STATE OF TENNESSEE

Office of the Attorney General

ROBERT E. COOPER, JR.
ATTORNEY GENERAL AND REPORTER

CORDELL HULL AND JOHN SEVIER STATE
OFFICE BUILDINGS

MAILING ADDRESS
P.O. BOX 20207
NASHVILLE, TN 37202

LUCY HONEY HAYNES
CHIEF DEPUTY ATTORNEY GENERAL

LAWRENCE HARRINGTON
CHIEF POLICY DEPUTY

BILL YOUNG
SOLICITOR GENERAL

TELEPHONE (615) 741-3491
FACSIMILE (615) 741-2009

January 4, 2013

Kelly Cashman-Grams, Esq.
Hearing Officer
Tennessee Regulatory Authority
460 James Robertson Pkwy.
Nashville, TN 37243-0505

Re: Petition of Navitas TN NG, LLC for an Adjustment to Its Natural Gas Rates and Approval of Revised Tariffs - TRA Docket No. 12-00068

Dear Ms. Cashman-Grams:

On November 21, 2012, Charlena S. Aumiller filed Direct Testimony and Exhibits in this docket on behalf of the Tennessee Attorney General Consumer Advocate and Protection Division.

Due to the information learned as a result of the TRA's Second Data Request (dated January 2, 2013), question number 3, we are revising that testimony to correct a clerical error.

Ms. Aumiller's Direct Testimony is revised as follows:

Page 8, Line 8 - $666,179 is amended to $670,304;
Page 8, Line 13 - $355,387 is amended to $313,929;
Page 9, Line 4 - $690,122 is amended to $648,867;
Page 9, Line 6 - 96% is amended to 80.5%;
Page 9, Line 13 - $140,000 is amended to $180,000;
Page 10, Line 12 - $250,000 is amended to $207,827;
Page 134, Line 23 - $666,179 is amended to $670,304;
Page 13, Line 24 - $666,179 is amended to $670,304;
Page 134, Line 27 - $8,250 is amended to $4,125;
Page 17, Line 17 - amendemnts is amended to amendments;

Page 18, Line 12 - $29,029 is amended to 29,205;
Page 18, Line 13 - $57,997 is amended to $58,356;
Page 18, Line 13 - 1.999 is amended to 1.998; and
Page 27, Line 27 - $250,000 is amended to $181,090

Due to these revisions we are also filing a revised Exhibit A which was filed as part of the CAPD Exhibits, filed November 21, 2012.

We apologize for any inconvenience this causes.

Sincerely,

John J. Baroni
Assistant Attorney General

cc: All parties of record

IN THE TENNESSEE REGULATORY AUTHORITY
AT NASHVILLE, TENNESSEE

IN RE:	)	
	)	
PETITION OF NAVITAS TN NG, LLC	)	**DOCKET NO. 12-00068**
FOR AN ADJUSTMENT TO ITS NATURAL	)	
GAS RATES AND APPROVAL OF REVISED	)	
TARIFFS	)	

****

REVISED EXHIBIT A
TO CAPD EXHIBITS

****

January 4, 2013

NAVITAS TN NG, LLC
INDEX TO SCHEDULES
For the 12 Months Ending December 31, 2013

NAVITAS TN NG, LLC
Results of Operations
For the 12 Months Ending December 31, 2013

Line No.		CAPD	Company E/	Difference
1	Rate Base	$ 670,304 **A/**	$ 1,490,326	$ -820,022
2	Operating Income At Current Rates	-149,470 **B/**	-97,000	-52,470
3	Earned Rate Of Return	-22.30%	-6.51%	-15.79%
4	Fair Rate Of Return	8.71% **C/**	9.20%	-0.49%
5	Required Operating Income	58,356	137,080	-78,724
6	Operating Income Deficiency	207,827	234,080	-26,253
7	Gross Revenue Conversion Factor	1.005999 **D/**	1.666795	-0.660796
8	**Revenue Deficiency**	$ **209,074**	$ **390,164**	$ **-181,090**

A/ CAPD Exhibit, Schedule 2.
B/ CAPD Exhibit, Schedule 4.
C/ CAPD Exhibit, Schedule 10.
D/ CAPD Exhibit, Schedule 11.
E/ Company Filing. CAPD requests that Navitas files all documents provided to CAPD to the TRA to help ensure confidentical documents are not indavertently filed.

NAVITAS TN NG, LLC
Average Rate Base
For the 12 Months Ending December 31, 2013

Line No.		Test Period A/	Adjustments B/	Attrition Period
	Additions:			
1	Utility Plant in Service	$ 1,755,227	$ 51,414	$ 1,806,641
2	Other Long-Term Assets	214,438	-181,438	33,000
3	Working Capital	37,578	-501 *	37,077 *
4	**Total Additions**	$ **2,007,243**	$ **-130,525**	$ **1,876,718**
	Deductions:			
5	Accumulated Depreciation	$ 907,049	$ 70,328	$ 977,377
6	Accumulated Amortization of Other Long-Term Assets**	19,257	-15,132	4,125
7	Acquisition Adjustment	251,338	-26,426	224,912
8	**Total Deductions**	$ **1,177,644**	$ **28,770**	$ **1,206,414**
9	**Rate Base**	$ **829,599**	$ **-159,295**	$ **670,304**

* Utility Plant in Service, Other Long Term Assets, Accumulated Depreciation, and Plant Acquisition Adjustment are from the Navitas Tn NG Trial Balance as of 12/31/2011. Per page 9 of the 214-page response sent on 10/15/2012 for discovery #24, Navitas calculates working capital by using the "one-eighth method", which presumes that cash working capital necessary equals 1/8 (or 45 days/360 days) of cash O&M expenses. The CAPD agrees with the use of this formula by multiplying .125 by the sum of the CAPD calculated attrition year charges of NUC Crews charge ($296,613.22) on Schedule 4.A.

** Other Long Term Assets recorded in Navitas's financial statements

A/ Company Filing.
B/ CAPD Exhibit, Schedule 2.A.

