182 3 (i)	Contra Account (j)	Amount (k)		
Department (f)	Account No (g)	Amount (h)					
							1
							2
							3
							4
							5
							6
							7
							8
							9
							10
							11
							12
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							14
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							22
							23
							24

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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DISTRIBUTION OF SALARIES AND WAGES

Report below the distribution of total salaries and wages for the year. Segregate amounts originally charged to clearing accounts to *Utility Departments Construction Plant Removals and Other Accounts*, and enter such amounts in the appropriate lines and columns provided.

In determining this segregation of salaries and wages originally charged to clearing accounts a method of approximation giving substantially correct results may be used. When reporting detail of other accounts enter as many rows as necessary numbered sequentially starting with 74 01 74 02 etc.

Line No	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
1	Electric			
2	Operation			
3	Production			
4	Transmission			
5	Distribution			
6	Customer Accounts			
7	Customer Service and Informational			
8	Sales			
9	Administrative and General			
10	TOTAL Operation (Total of lines 3 thru 9)			
11	Maintenance			
12	Production			
13	Transmission			
14	Distribution			
15	Administrative and General			
16	TOTAL Maintenance (Total of lines 12 thru 15)			
17	Total Operation and Maintenance			
18	Production (Total of lines 3 and 12)			
19	Transmission (Total of lines 4 and 13)			
20	Distribution (Total of lines 5 and 14)			
21	Customer Accounts (line 6)			
22	Customer Service and Informational (line 7)			
23	Sales (line 8)			
24	Administrative and General (Total of lines 9 and 15)			
25	TOTAL Operation and Maintenance (Total of lines 18 thru 24)			
26	Gas			
27	Operation			
28	Production Manufactured Gas			
29	Production Natural Gas(Including Exploration and Development)			
30	Other Gas Supply			
31	Storage LNG Terminaling and Processing			
32	Transmission			
33	Distribution			
34	Customer Accounts			
35	Customer Service and Informational			
36	Sales			
37	Administrative and General			
38	TOTAL Operation (Total of lines 28 thru 37)			
39	Maintenance			
40	Production Manufactured Gas			
41	Production Natural Gas(Including Exploration and Development)			
42	Other Gas Supply			
43	Storage LNG Terminaling and Processing			
44	Transmission			
45	Distribution			

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46	Administrative and General			
47	TOTAL Maintenance (Total of lines 40 thru 46)			
Name of Respondent		This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
DISTRIBUTION OF SALARIES AND WAGES (Continued)				
Line No	Classification (a)	Direct Payroll Distribution (b)	Allocation of Payroll Charged for Clearing Accounts (c)	Total (d)
48	Gas (Continued)			
49	Total Operation and Maintenance			
50	Production Manufactured Gas (Total of lines 28 and 40)			
51	Production Natural Gas (Including Expl and Dev)(lines 29 and			
52	Other Gas Supply (Total of lines 30 and 42)			
53	Storage LNG Terminaling and Processing (Total of lines 31 and			
54	Transmission (Total of lines 32 and 44)			
55	Distribution (Total of lines 33 and 45)			
56	Customer Accounts (Total of line 34)			
57	Customer Service and Informational (Total of line 35)			
58	Sales (Total of line 36)			
59	Administrative and General (Total of lines 37 and 46)			
60	Other Utility Departments			
61	Operation and Maintenance			
62	TOTAL ALL Utility Dept (Total of lines 25 59 and 61)			
63	Utility Plant			
64	Construction (By Utility Departments)			
65	Electric Plant			
66	Gas Plant			
67	Other			
68	TOTAL Construction (Total of lines 65 thru 67)			
69	Plant Removal (By Utility Departments)			
70	Electric Plant			
71	Gas Plant			
72	Other			
73	TOTAL Plant Removal (Total of lines 70 thru 72)			
74	Other Accounts (Specify)			
74 01				
74 02				
74 03				
74 04				
74 05				
74 06				
74 07				
74 08				
74 09				
74 10				
74 11				
74 12				
74 13				
74 14				
74 15				
74 16				
74 17				
74 18				
74 19				
75	TOTAL Other Accounts			
76	TOTAL SALARIES AND WAGES			

