

**UPDATED CONSUMER ADVOCATE AND PROTECTION DIVISION Schedule TB1**  
**ANALYSIS SUMMARY - UPDATED TO INCLUDE ALL CHANGES AND CORRECTIONS TO EACH PARTY'S POSITIONS**

Line #	COMPANY FORECAST 2007 (corrected)	CAPD FORECAST 2007 (Rebuttal)	CAPD FORECAST 2007 (corrected) (consistent with changes @ hearing)	CAPD FORECAST 2007 (corrected) (with additional company comments)	STAFF FORECAST 2007 (corrected)
1 Total Operating Revenues					
2 Production Expense					
<b>3 Gross Margin</b>	<b>\$51,504,553</b>	<b>\$55,485,148</b>	<b>\$55,485,148</b>	<b>\$51,504,553</b>	<b>\$51,504,553</b>
4 Labor	3,394,765	2,978,354	2,978,354	2,978,354	2,978,354
5 Long Term Incentive Pay ("LTIP")	444,447	0	0	0	0
6 Pension Expense	417,131	0	0	0	0
7 Uncollectible Expense	207,848	95,760	95,760	95,760	95,760
8 Environmental Expense	637,802	0	0	0	0
9 Rate Case Expense	55,000	16,500	16,500	16,500	16,500
10 Other Operations & Maintenance Expense ("O&M") Exp	11,109,235	10,769,163	10,769,163	10,769,163	10,769,163
<b>11 Total Operations and Maintenance Expense (Sum of Lines 4-10)</b>	<b>\$16,266,228</b>	<b>\$13,859,777</b>	<b>\$13,859,777</b>	<b>\$13,859,777</b>	<b>\$13,859,777</b>
12 Depr. & Amort. Expense	12,519,876	11,706,765	11,706,765	11,706,765	11,706,765
13 Taxes Other than Income Taxes	6,090,833	5,324,745	5,406,650	6,069,120	6,069,120
14 Income Taxes	5,102,178	8,324,442	8,258,531	6,429,601	6,169,442
<b>15 Total Operating Expenses (Sum of Lines 4-10 and Lines 12-14)</b>	<b>\$39,979,115</b>	<b>\$39,215,729</b>	<b>\$39,231,723</b>	<b>\$38,065,263</b>	<b>\$37,805,104</b>
<b>16 Net Operating Income ("NOI") (Difference of Line 3 and Line 15)</b>	<b>\$11,525,438</b>	<b>\$16,269,419</b>	<b>\$16,253,425</b>	<b>\$13,439,290</b>	<b>\$13,699,449</b>
17 Adjustments to NOI					
18 Interest on customer deposits	(364,958)	(390,664)	(390,664)	(390,664)	(390,664)
19 Allowance for funds used during construction	0	235,383	235,383	235,383	235,383
20 Gain on Sale of Maryland Way Property	20,244	20,244	20,244	20,244	20,244
21 Elimination of leased property; Decreased Rent	2,079,882	2,079,882	2,079,882	2,079,882	2,079,882
22 Elimination of leased property; Incr. depreciation expense	(238,584)	(238,584)	(238,584)	(238,584)	(238,584)
<b>23 Adjusted NOI (Sum of Line 16 and Lines 17-22)</b>	<b>\$13,022,022</b>	<b>\$17,975,680</b>	<b>\$17,959,686</b>	<b>\$15,145,551</b>	<b>\$15,405,710</b>
<b>24 Rate Base Additions</b>					
25 Gas Plant in Service	317,595,022	314,855,500	316,856,218	316,856,218	316,856,218
26 Construction Work in Progress	5,170,361	5,118,987	5,118,987	5,118,987	5,118,987
27 Materials and supplies/Storage gas	16,655,238	16,653,092	16,653,092	16,653,092	16,653,092
28 Working Capital	861,072	0	0	0	0
29 Net elimination of intercompany leased property	7,126,069	7,126,069	7,126,069	7,126,069	7,126,069
30 Unamortized Maryland Way Gain	(28,708)	(28,708)	(28,708)	(28,708)	(28,708)
<b>31 Total Additions to Rate Base (Sum of Lines 25-30)</b>	<b>\$347,379,054</b>	<b>\$343,724,940</b>	<b>\$345,725,658</b>	<b>\$345,725,658</b>	<b>\$345,725,658</b>
<b>32 Rate Base Deductions</b>					
33 Accumulated Depreciation	138,491,810	138,905,855	138,905,855	138,256,857	138,256,857
34 Customer Deposits	6,082,633	6,511,070	6,511,070	6,511,070	6,511,070
35 Contributions & advances in aid of construction	39,063	39,613	39,613	39,613	39,613
36 Accumulated deferred tax-accelerated depr.	32,917,653	39,818,164	39,818,164	39,818,164	39,818,164
37 New Company Adjustment	419,556	0	0	0	0
<b>38 Total Deductions from Rate Base (Sum of Lines 32-37)</b>	<b>\$177,950,715</b>	<b>\$185,274,702</b>	<b>\$185,274,702</b>	<b>\$184,625,704</b>	<b>\$184,625,704</b>
<b>Total Rate Base</b>					
<b>39 (Difference of Line 31 and Line 38)</b>	<b>\$169,428,339</b>	<b>\$158,450,238</b>	<b>\$160,450,956</b>	<b>\$161,099,954</b>	<b>\$161,099,954</b>
<b>40 Rate of Return (Line 23 Divided by Line 39)</b>	<b>7.69%</b>	<b>11.34%</b>	<b>11.19%</b>	<b>9.40%</b>	<b>9.56%</b>
41 Fair Rate of Return	9.02%	6.56%	6.56%	6.56%	8.064%
<b>42 Deficient (Excess) Rate of Return (Difference of Line 41 and Line 40)</b>	<b>1.33%</b>	<b>-4.78%</b>	<b>-4.63%</b>	<b>-2.84%</b>	<b>-1.499%</b>
<b>43 Deficient (Excess) NOI (Line 39 Multiplied by Line 42)</b>	<b>\$2,260,414</b>	<b>(\$7,581,344)</b>	<b>(\$7,434,103)</b>	<b>(\$4,577,394)</b>	<b>(\$2,414,610)</b>
44 Gross Revenue Conversion Factor	1.645410	1.636038	1.636038	1.636038	1.636038
<b>45 Revenue Deficiency (Surplus) (Line 43 Multiplied by Line 44)</b>	<b>\$3,719,308</b>	<b>(\$12,403,368)</b>	<b>(\$12,162,475)</b>	<b>(\$7,488,791)</b>	<b>(\$3,950,394)</b>