NAVITAS TN NG, LLC
Adjustments to Rate Base
For the 12 Months Ending December 31, 2013

Line No.			
	Adjustments to Additions		
1	Reverse journal entry transfering meters to NUC from TN	9,000.00	A/
2	New Meters from 2011	3,990.00	B/
3	New Meters for 2012	1,976.00	B/
4	New Meters for 2013*	11,520.00	B/
5	2012 Non-meter Capital Expenditures	16,359.76	C/
6	2013 Non-meter Capital Expenditures*	8,568.38	C/
7	Other Long Term Assets	(181,438.23)	F/
8		(130,024.09)	
9			
10	**Adjustments to Deductions**		
11	Accumulated Depreciation increase for Meters in 2011	1,083.35	D/
12	Accumulated Depreciation increase for 2012 Depreciation	46,026.66	D/
13	Accumulated Depreciation increase for 2013 Depreciation*	23,217.74	D/
14	Amortization of the Acquisition Adjustment 2012 & 2013*	(26,425.64)	E/
15	Amortization of the Other Long Term Assets 2012 & 2013*	(15,131.72)	F/
16		28,770.38	

* The estimated acquistions and related depreciation and amortization for 2013 are reduced by half to arrive at the Average Rate Base on Schedule 2.A.

Notes:

A/ This amount reflects the reversal of a journal entry recorded to transfer the cores of the meters from TN's fixed assets to NUC's fixed asset. At the time of the journal entry, Thomas Hartline estimated Navitas purchased 600 meters from Gasco ("Gasco meters") and estimated the cost of the core of each meter at $15 ($15 x 600 meters = $9000).

The CAPD adds the cost of the meters back into TN's fixed assets because the meters are TN's utility assets. Currently, NUC charges TN $3.00 per meter in lease expense. This $3.00 per meter far exceeds the depreciation costs permitted as cost recovery. Thus, CAPD adds the cost of the meters back into TN's fixed assets because the meters are TN's utility assets and the intercompany lease resulting in intercompany profits is not a permissible recovery from ratepayers.

The CAPD adds the cost of the meters back into TN's fixed assets because the meters are TN's utility assets. Currently, NUC charges TN $3.00 per meter in lease expense. This $3.00 per meter far exceeds the depreciation costs permitted as cost recovery. Thus, CAPD adds the cost of the meters back into TN's fixed assets because the meters are TN's utility assets and the intercompany lease resulting in intercompany profits is not a permissible recovery from ratepayers.

B/ Gasco never replaced the meters, which have a ten-year useful life. It is assumed that the meters themselves have zero book value, however, the $15 per meter reflects the value of the core of the meter, which has value even after the meters are replaced. Per discussion with Hartline, all meters are rebuilt at NUC and then replaced in each state. The capitalized cost to replace meters is $38 per meter. Because the meters in Tennessee are the original meters, Navitas has accelerated the meter replacement from 10% per year to as soon as possible. Per discussion with Hartline, as of November 16, 2012, approximately 100 Jellico meters have been replaced and all 57 of the Byrdstown meters have been replaced. Hartline also indicated that Navitas intends to replace 200 meters in Tennessee in 2013.

'The new meters value was calculated by taking the capitalized cost per meter of $38 multiplied by the number of actual meters implemented in 2011 and 2012, which was 157 meters per discussion with Hartline. The cost of $38 per meter was calculated by Navitas on NUC depre 1112, and it is currently the amount Navitas capitalizes per meter. Navitas expensed the travel associated with the meter replacement. For CAPD's calculation of the meters capitalized in 2013, CAPD added the cost of travel for 2 employees for 14 days at $100 per day for lodging and $40 per day for subsistence ($3920). See capitalized costs on Schedule 4.A.2.

C/ Per discussion with Hartline, capital expenditures are performed as needed (e.g. pipe breaks and needs replacement, extending pipes for new customers). In 2011 and 2012 through the middle of November, the only capital expenditures in Tennessee were to extend pipes for new customers. Per the Third Quarter Depreciation Schedule for Tennessee prepared and maintained by Joey Irwin, capital expenditures were $17,913.75 in 2011, and $12,269.82 through September 2012. The estimated annual capital expenditures is the average of the 2011 costs and the annualized 2012 costs. CAPD considered adjusting the 2013 amounts for inflation but opted against it since the numbers are estimates based on past experience rather than capital expenditures expected to occur by Navitas management.

D/ Accumulated Depreciation increase for 2012 and 2013 were calculated on the Depreciation Schedule, Schedule 4.A.2. The Accumulated Depreciation increase for 2011 reflects the depreciation expense for the meters:
a) Full year of depreciation for the $9000 of meter cores ($900)
b) Seven months of depreciation for the 53 meters replaced in April 2011 ($117.48)
c) Four months of depreciation for the 52 meters replaced in September 2011 ($65.87).

Accumulated depreciation calculations for the capital expenditures assumes the capital expenditures will have a 40-year useful life. The calculations of Amortization for Other Long Term Assets is shown on Schedule 4.A.3, Amortization.

E/ See Depreciation Schedule, Schedule 4.A.2.

F/ See Amortization Schedule, Schedule 4.A.3.

NAVITAS TN NG, LLC
Comparative Rate Base
For the 12 Months Ending December 31, 2013

Line No.		CAPD A/	Company B/	Difference
	Additions:			
1	Utility Plant in Service	$ 1,806,641	$ 2,443,206	$ -636,565
2	Other Long-Term Assets	33,000	27,300	5,700
3	Working Capital	37,077	37,866	-789
4	**Total Additions**	**$ 1,876,718**	**$ 2,508,372**	**$ -631,654**
	Deductions:			
5	Accumulated Depreciation	$ 977,377	$ 1,018,046	$ -40,669
6	Accumulated Amortization of Other Long-Term Assets	4,125		4,125
7	Acquisition Adjustment	224,912		224,912
8	**Total Deductions**	**$ 1,206,414**	**$ 1,018,046**	**$ 188,368**
9	**Rate Base**	**$ 670,304**	**$ 1,490,326**	**$ -820,022**

A/ CAPD Exhibit, Schedule 2.
B/ Company Filing.