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Name of Respondent	This Report Is	Date of Report (Mo Da, Yr)	Year Ending Dec 31, ____
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CHARGES FOR OUTSIDE PROFESSIONAL AND OTHER CONSULTATIVE SERVICES

1 Report the information specified below for all charges made during the year included in any account (including plant accounts) for outside consultative and other professional services. These services include rate management construction engineering research financial valuation legal accounting purchasing advertising labor relations, and public relations rendered for the respondent under written or oral arrangement for which aggregate payments were made during the year to any corporation partnership organization of

any kind or individual (other than for services as an employee or for payments made for medical and related services) amounting to more than \$250 000 including payments for legislative services except those which should be reported in Account 426 4 Expenditures for *Certain Civic Political and Related Activities*

(a) Name of person or organization rendering services

(b) Total charges for the year

2 Designate associated companies with an asterisk in column (b)

Line No	Description (a)	* (b)	Amount (in dollars) (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			
13			
14			
15			
16			
17			
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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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COMPRESSOR STATIONS

1 Report below details concerning compressor stations Use the following subheadings field compressor stations products extraction compressor stations underground storage compressor stations transmission compressor stations distribution compressor stations and other compressor stations

2 For column (a) indicate the production areas where such stations are used Group relatively small field compressor stations by production areas Show the number of stations grouped Identify any station held under a title other than full ownership State in a footnote the name of owner or co owner the nature of respondent's title and percent of ownership if jointly owned

Line No	Name of Station and Location (a)	Number of Units at Station (b)	Certificated Horsepower for Each Station (c)	Plant Cost (d)
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
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Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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COMPRESSOR STATIONS (Continued)

Designate any station that was not operated during the past year and the date the unit was placed in operation
 State in a footnote whether the book cost of such station has been retired in the books of account or what disposition of the station and its book cost are contemplated. Designate any compressor units in transmission compressor stations installed and put into operation during the year and show in a footnote each unit's size
 3 For column (e) include the type of fuel or power if other than natural gas. If two types of fuel or power are used show separate entries for natural gas and the other fuel or power

Expenses (Except depreciation and taxes)		Gas for Compressor Fuel in Dth	Operation Data			Line No
Fuel or Power	Other		Total Compressor Hours of Operation During Year	Number of Compressors Operated at Time of Station Peak	Date of Station Peak	
(e)	(f)	(g)	(h)	(i)	(j)	
						1
						2
						3
						4
						5
						6
						7
						8
						9
						10
						11
						12
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						22
						23
						24
						25

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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GAS STORAGE PROJECTS

1 Report injections and withdrawals of gas for all storage projects used by respondent

Line No	Item (a)	Gas Belonging to Respondent (Dth) (b)	Gas Belonging to Others (Dth) (c)	Total Amount (Dth) (d)
	STORAGE OPERATIONS (in Dth)			
1	Gas Delivered to Storage			
2	January			
3	February			
4	March			
5	April			
6	May			
7	June			
8	July			
9	August			
10	September			
11	October			
12	November			
13	December			
14	TOTAL (Total of lines 2 thru 13)			
15	Gas Withdrawn from Storage			
16	January			
17	February			
18	March			
19	April			
20	May			
21	June			
22	July			
23	August			
24	September			
25	October			
26	November			
27	December			
28	TOTAL (Total of lines 16 thru 27)			

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da Yr)	Year Ending Dec 31, ____
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GAS STORAGE PROJECTS (Continued)

1 On line 4 enter the total storage capacity certificated by FERC 2 Report total amount in Dth or other unit as applicable on lines
2 3 4 7 If quantity is converted from Mcf to Dth provide
conversion factor in a footnote

Line No	Item (a)	Total Amount (b)
STORAGE OPERATIONS		
1	Top or Working Gas End of Year	
2	Cushion Gas (Including Native Gas)	
3	Total Gas in Reservoir (Total of line 1 and 2)	
4	Certificated Storage Capacity	
5	Number of Injection Withdrawal Wells	
6	Number of Observation Wells	
7	Maximum Days Withdrawal from Storage	
8	Date of Maximum Days Withdrawal	
9	LNG Terminal Companies (in Dth)	
10	Number of Tanks	
11	Capacity of Tanks	
12	LNG Volume	
13	Received at Ship Rail	
14	Transferred to Tanks	
15	Withdrawn from Tanks	
16	Boil Off Vaporization Loss	

Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
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TRANSMISSION LINES

1 Report below by state the total miles of transmission lines of each transmission system operated by respondent at end of year
 2 Report separately any lines held under a title other than full ownership. Designate such lines with an asterisk in column (b) and in a footnote state the name of owner or co owner nature of respondent's title and percent ownership if jointly owned

3 Report separately any line that was not operated during the past year. Enter in a footnote the details and state whether the book cost of such a line or any portion thereof has been retired in the books of account or what disposition of the line and its book costs are contemplated
 4 Report the number of miles of pipe to one decimal point

Line No	Designation (Identification) of Line or Group of Lines (a)	* (b)	Total Miles of Pipe (c)
1			
2			
3			
4			
5			
6			
7			
8			
9			
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11			
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TRANSMISSION SYSTEM PEAK DELIVERIES

1 Report below the total transmission system deliveries of gas (in Dth) excluding deliveries to storage for the period of system peak deliveries indicated below during the 12 months embracing the

heating season overlapping the year's end for which this report is submitted. The season's peak normally will be reached before the due date of this report April 30 which permits inclusion of the peak information required on this page. Add rows as necessary to report all data. Number additional rows 6 01 6 02 etc

Line No	Description	Dth of Gas Delivered to Interstate Pipelines (b)	Dth of Gas Delivered to Others (c)	Total (b) + (c) (d)
SECTION A SINGLE DAY PEAK DELIVERIES				
1	Date			
2	Volumes of Gas Transported			
3	No Notice Transportation			
4	Other Firm Transportation			
5	Interruptible Transportation			
6	Other (Describe)			
6 01				
7	TOTAL			
8	Volumes of gas Withdrawn form Storage under Storage Contracts			
9	No Notice Storage			
10	Other Firm Storage			
11	Interruptible Storage			
12	Other (Describe)			
12 01				
13	TOTAL			
14	Other Operational Activities			
15	Gas Withdrawn from Storage for System Operations			
16	Reduction in Line Pack			
17	Other (Describe)			
18	TOTAL			
SECTION B CONSECUTIVE THREE DAY PEAK DELIVERIES				
20	Dates			
21	Volumes of Gas Transported			
22	No Notice Transportation			
23	Other Firm Transportation			
24	Interruptible Transportation			
25	Other (Describe)			
25 01				
26	TOTAL			
27	Volumes of Gas Withdrawn from Storage under Storage Contracts			
28	No Notice Storage			
29	Other Firm Storage			
30	Interruptible Storage			
31	Other (Describe)			
31 01				
32	TOTAL			
33	Other Operational Activities			
34	Gas Withdrawn from Storage for System Operations			
35	Reduction in Line Pack			
36	Other (Describe)			
37	TOTAL			

Name of Respondent	This Report Is	Date of Report (Mo, Da, Yr)	Year Ending Dec 31, ____
	<input type="checkbox"/> An Original		
	<input type="checkbox"/> A Resubmission		

AUXILIARY PEAKING FACILITIES

1 Report below auxiliary facilities of the respondent for meeting seasonal peak demands on the respondent's system, such as underground storage projects, liquefied petroleum gas installations, gas liquefaction plants, oil gas sets, etc.

2 For column (c) for underground storage projects report the delivery capacity on February 1 of the heating season overlapping the year end for which this report is submitted.

For other facilities report the rated maximum daily delivery capacities.

3 For column (d) include or exclude (as appropriate) the cost of any plant used jointly with another facility on the basis of predominant use unless the auxiliary peaking facility is a separate plant as contemplated by general instruction 12 of the Uniform System of Accounts.