NAVITAS TN NG, LLC
Income Statement at Current Rates
For the 12 Months Ending December 31, 2013

Line No.		Test Period A/	Adjustments	Attrition Amount
	Operating Revenues:			
1	Gas Sales & Transportation Revenues	$ 456,860	$ -28,667	$ 428,193 B/
2	Other Revenues	27,323	-19,529	7,794 C/
3	**Total Revenue**	$ **484,183**	$ **-48,195**	$ **435,988**
	Operating & Maintenance Expenses:			
4	Purchased Gas Expense	$ 224,324	$ -5,164	$ 219,160 B/
5	Operations & Maintenance	302,949	10,980	313,929 D/
6	**Total Operating & Maintenance Expenses**	$ **527,273**	$ **5,816**	$ **533,089**
	Other Expenses:			
7	Depreciation & Amortization Expense	$ 55,094	$ -13,636	$ 41,458 D/
8	General Taxes	10,469	442	10,911 E/
9	State Excise Taxes	0	0	0 F/
10	Federal Income Taxes	0	0	0 G/
11	**Total Other Expenses**	$ **65,563**	$ **-13,194**	$ **52,369**
12	**Total Operating Expenses**	$ **592,836**	$ **-7,378**	$ **585,458**
13	**Utility Operating Income**	$ **-108,653**	$ **-40,817**	$ **-149,470**

A/ Company Filing.
B/ CAPD Exhibit, Schedule 6.
C/ Navitas TN NG account # 4199, Penalties & Service Charges

12/31/2011:	$6,174.20
Less Q1 2011:	3,962.23
Add Q1 2012:	5,582.21
Total	$7,794.18

D/ CAPD Exhibit, Schedule 4.A.
E/ CAPD Exhibit, Schedule 7.
F/ CAPD Exhibit, Schedule 8.
G/ Federal Income Taxes are passed through to the owner's personal return.

NAVITAS TN NG, LLC
TN Expense Adjustments
For the 12 Months Ending December 31, 2013

	Company P&L 12/31/2011*	Deduct P&L 1/1/2011 to 3/31/2011*	Add P&L 1/1/2012 to 3/31/2012*	Company P&L 4/1/2012 to 3/31/2012	CAPD Adjustments	CAPD Adjusted Expenses for 4/1/2012 to 3/31/2012	Inflation (2012 & 2013) G/	Total Expenses
5900 Direct Costs								
5921 NUC-Crews	278,164.98	50,060.01	88,590.00	316,694.97	A/	A/		296,613.22 A/
5923 NUC-asset billing	15,447.65	2,173.75	4,977.00	18,250.90	(18,250.90) B/	-		-
5999 Depreciation	49,634.18	10,371.16	14,240.61	53,503.63	(20,295.80) C/	33,207.83		33,207.83
5999 Amortization					8,250.00 D/	8,250.00		8,250.00
6000 Overhead								
6300 Bank Fees	1,372.82	169.70	590.92	1,794.04		1,794.04	1.038	1,861.78
6408 Advalorem Tax Expense	6,976.83		1,740.00	8,716.83		8,716.83	1.038	9,045.95
6410 Lic, permit, member			1,920.00	1,920.00		1,920.00	1.038	1,992.49
6412 Postage-billing	1,152.95	263.13	352.82	1,242.64	(62.13) E/	1,180.51	1.038	1,225.08
6420 Tax consult & filing	53.15			53.15		53.15	1.038	55.16
6495 Bad debt	6,210.77		100.64	6,311.41	(4,000) F/	2,311.41	1.038	2,398.68
6496 Customer Discounts	523.60	291.51	477.45	709.54		709.54	1.038	736.33
	359,536.93			409,197.11	(34,358.83)	374,838.28		355,386.52

* Per Navitas's Quickbooks reports.

A/ The CAPD adjustments to the NUC-Crews expense amount to calculate the fair and reasonable expenses allocated to TN for the attrition year are shown on CAPD Exhibit, Schedule 4.A.1.

B/ To remove the expenses related to intercompany charges by NUC to TN for meter fees of $3.00 per meter. The meters should be recorded in TN's fixed assets and depreciated in TN's books. See Note B on Schedule 2.A.1.

C/ To adjust depreciation expenses for the meters and the expected 2012 and 2013 capital expenditures, as well as include the amortization of the Plant Acquisition Adjustment. See Schedule 4.A.2.

D/ To include amortization for organizational costs, the unamortized portion of the 2011 rate case expenses, and the 2012 rate case expenses. See Amortization Schedule, Schedule 4.A.3.

E/ To reduce the amount of Postage by the 5% markup amount erroneously applied to expenses directly charged from NUC to TN.

F/ Per review of the account details of account #6495, Bad Debt Expense,$6,178.96 of the expenses from 4/1/2011 to 3/31/2012 related to a write off of $6,178.96 to clean up of bad debt receivables that were on Gasco's books and probably should have been written off before the purchase by Navitas. Per review of the account details for 2012 and discussions with Navitas, the 2011 write off was an aberration. CAPD adjusted this account so that the 2013 expenses would reflect the 2012 bad debt expense as of 11/16/2012 of $2,347.25, as annualized.

G/ Per Inflation Schedule, Schedule 4.A.6.