Line No	Location of Facility (a)	Type of Facility (b)	Maximum Daily Delivery Capacity of Facility Dth (c)	Cost of Facility (in dollars) (d)	Was Facility Operated on Day of Highest Transmission Peak Delivery?	
					Yes (e)	No (f)
1						
2						
3						
4						
5						
6						
7						
8						
9						
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11						
12						
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GAS ACCOUNT - NATURAL GAS

1 The purpose of this schedule is to account for the quantity of natural gas received and delivered by the respondent

2 Natural gas means either natural gas unmixed or any mixture of natural and manufactured gas

3 Enter in column (c) the Dth as reported in the schedules indicated for the items of receipts and deliveries

4 Indicate in a footnote the quantities of bundled sales and transportation gas and specify the line on which such quantities are listed

5 If the respondent operates two or more systems which are not interconnected submit separate pages for this purpose Use copies of pages 520

6 Also indicate by footnote the quantities of gas not subject to Commission regulation which did not incur FERC regulatory costs by showing (1) the local distribution volumes another jurisdictional pipeline delivered to the local distribution company portion of the reporting pipeline (2) the quantities that the reporting pipeline

transported or sold through its local distribution facilities or intrastate facilities and which the reporting pipeline received through gathering facilities or intrastate facilities but not through any of the interstate portion of the reporting pipeline and (3) the gathering line quantities that were not destined for interstate market or that were not transported through any interstate portion of the reporting pipeline

7 Also indicate in a footnote (1) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year and also reported as sales, transportation and compression volumes by the reporting pipeline during the same reporting year (2) the system supply quantities of gas that are stored by the reporting pipeline during the reporting year which the reporting pipeline intends to sell or transport in a future reporting year and (3) contract storage quantities

8 Also indicate the volumes of pipeline production field sales that are included in both the company's total sales figure and the company's total transportation figure Add additional rows as necessary to report all data numbered 14 01 14 02 etc

01 NAME OF SYSTEM

Line No	Item (a)	Ref Page No (b)	Amount of Dth (c)
2	GAS RECEIVED		
3	Gas Purchases (Accounts 800 805)		
4	Gas of Others Received for Gathering (Account 489 1)	303	
5	Gas of Others Received for Transmission (Account 489 2)	305	
6	Gas of Others Received for Distribution (Account 489 3)	301	
7	Gas of Others Received for Contract Storage (Account 489 4)	307	
8	Exchanged Gas Received from Others (Account 806)	328	
9	Gas Received as Imbalances (Account 806)	328	
10	Receipts of Respondent's Gas Transported by Others (Account 858)	332	
11	Other Gas Withdrawn from Storage (Explain)		
12	Gas Received from Shippers as Compressor Station Fuel		
13	Gas Received from Shippers as Lost and Unaccounted for		
14	Other Receipts (Specify)		
15	Total Receipts (Total of lines 3 thru 14 ?)		
16	GAS DELIVERED		
17	Gas Sales (Accounts 480 484)		
18	Deliveries of Gas Gathered for Others (Account 489 1)	303	
19	Deliveries of Gas Transported for Others (Account 489 2)	305	
20	Deliveries of Gas Distributed for Others (Account 489 3)	301	
21	Deliveries of Contract Storage Gas (Account 489 4)	307	
22	Exchange Gas Delivered to Others (Account 806)	328	
23	Gas Delivered as Imbalances (Account 806)	328	
24	Deliveries of Gas to Others for Transportation (Account 858)	332	
25	Other Gas Delivered to Storage (Explain)		
26	Gas Used for Compressor Station Fuel	509	
27	Other Deliveries (Specify)		
28	Total Deliveries (Total of lines 17 thru 27 ?)		
29	GAS UNACCOUNTED FOR		
30	Production System Losses		
31	Gathering System Losses		
32	Transmission System Losses		
33	Distribution System Losses		
34	Storage System Losses		
35	Other Losses (Specify)		
36	Total Unaccounted For (Total of lines 30 thru 35)		
37	Total Deliveries & Unaccounted For (Total of lines 28 and 36)		

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Name of Respondent	This Report Is <input type="checkbox"/> An Original <input type="checkbox"/> A Resubmission	Date of Report <i>(Mo, Da, Yr)</i>	Year Ending Dec 31, ____
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SYSTEM MAPS

1 Furnish five copies of a system map (one with each filed copy of this report) of the facilities operated by the respondent for the production gathering transportation and sale of natural gas. New maps need not be furnished if no important change has occurred in the facilities operated by the respondent since the date of the maps furnished with a previous year's annual report. If, however, maps are not furnished for this reason, reference should be made in the space below to the year's annual report with which the maps were furnished.