NAVITAS TN NG, LLC
NUC Expense Adjustments
For the 12 Months Ending December 31, 2013

	Company P&L 12/31/2011*	Deduct P&L 1/1/2011 to 3/31/2011*	Add P&L 1/1/2012 to 3/31/2012*	Company P&L 4/1/2012 to 3/31/2012	CAPD Adjustments for Indirect Costs	CAPD Allocation % to TN	CAPD Indirect Costs Allocable to TN	CAPD Adjustments for TN's Direct Costs	Inflation (2012 & 2013)	NUC charges to TN 12/31/2013
5099 Direct Costs										
5100 Services (labor)	1,678,951.19	388,595.49	413,886.71	1,704,242.41	(1,618,093) /A		86,149.20	75,788 A/	1.038	168,051
5100 Services (non labor)					110,654	9.23% N/	10,209.05		1.038	10,595
5300 Equipment	28,191.04	3,774.12	8,641.93	33,058.85	-	9.23%	3,050.04		1.038	3,165
5400 Construction	52,751.29	2,303.31	(15,748.85)	34,699.13	(34,699) /B	9.23%	-		1.038	-
5999 Depreciation	204,330.76	51,329.64	53,348.89	206,350.01	(45,292) /C	9.23%	14,859.37		1.000 X/	14,859
6100 General Expenses										
6110 Communication Equipment	3,089.19	261.55	760.40	3,588.04	-	9.23%	331.04		1.038	344
6120 Communication Services	48,590.39	9,935.51	13,502.14	52,157.02	-	9.23%	4,812.05		1.038	4,994
6130 Postage	13,776.32	4,744.75	2,431.96	11,463.53	(8,524) D/	9.23%	271.25		1.038	281
6140 Office Consummables	18,975.25	5,403.25	7,780.99	21,352.99	-	9.23%	1,970.04		1.038	2,044
6150 Travel & Subsistence	16,704.13	(2,996.33)	12,908.20	32,608.66	(31,769) E/	9.23%	77.50	6,560 E/	1.038	6,888
6200 Office Expenses										
6210 Payroll Expenses	388,543.48	105,951.03	100,757.07	383,349.52	(143,259) F/	9.23%	22,150.97	16,659 F/	1.038	40,275
6220 Facilities	50,817.02	9,219.63	7,604.34	49,201.73	(28,695) G/	9.23%	1,891.95		1.038	1,963
6230 Utilities	28,809.94	5,286.21	5,149.72	28,673.45		9.23%	2,645.44		1.038	2,745
6232 Equipment Leasing	989.07	(2,451.27)	853.73	4,294.07	(372) H/	9.23%	361.85	372 H/	1.038	762
6241 Contracted Transportation	117,656.44	31,282.50	22,613.56	109,187.50	(109,187) I/	9.23%	0.05		1.038	0
6242 Fuel	190,740.92	37,755.55	43,848.19	196,833.56	(69,912) I/	9.23%	11,709.85		1.038	12,152
6240 Transportation - Other	104,279.95	24,532.33	27,013.84	106,761.46	(66,916) J/	9.23%	3,676.18		1.038	3,815
6320 Bank Fees	3,802.20	1,000.50	1,180.52	3,982.22		9.23%	367.40		1.038	381
6400 Business Expenses										
6410 Licenses, permits, membership	11,783.71	4,982.41	5,385.39	12,186.69		9.23%	1,124.35		1.038	1,167
6420 Tax Consult& Filing	24,680.00		2,750.00	27,430.00		9.23%	2,530.71		1.038	2,626
6425 Legal	21,021.02	(9,900.17)	54,169.12	85,090.31	(72,765) K/	9.23%	1,137.13		1.038	1,180
6440 Bonds & Insurance	91,620.32	26,165.41	23,230.49	88,685.40		9.23%	8,182.19		1.038	8,491
6445 Safety & Security	52,658.10	13,244.43	10,877.73	50,291.40		9.23%	4,639.93		1.038	4,815
6460 Company promotions	2,057.93	378.88	95.38	1,774.43		9.23%	163.71		1.038	170
6471 Education	10,711.92	2,915.62	4,820.41	12,616.71		9.23%	1,164.03		1.038	1,208
6470 Seminars & Subscriptions	6,913.95	103.00	213.49	7,024.44		9.23%	648.08		1.038	673
6475 Employee incentives	1,600.00	600.00		1,000.00		9.23%	92.26		1.038	96
6799 Penalties & Fines	1,375.75	263.49	1,934.57	3,046.83	(3,047) L/	9.23%	-		1.000 X/	-
6510 New Opportun & Methods	30,000.00	7,500.00	7,500.00	30,000.00	M/	9.23%	2,767.82		1.038	2,872
	3,205,621.28	722,180.84	817,509.92	3,300,950.36	(2,121,875.40)		186,983.44	99,378.69		296,613

* Per Navitas's Quickbooks reports.

A/ After inquiries with Hartline, CAPD believes that this account can be allocated more accurately than the Company proposal of customer density per mile without increasing the bookkeeping costs significantly. Based on these inquiries, CAPD took the $1,593,588 in employee and outside labor and allocated labor to TN, which is shown on Labor, Schedule 4.A.4. CAPD noted that the remainder of the charges of $110,654 were for uniform services that had memos of the location incurring the costs of the uniform services as well as monthly charges to Volunteer Trenching to be available for back up services. CAPD recommends these non-labor charges get allocated more accurately as well, however, CAPD did not have the available information to perform such allocation here. Instead, CAPD allocated these costs using the CAPD allocation percentage discussed in M/.

B/ Per review of the transactions to this account and discussions with Hartline, the charges to this account are primarily expenses that are later capitalized to specific systems. The balance in this account reflects the timing differences between the expense and the time of capitalization. It is essentially a CWIP account that can apply to any of the systems. The CAPD reduces the indirect allocation costs for CWIP and estimated expected capital expenditures for Tennessee in Schedule 2 and 2.A. CAPD recommends Navitas record any expenses that will not be capitalized in a separate account.

C/ To remove the depreciation expense related to meters in the entirety from the indirect allocations and add the estimated depreciation expenses for the meters in Tennessee expected for 2013 (per the Depreciation Schedule, Schedule 4.A.2.)