2 Indicate the following information on the maps:

- (a) Transmission lines
- (b) Incremental facilities
- (c) Location of gathering areas
- (d) Location of zones and rate areas
- (e) Location of storage fields
- (f) Location of natural gas fields

- (g) Location of compressor stations
- (h) Normal direction of gas flow (indicated by arrows)
- (i) Size of pipe
- (j) Location of products extraction plants, stabilization plants, purification plants, recycling areas, etc.
- (k) Principal communities receiving service through the respondent's pipeline.

3 In addition, show on each map: graphic scale of the map; date of the facts the map purports to show; a legend giving all symbols and abbreviations used; designations of facilities leased to or from another company, giving name of such other company.

4 Maps not larger than 24 inches square are desired. If necessary, however, submit larger maps to show essential information. Fold the maps to a size not larger than this report. Bind the maps to the report.

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FOOTNOTE REFERENCE

Page No (a)	Line or Item No (b)	Column No (c)	Footnote No (d)

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FOOTNOTE TEXT

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REVISED TARIFF AND CASH FLOW MODEL

If nothing else, exposure to the preceding section regarding regulatory data will have sensitized the reader to the difficulty of establishing a common basis for communication between experts from different political and economic environments. That is true, to a lesser extent, for experts coming from the same background. Without a well-defined regulatory data set, cost and revenue terms take on different meanings with different speakers with the result that experts may completely speak past each other even though they use identical terms in describing their issues. A case at hand is the concept of operating and maintenance costs ("O&M Costs"). Does this term include depreciation? In the case of pipelines, does it include gas storage? Does it include gas production, gas gathering or product extraction. What about liquid gas terminating expenses, customer account expenses, and administrative and general expenses?

From this point forward, unless indicated otherwise, we will use the term "Transmission Expenses" to mean Lines 179 through 201 in the Federal Regulatory Commission's Data Form 2 (page 320 and 321) which was the subject of the preceding discussion. Thus, when we ask the pipeline operator what he thinks his cost would reasonably be in operating and maintaining his gas line safely, reliably, and efficiently, we mean to exclude all of the above items. We mean strictly operations expenses such as engineering, dispatching, communications systems, compressing, pressure regulation, volume measurements and similar activities, all of which are listed on Lines 180 through 191. And we also mean maintenance expenses (Lines 193 through 200) which basically means all expenditures that are required to maintain the equipment needed to perform the operations activities listed above.

With this definition in mind, we can now ask the question where we have been in the past regarding O&M expenses in Armenia, where we are now, and where we think we should be. Now that a common definition has been given, we can, for the first time, attempt to put the various data collected to date on a common denominator. We will list all cost data in terms of US dollars. To do otherwise, we would have to compensate our cost data for their relevant time exposures. While our discussion will focus on the O&M definition given above, we will also list as a separate item management costs where applicable, in deference to the Management Firm that has been set up within the natural gas industry of Armenia.

To the best of our knowledge, then, here are the cost data we need to compare:

Pipeline O&M and Management Cost Data
Millions of Dollars per Year

	O&M Costs	Mgmt Costs	Total Costs
Past Costs (ERC)	2.92	1.50	4.42
Merklein Projection (F-2 & F-4)	4.72	3.95	8.67
Current Costs	4.39	?	?
Broad US Base	8.22	7.01	15.23
Commission Compromise	5.66 (a)	?	?
Pipeline Request	9.44	?	9.44 (?)

(a) Does not include Storage Operations of \$1.13 Million per Year

In our predecessor report we established as best we could existing pipeline costs (ERC Case). To make our comparison in the preceding Table is compatible with the definition of O&M costs given

earlier, we adjusted the ERC costs in our report by taking out depreciation taxes, and interest payments. We are not sure, but we believe that the original costs given to us did not include storage costs (this is one case where definitional clarity, even though absolutely essential, has been missing). Thus Pipeline O&M costs as we understood them amounted to \$2.92 million per year. Similar adjustments brought other pipeline costs, "Armgasprom Costs", to \$1.50 million. The Armgasprom costs are roughly equivalent to FERC's Customer Accounts Expenses (Lines 230-237), Customer Service and Informational Expenses (Lines 238-244), Sales Expenses (Lines 245-251), and Administrative and General Expenses (Lines 252-270). As we saw it, the pipeline company was expected to operate and maintain a trunk line system of some 1700 kilometers in length for less than 3 million US dollars, and to meet all other administrative and headquarters' expenses with 1.5 million dollars.

We knew that these costs were wholly inadequate in properly operating and maintaining the Armenia trunk line system, and we went through a series of steps to show where, at a minimum, reasonable O&M costs would have to be. We went from a competitive and highly efficient US environment, where cost-recovery pipeline costs are among the lowest in the world to draw reasonable conclusions as regards Armenian costs. But even then we realized that Armenia would not even begin to approach US cost efficiency in a very long time, so we made judgmental concessions in our comparison. With those moderating criteria, we came up with an O&M cost for Armenia of \$4.72 million, some \$1.8 million higher than current budgets allowed.

Since that time we asked the pipeline company how much money they were actually spending in running their trunk line system, and we listed their answer in row three of the preceding Table: \$4.39 million. However, as in the past, the answer is ambiguous. We do not know for sure whether that number includes their management costs, but looking at the O&M and Mgmt cost totals we tend to believe the management costs are included.

We used two judgmental factors in moderating O&M costs for Armenia. First we related US costs from a base of so many O&M dollars per 100 million dollars of original investment in two representative US pipelines to depreciated Armenian assets, and second, we applied our 30-year straight-line depreciation to the depreciated asset base in Armenia rather than the original investment, as is the norm. We have since that time developed a very broad data base that includes all 53 US pipelines crossing State borders and, therefore, subject to FERC jurisdiction, and a variant that leaves out nine very small or off-shore lines, and we did the scaling to equivalent Armenian O&M costs by relating both costs to depreciated assets. With either data base we get similar results, shown in the preceding Table as "Broad US Base". The number in that category says that the Armenian O&M costs would be on the order of magnitude of \$8.22 million, if the age distribution, diameter mix, capacity utilization and general adherence to operational standards of the two systems were roughly the same. They are not. As regards diameter mix and age distribution, they are arguably comparable. Adherence to operational standards is much lower in Armenia, which tends to reduce the suggested broad US base cost, but that moderating force is overwhelmed by the US capacity utilization which generally runs upwards of 90%, compared to less than 20% in Armenia. What the Broad US Base number also says is that even though pipeline budgetary and tariff requests or Commission allowables in Armenia seem out of line compared to current expenditures, they are well below ordinary world-wide standards. To be noted in conjunction with the Broad US Base costs is the fact that all management cost combined run slightly under the pipeline O&M cost proper, as they do in the Merklein Projections (F-2 & F-4).

The Commission Compromise, a loosely agreed upon cost number to be used as a starting point for further discussions, and certainly not a commitment on the Commission's part, permits Pipeline O&M costs of \$5.66 million, but again, definitional problems prevent a clear understanding of what this means. Finally, we asked the pipeline staff what they think they would need to properly operate

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and maintain the Armenian trunk line system. Their answer, \$9.44 million, probably includes management costs.

This, then, sets the stage for our model. In our discussions with various officials in Government and industry, we got the feeling that the development and presentation of a cost-recovery tariff is not enough. There was a need for guidance as to where the cost-recovery tariff would move to over the ensuing years. More importantly, the mere tariff in the first year of implementation was of no particular help in any meaningful discussion regarding the financing of badly needed rehabilitation funds. To shed light on that issue, we decided to develop not only a workable tariff, but to carry it out for a considerable period of time, and to combine this projection with a cash-flow model that would show at least one way of procuring the required rehabilitation funding.