D/

Per review of the transactions in the account and discussions with Hartline, all postage is charged first to NUC then charged to the systems at a 5% markup. Thus, the individual states are charged for the postage for sending out customer bills. The 5% markup was eliminated for TN in Schedule 4.A. The annual expense of $11,463.53 equals $955 in monthly expenses. CAPD believes this amount includes system charges that have not yet been charged to the systems. CAPD's adjustment results in approximately $2940 per year in Postage expenses for NUC ((100 stamps * $0.45 * 52 weeks) + ($50 Priority/Non-envelope shipping * 12 months)).

E/ Per discussion with Hartline, this account includes travel that should be capitalized. Hartline provided CAPD with the planned trips for 2013:
- Walker and Cash (TN labor) training for 2 days (direct cost) and
- 2 California employees attending a 3-day training on utility accounting (indirect).

Assuming expenses of $140 daily for lodging and subsistence for the planned trips, the direct costs to TN are $6,680, and the indirect costs for the utility accounting training is $1420. CAPD also includes in the estimate quarterly trips for Hartline, at approximately $1500 per trip to include travel, per diem hotel and meals, and car rental. Air and mileage are expensed in a separate account. Air travel was included for Hartline because his monthly travel expenses of $2500 were eliminated from Transportation - Other, account #6240.

F/ This account reflects employee healthcare. CAPD reduced the indirect costs by 37.37% of the test year expenses to reflect the approximate healthcare costs associated with the employees dedicated to Oklahoma and Kentucky. The 37.37% was derived from reviewing the employee expenses on Labor Schedule, Schedule 4.A.4. CAPD also reclassified the healthcare related to TN's labor from Indirect Costs to the costs directly allocable to TN.

G/ Per review of the 2012 charges to this account and discussion with Hartline, the Facilities expenses reduced significantly because the California office originally rented facilities but then purchased office space. CAPD adjusted the annual expenses to reflect these expected savings for 2013.

H/ Per review of the transactions to this account and discussion with Hartline, this account has three monthly charges: (1) $158 to Pitney Bowes for the postage machine (billing); (2) $13 to Airgas for equipmenet leased at the Eakely, Oklahoma location; and (3) $31 to Holston for equipmenet leased and dedicated to the Jellico, Tennessee operations. Reclassified the Holston charges to direct charges to TN.

I/ This account is entirely plane expense, which CAPD will disallow for recovery through rates. Reasonable and prudent travel expenses have been estimated and included in the Travel and Subsistence adjustments. See E.

J/ This account includes the fuel for the trucks, which is allowed for rate recovery, as well as the disallowed expenses for plane fuel and fuel used for personal purpose. To eliminate the costs of fuel for the plane and unreimbursed fuel expenses used for personal purposes, CAPD obtained the charges related to disallowed expenses for 1/1/2011 to 12/31/2012 from Joey Irwin to estimate 12-months of disallowed usage for the

K/ This account includes expenses for the trucks, which is an allowable expenses as well as expenses of $2500 to two executive officers ($5000 total). To eliminate the $2500 monthly fees paid to these officers ($60,000 total) as well as other miscellaneous charges to this account for personal travel, CAPD obtained the related charges for 1/12011 to 12/31/2011 and made an adjustment to reduce the allowed expense.

L/ This account is for late fees and other fines and penalties. Such charges are not permitted for recovery through rates because the rates for 2013 are expected to permit the company to avoid penalties and fines.

M/ Per discussion with Hartline, this account reflects monthly charges of $2500 for a consultant to advise Navitas about utility practices.

N/ This percentage is the allocation percentage calculated by CAPD on the Allocation Percentage Calculation, Schedule 4.A.5.

X/ Inflation adjustments do not apply to these accounts.

Navitas TN NG, LLC
Depreciation Expense
For the 12 Months Ending December 31, 2013

Source: 2012 3rd Quarter Depreciation Schedules from Joey Irwin	Acq Date	Life	Cost basis	CAPD Calculation: 2012 Depreciation Expense (annualized)	CAPD Calculation: 2013 Depreciation Expense
Mains (NARUC acct #376)					
Byrdstown & County	12/31/10	480	550,595.00	$ 13,764.88	$ 13,764.88
Fentress County	12/31/10	480	3,018.00	$ 75.45	$ 75.45
Jellico System	12/31/10	480	1,183,700.00	$ 29,592.50	$ 29,592.50
Total 1774			1,737,313.00	$ 43,432.83	$ 43,432.83
Rebuild Byrdstown Odorant Sys	01/01/11	240	15,000.00	$ 750.00	$ 750.00
Total 1771			15,000.00	$ 750.00	$ 750.00
Services (NARUC acct #380)					
Service - McCreaty; McCreaty; Veach	10/31/11	480	1,286.25	$ 32.16	$ 32.16
Service - Delk; Stevens	11/30/11	480	892.50	$ 22.31	$ 22.31
Service - Chitwood	12/31/11	480	735.00	$ 18.38	$ 18.38
Service - Pickett County Visitor Center	01/31/12	480	5,421.76	$ 135.54	$ 135.54
Service - Jellico Elementary	03/31/12	480	2,600.85	$ 65.02	$ 65.02
Service - David Creekmore	04/30/12	480	525.00	$ 13.13	$ 13.13
Service - Jellico Hospital	05/31/12	480	598.50	$ 14.96	$ 14.96
Service - Etter Baptist Church	05/31/12	480	2,001.30	$ 50.03	$ 50.03
Service - Glen Parris	07/31/12	480	507.41	$ 12.69	$ 12.69
Service - Robert Johnson	08/30/12	480	615.00	$ 15.38	$ 15.38
Total 1772			15,183.57	379.59	379.59
Subtotal			1,767,496.57	44,562.41	44,562.41
Acquisition adjustment					
Acquisition Adjustment - Jellico	12/31/10	240	(44,840.00)	$ (2,242.00)	$ (2,242.00)
Acquisition Adjustment - Byrdstown	12/31/10	240	(219,120.00)	$ (10,956.00)	$ (10,956.00)
Total 1777			(263,960.00)	(13,198.00)	(13,198.00)
Acquisition balancing entry	06/30/11	240	(592.86)	$ (29.64)	$ (29.64)
Total 1778			(592.86)	(29.64)	(29.64)
CAPD Adjustments to Rate Base (Forecasted Cap Ex and Meters)					
2011 Meter Cores	01/01/11	120	9,000.00	900.00	900.00
2011 Meters*	06/01/11	120	2,014.00	201.40	201.40
2011 Meters*	09/01/11	120	1,976.00	197.60	197.60
2012 Meters*	04/01/12	120	1,976.00	148.20	197.60
2013 Meters*	03/01/13	120	11,520.00	N/A	960.00
2012 other cap ex 4th Quarter	11/15/12	480	4,089.94	17.04	102.25
2013 other cap ex**	06/30/13	480	17,136.76	N/A	214.21
			38,712.70	1,464.24	1,873.06
Totals (Net of Acquisition Adjustments)			1,502,943.71	31,351.81	33,207.83