We experimented early on with the idea of non-equity commercial funding for the required rehabilitation funds. However, we discarded that idea because Armenia is simply in no position to acquire commercial loans for such a purpose. In the first place, it appears doubtful that any commercial lender will provide the required funds in the amounts and for the length of time needed for pipeline rehabilitation. As mentioned, the required amount is on the order of US\$ 200 million (\$193 million, to be exact, based on a detailed assessment by TACIS), for a minimum funding period of ten years. On the assumption that commercial funding could be found at all, the interest rate would be at least 20%. On those terms, \$200 million at 20.0% interest for 10 years, the first year's interest obligation would amount to \$40.0 million, plus a capital repayment of \$7.7 million, for a total cash flow obligation of \$47.7 million, far too much for the pipeline company to even dream about. Spreading the payments over 20 years would provide little relief, except that it would boost total interest payments from \$277 million in the 10-year case to \$621 million if the terms were extended to 20 years. In terms of cash flow, the first-year interest plus capital obligation would only be reduced from \$47.7 million to \$41.1 million. In short, commercial loans are out of the question, and a viable method of equity funding will have to be developed to rehabilitate the pipeline.

The Cash Flow Model

The model we presented earlier in connection with the development of the Armenian pipeline tariff has been expanded to include cash flow calculations. In addition, for a reasonable scenario the tariff and cash flow calculations were extended over a period of 30 years. These calculations are presented in the Table entitled *Natural Gas Enterprises*. That table, in its electronic version, is a working cash flow model. A copy of the electronic model is attached to this report to enable Armenian government and industry representatives to develop their own scenarios and, hopefully, to develop convincing financial packages to international non-commercial lending institutions and potential equity partners.

Some of the principal assumptions that were used in developing the cash flow model are listed as follows:

1. Gas consumption by end-users (Line 2) rises by 250 million cubic meters a year until, in year 13, it reaches 4.5 billion cubic meters or about 75% of the 1989 all-time high of about 6 billion cubic meters. From then on, consumption is held constant.
2. Current losses in distribution operations of 1.68% (Line 3) are held constant throughout the projection period.
3. Current losses in pipeline operations of 3.8% (Line 6) are considered excessive. They should not be supported by tariff charges. The Commission will reduce allowable pipeline losses by 0.5% a year until, in year 7, they reach a reasonable level of 1.0% which is held constant from then on.

- 4 O&M costs (Line 10) are transmission costs as defined in FERC Form 2, in the amount of \$ 5.67 per year, plus storage costs of \$1.12 provided by the Commission. These are held constant throughout the projection period, but under proposed regulatory rules, they will be subject to annual review, at least for the next few years.
- 5 Pipeline assets (Line 13) are from Armenian sources. They have been independently verified by Hagler Bailly by calculating replacement value of the pipeline system, depreciating from installation date, and deducting rehabilitation costs.
- 6 Depreciation of 3.33% per year (Line 14) based on 30-year straight-line regime.
- 7 No retirements or losses (Line 17) over life of pipeline. This assumes that pipes, when ultimately retired, will have gone beyond their 30-year life cycle.
- 8 Additions to capital equipment (Lines 18, 58 and 59) are based on reinvestment of all depreciation charges and 100% of profits for 3 years, followed by 50% of profits for another three years. See discussion of model.
- 9 End-of-Year assets (Line 19) reflect rapid build-up of asset base under suggested scenario.
- 10 Pipeline revenue requirement (Line 36) calculated as in earlier model. To be noted is the fact that the VAT is applied to final sales, i.e. it includes a VAT levy on the profits tax. This is a tax-on-tax situation that seems awkward, but we did specifically verify that this reflects Armenia's current tax regime.
- 11 Unbundled pipeline tariff (Line 51) reflects standard calculation as described in predecessor report. The unbundled tariff from management company (\$2.91, Line 45) requires explanation. This is not an integrated industry model. It is a pipeline tariff and cash flow model. As such, it does not reflect tariff changes with rising volumes arising from management operations. We assumed an average number roughly reflective of Schedule F-4 of our earlier report. In fact, the unbundled management tariff will be higher in the early years and lower in later years, after total gas imports have risen past 2.7 billion cubic meters per year. However, this assumption has no impact on the unbundled (i.e., differential) tariff associated with pipeline transmissions. The revenue requirements, revenues, profits, cash flows and all other variables calculated for the pipeline are correct.
- 12 The insert (Delta T, Line 52) reflects the year-by-year difference in unbundled pipeline tariffs. They have no operational significance. They have been provided for the early period to let the reader see how changes in the re-investment pattern affect the unbundled pipeline tariff.
- 13 The cash flow section (Lines 53-60) shows how, under the assumed re-investment scenario, rehabilitation funds are being generated and how this leads to a rapid build-up of the pipeline asset structure. It also explains, subject to further discussions, how the sacrifice of early profits leads to a rapid build-up of later profits.
- 14 Finally, the last section (Lines 64-71) shows how the cash flow generated in Armenia's pipeline transmission operations is shared by different claimants under the assumed scenario. That is where our discussion, and subsequent policy discussions, will be focused.

Generating Rehabilitation Funds from Equity Capital

We have mentioned that commercial non-equity funding is not a realistic avenue open to the Armenian pipeline system. Non-equity funding through unilateral or multilateral finance institutions may be a remote possibility, but to even consider applying for such funds, the pipeline will need to present a clear description of where it stands now, especially with regard to its bill collections policies, and where it intends to go. The model that is presented here assumes that all bills will be collected. Any lender or equity participant will insist on that same

collection standard. Unless and until the collection record meets international standards, there is no point in approaching any institution for outside funding.

There is a chance that the Armenian pipeline system will be able to generate its own rehabilitation funding. The scenario underlying the model run presented here is one possible avenue in that direction. Others can be easily explored with the model.

To begin with, it is assumed that the pipeline is not burdened with an outstanding debt. If such a debt exists and if it needs to be serviced from income generated by the pipeline system, the place to look to is the section in Lines 64-71 which reflects the claims of the various participants on cash flows generated that industry. We do not propose to use this forum to address the complex issue of debt repayment, but the model presented here can certainly shed light on the issues. Suffice it here to say that the referenced section only shows cash flows generated from pipeline operations and, in an unbundled system, that is the only place to go for recourse, unless the government wishes to assume all or part of the debt and to finance its extinction from general gas industry sources, including, for example, the VAT imposed on imported gas at the border. That is for debate at a later point in time, and at higher government levels.

The model assumes that all payments in acquiring company shares are either paid in cash or in a commodity that is easily and predictably converted into cash. That would leave natural gas deliveries as the only viable non-cash means of payment, and that only if the pipeline is allowed to implement a 100% collection policy, under the threat of gas cut-offs for non-payment. The model assumes that the shareholders of the company, the Armenian Government, Gasprom, and Intera, are prepared to accept a lower rate of return than would be appropriate under the circumstances. Gasprom at one time seemed inclined to go along with a 10% return, and that is what we assumed would be applied here. To be noted is the fact that higher rates might be negotiated to apply after certain mileposts have been reached, such as the relinquishment of all debts.

Not only does the model assume a moderate rate of return, it also stipulates that the shareholders will re-invest all of their profits during the first three years of operations and 50% of their profits for the next 3 years. This does not mean that the shareholders are asked to give up any of their profits. They simply re-invest them for a rapid build-up of the asset base which will provide substantial increases in future profits. In short, the investors would exchange moderate current profits for substantially higher future profits. As the model shows, reinvesting all depreciation charges and profits as outlined will generate some \$130 million in rehabilitation funds within 6 years. As a result, deferred profits in year 1 of \$16.48 million will rise to \$25.39 million after 6 years (i.e., in year 7), and they will remain at that level for the rest of the projection period.

Unbundled pipeline tariffs, running at \$30.47 per 1000 cubic meters in year 1, will decline as through-put volumes rise, to \$13.99 in year 13 and thereafter, when volumes are assumed to stabilize at 4.5 billion cubic meters per year. As mentioned, this is premised on pipeline O&M costs of \$5.66 million per year (plus \$1.12 million for storage operations) or less than 70% of US pipeline costs. Thus, the declining tariffs could be viewed as an opportunity to re-visit and, if necessary, raise some of the parameters in the model, first and foremost among them O&M costs. Other factors that may need to be re-considered are the rate of return to the shareholders and a slowly rising levy on transmission fees to re-pay any outstanding pipeline debt. These and other ideas can be pursued with the model.