Note: The Company calculates a full month of depreciation for the month of acquisition.

*

Per discussion with Thomas Hartline, 157 meters had been replaced by 11/17/2012. Hartline indicated that approximately a third of the total meters were replaced in June 2011, September 2011, and April 2012. Hartline also indicated that 200 meters were scheduled to be replaced in March 2013. For further information, see Note B on Schedule 2.A, Adjustments to Rate Base. The depreciation expense for 2011 for meters is $1083 ($900 for meters that should have been on TN's books upon acquisition, $117.48 for meters changed in June 2011, and $65.87 for meters changed in September 2011).

NAVITAS TN NG, LLC
Amortization Expense
For the 12 Months Ending December 31, 2013

Source: 2012 3rd Quarter Depreciation Schedules from Joey Irwin

	Acquisition Date	Life (months)	Cost Basis	Accumulated Amortization as of 12/31/2011	Unamortized balance as of 12/31/2011	
Org Costs						
80% of legal cost of Gasco acq	12/31/10	120	72,400.00	7,843.33	64,556.67	
20% of legal cost of Gaso acq Q1 '11	03/31/11	120	6,220.00	518.33	5,701.67	
NUC expense for TN transaction	03/31/11	120	91,575.00	7,631.25	83,943.75	
Legal Services for GASCO closing	06/30/11	120	9,132.38	532.72	8,599.66	
Total 1881			179,327.38	16,525.64	162,801.74	A/
Rate Case						
Legal Services for Rate Tariff	06/30/11	60	5,750.33	670.87	1150.07	
Legal Services for Rate Tariff	07/31/11	60	6,608.28	660.83	1321.66	
Legal Services for Rate Tariff	08/31/11	60	7,196.79	599.73	1439.36	
Legal Services for Rate Tariff	09/30/11	60	6,586.13	439.08	1317.23	
Legal Services for Rate Tariff	10/31/11	60	6,092.63	304.63	1218.53	
Legal Services for Rate Tariff	11/30/11	60	479.85	16.00	95.97	
Legal Services for Rate Tariff	12/31/11	60	2,396.84	39.95	479.37	
Total 1882			35,110.85	2,731.08	7,022.17	B/

2013 Amortization

	Acquisition Date	Life (months)	Unamortized balance as of 1/1/2013		Monthly	2013 Amortization Expense
Rate Case						
Estimated Legal Services for 2012 Rate Case	12/31/12	48	33,000.00	C/	687.50	8,250.00
Total 1882			33,000.00		687.50	8,250.00

Note: The Company calculates a full month of amortization for the first month the capitalized expense is amortized.

A/ These organizational costs do not benefit the customers. These costs are incurred for the benefit of the investors. CAPD reduced rate base and adjusted the accumulated depreciation on Schedule 2.A to reflect the elimination of these investor expense.

B/ The 2011 emergency tariff increase occurred as a result of a petition (rather than a full rate case) filed by Navitas. Petition expenses are not considered rate case expenses and should not be capitalized. Moreover, these petition expenses are non-recurring so they should not increase the 2013 expenses. CAPD reduced rate base and adjusted the accumulated depreciation on Schedule 2.A.1 to reflect the elimination of these non-recurring expense.

C/

Navitas did not include any rate case expense in its petition. CAPD inquired of Navitas the estimated costs and was told by Hartline that the rate case expense for 2012 would be approximately $33,000. CAPD selected a four-year amortization period, an estimate consistent with the four-year phase in period discussed in CAPD's Aumiller's direct testimony.

*** CONFIDENTIAL INFORMATION***

12-00068
CAPD Exhibit - Amended Testimony
Schedule 4.A.4

NAVITAS TN NG, LLC
NUC Labor
For the 12 Months Ending December 31, 2013

Employee Labor Directly Allocable to TN	$ 45,787.57	D/
Outside Labor Directly Allocable to TN	$ 30,000.00	E/
Employee Labor Indirectly Allocable to TN	$ 914,694.47	=F-D
Employee Labor Not Allocable to TN	$ 573,106.14	G/
Outside Labor Not Allocable to TN	$ 30,000.00	E/
Total	$1,593,588.18	H/

Indirect Labor Breakdown - I/			TN %		TN Portion
Shared Services	90%	$ 827,674.85	9.23%	J/	76,361.97
Customer Services	10%	$ 91,469.45	10.7%		9,787.23
	100%				86,149.20

	Employee Name	ID	Location	Total Earnings - 2011*	Description	Applicable to TN?	Amount applicable to TN		Amount not allocable to TN	
1	[redacted]				Shared	Yes	[redacted]	1	[redacted]	
2	[redacted]				Shared	Yes	[redacted]	1	[redacted]	
3	[redacted]				Shared	Yes	[redacted]	1	[redacted]	
4	[redacted]				Shared	Yes	[redacted]	1	[redacted]	
5	[redacted]				Shared	Yes	[redacted]	1	[redacted]	
6	[redacted]				Accounting	Yes	[redacted]	1	[redacted]	
7	[redacted]				Shared	Yes	[redacted]	1	[redacted]	
8	[redacted]				Shared	Yes	[redacted]	1	[redacted]	
9	[redacted]				Customer Service	Yes	[redacted]	2	[redacted]	
10	[redacted]				General Manager	Yes	[redacted]	1	[redacted]	
11	[redacted]				Shared Services (monitors line loss)	Yes	[redacted]	1	[redacted]	
12	[redacted]				Billing Manager/Cust Svc	Yes	[redacted]	2	[redacted]	
13	[redacted]				Customer Service	Yes	[redacted]	2	[redacted]	
14	[redacted]				Shared services (Ops Mgr)	Yes	[redacted]	1	[redacted]	
15	[redacted]				Shared services (acctg)	Yes	[redacted]	1	[redacted]	
16	[redacted]				Tennessee	Yes	[redacted]		[redacted]	
17	[redacted]				Meters (capital) (2 wks/yr for TN)	No	[redacted]		[redacted]	
18	[redacted]				Oklahoma	No	[redacted]		[redacted]	
19	[redacted]				Oklahoma	No	[redacted]		[redacted]	
20	[redacted]				Meters (capital) (2 wks/yr for TN)	No	[redacted]		[redacted]	
21	[redacted]				Oklahoma	No	[redacted]		[redacted]	
22	[redacted]				Oklahoma	No	[redacted]		[redacted]	
23	[redacted]				Oklahoma	No	[redacted]		[redacted]	
24	[redacted]				Meters (capital) (2 wks/yr for TN)	No	[redacted]		[redacted]	
25	[redacted]				Oklahoma	No	[redacted]		[redacted]	
26	[redacted]				Oklahoma	No	[redacted]		[redacted]	
27	[redacted]				Oklahoma	No	[redacted]		[redacted]	
28	[redacted]				Oklahoma	No	[redacted]		[redacted]	
29	[redacted]				Oklahoma	No	[redacted]		[redacted]	
30	[redacted]				Oklahoma	No	[redacted]		[redacted]	
31	[redacted]				Oklahoma	No	[redacted]		[redacted]	
32	[redacted]				Oklahoma	No	[redacted]		[redacted]	
33	[redacted]				Oklahoma	No	[redacted]		[redacted]	
34	[redacted]				Oklahoma	No	[redacted]		[redacted]	
35	[redacted]				Oklahoma	No	[redacted]		[redacted]	
36	[redacted]				Oklahoma	No	[redacted]		[redacted]	
37	[redacted]				60% Oklahoma, 40% shared	40%	[redacted]	1	[redacted]	
	Total Employee Labor for 2011			$1,513,532.38			$ 947,921.14	62.63% A/	$ 565,611.24	37.37%
Deduct:	Employee Labor for 1/1/2011 to 3/31/2011			$ (443,233.40) B/			$ (277,595.85)	A*B	$ (165,637.55)	
Add:	Employee Labor for 1/1/2012 to 3/31/2012			$ 463,289.20 C/			$ 290,156.74	A*C	$ 173,132.46	
	Total Employee Labor for 4/1/2011 to 3/31/2012			$1,533,588.18			$ 960,482.04	F/	$ 573,106.14	G/
	Total Outside Labor for 4/1/2011 to 3/31/2012			$ 60,000.00 E/						
				$1,593,588.18 H/						

* These earnings are from the Paychex payroll report from 1/1/2011 to 12/31/2011.

A/ This is the percentage of total salaries of employees who do any work for Tennessee that is not capitalized. CAPD did not receive the Q1 2012 Paychex salary report with the exact salary expense of each employee from 1/1/2012 to 3/31/2012. CAPD multiplied the percentage of 2011 salaries by the salaries related to Q1 2011 and Q1 2012 as an estimate of the salaries applicable to Tennessee. The same type of calculation was used to calculate the labor that is not allocable to TN.

B/ Sum of Paychex charges to NUC account # 5100, Services, for the period 1/1/2011 to 3/31/2011.

C/ Sum of Paychex charges to NUC account #5100, Services, for the period 1/12012 to 3/31/2012.

D/ This labor reflects the salary of Jerry Walker, who is dedicated to TN, as increased by 4.52%, which is the amount of the increase in Q1 2012 labor from Q1 2011 labor.

E/ This labor reflects 50% of the payments to Frank Cash from 4/1/2011 to 3/31/2012. Navitas started paying Cash on 7/1/2011 approximately $5000 per month. Cash's time is split 50/50 between Tennessee and Kentucky. Cash did not start until July 2011, so the annual amount of his fees would be $60,000, half of which would be directly charged to Tennessee

F/ This is the total indirect employee and outside labor allocable to TN. It was calculated by taking the total allocable labor less the labor that should be directly charged to TN.

G/ This portion of labor is dedicated to Oklahoma and therefore is not included in the Tennessee revenue requirement.

H/ This is the total labor costs for 4/1/2011 to 3/31/2012, as adjusted to annualize the outside labor to a full 12 months of Frank Cash's services ($5,000 per month).

I/ CAPD utilized two different allocation percentages to the indirect labor of $914,694.47. CAPD determined that the indirect labor was approximately 90% shared services and approximately 10% customer service based on the salaries and description of services provided by each employee. CAPD allocated the estimated customer service labor based on TN's percentage of customers and the shared services based on the blended allocation calculated in the Allocation Percentage Calculation, Schedule 4.A.5.

J/ CAPD utilized its shared services allocation calculated in Schedule 4.A.3 for non-customer driven labor.

NAVITAS TN NG, LLC
Allocation Percentage Calculation
For the 12 Months Ending December 31, 2013

Line No.		Tennessee		Kentucky		Oklahoma		Total	
1	Gross Plant in Service*	1756	14.03%	1045	8.35%	9711	77.61%	12,512	100.00%
2	Customers**		10.70%					-	10.70%
3	Miles of Pipe***	34	2.94%	25	2.16%	1096	94.89%	1,155	100.00%
4	Sum of Allocations		27.68%		10.52%		172.51%		
5	Simple Average (÷3)		3		3		3		
6	**Allocation of NUC's O&M**		**9.23%**		**3.51%**		**57.50%**		**70.23%**

* Gross Plant in Service is in millions. It is unadjusted for any Acquisition Adjustments.

** Customer allocation is per Navitas's petition.

** Six customers in Tennessee are domestic tap customers spread along 30 miles of third-party pipe. The 34 miles of pipe shown for the calculation of the Tennessee's allocation is net of any pipes owned by a third-party because presumably the third-party would either maintain their own pipes or reimburse NUC for any expenses incurred to maintain third-party pipe.

NAVITAS TN NG, LLC
Calculation of Inflation
For the 12 Months Ending December 31, 2013

	QUARTER				ATTR YR
YEAR	1/1 - 3/31	4/1 - 6/30	7/1 - 9/30	10/1 - 12/31	GDP IDP
2010	110.21	110.69	111.217	111.775	110.9730
2011	112.362	113.106	113.940	113.985	113.3483
AVERAGE GDP DEFLATOR FOR YEAR 2011					2.14%
					1.038 **A/**

Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table 1.1.9 (information available as of October 26, 2012).

A/ This number represents the GDP deflator compounded for 9 months of 2012 (April 2012 through December 2012) and 12 months in 2013.

NAVITAS TN NG, LLC
Comparative Income Statement at Current Rates
For the 12 Months Ending December 31, 2013

Line No.		CAPD A/	Company B/	Difference
	Operating Revenues:			
1	Gas Sales & Transportation Revenues	$ 428,193	$ 456,860	$ -28,667
2	Other Revenues	7,794	27,323	-19,529
3	**Total Revenue**	**$ 435,988**	**$ 484,183**	**$ -48,195**
	Operating & Maintenance Expenses:			
4	Purchased Gas Expense	$ 219,160	$ 224,324	$ -5,164
5	Operations & Maintenance	313,929	302,949	10,980
6	**Total Operating & Maintenance Expenses**	**$ 533,089**	**$ 527,273**	**$ 5,816**
	Other Expenses:			
7	Depreciation Expense	$ 41,458	$ 55,094	$ -13,636
8	General Taxes	10,911	10,469	442
9	State Excise Taxes	0	-11,653	11,653
10	Federal Income Taxes	0	0	0
11	**Total Other Expenses**	**$ 52,369**	**$ 53,910**	**$ -1,541**
12	**Total Operating Expenses**	**$ 585,458**	**$ 581,183**	**$ 4,275**
13	**Utility Operating Income**	**$ -149,470**	**$ -97,000**	**$ -52,470**

A/ CAPD Exhibit, Schedule 4.
B/ Company Filing.

NAVITAS TN NG, LLC
Margin & Revenue Summary at Current Rates
For the 12 Months Ending December 31, 2013

Line No.	Customer Class	Billing Determinant A/		Current Rate B/		Revenue
	Residential:					
1	Customer Charge	5,114	$	6.00	$	30,684
2	First 9 Ccf per Month	34,185		0.25		8,546
3	Commodity Charge (All Consumption)	182,578		0.40		73,031
4	**Total Residential Margin**				$	**112,261**
	Commercial:					
5	Customer Charge	902	$	6.00	$	5,412
6	First 9 Ccf per Month	6,174		0.25		1,544
7	Commodity Charge (All Consumption)	113,651		0.40		45,460
8	**Total Commercial Margin**				$	**52,416**
	Industrial:					
9	Customer Charge	126	$	6.00	$	756
10	First 9 Ccf per Month	981		0.25		245
11	Commodity Charge (All Consumption)	144,516		0.30		43,355
12	**Total Industrial Margin**				$	**44,356**
13	**Total Sales Margin**				$	**209,033**
14	**Gas Cost**	440,745	$	0.49725 **C/**	$	**219,160**
15	**Total Sales Revenue**				$	**428,193**

A/ The billing determinants differ slightly than the actual billing determinants. Per discussion with Navitas, the system that calculates the bills does not have the reporting capabilities to show the number of customers and the flow for each customer. Navitas tracks of the number of meters and the flow monthly. Navitas provided the number of meters and flow for the 12 months ended 3/31/2012 to CAPD. Per discussion with Navitas, there are a few customers with more than one meter, however the exact number is unknown. Since the flow per customer is also unknown, Navitas estimates revenue by taking the average flow per customer and, when that average is greater than 9 Ccf, assumes that each customer used at least 9 Ccf. Navitas recognizes that both of these variances of using meters instead of customers and using average flow instead of actual flow per customer may overstate the estimated revenue for
B/ Current Emergency Tariff Rates.
C/ Current PGA Rate.

NAVITAS TN NG, LLC
Taxes Other than Income Income Taxes
For the 12 Months Ending December 31, 2013

Line No.		CAPD A/	Company B/	Difference
1	Property Taxes	$ 6,977	$ 6,977	$ 0
2	TRA Inspection Fee	1,920	1,920	0
3	Payroll Taxes	0	0	0
4	Franchise Tax	2,014	1,572	442
5	Gross Receipts Tax	0	0	0
6	Allocated & Other Taxes	0	0	0
7	**Total**	$ 10,911	$ 10,469	$ 442

A/ From Company's actual property tax bills for 2011 and the 2011 Franchise and Excise Tax Return.
B/ Company Filing.

NAVITAS TN NG, LLC
Excise Taxes at Current Rates
For the 12 Months Ending December 31, 2013

Line No.			CAPD	
1	**Operating Revenues**	$	**435,988**	**A/**
	Operating Expenses:			
2	O&M Expenses	$	533,089	**A/**
3	Depreciation Expense		41,458	**A/**
4	General Taxes		10,911	**A/**
5	**Total Operating Expenses**	$	**585,458**	
6	**NOI Before Excise and Income Taxes**	$	**-149,470**	
7	Less Interest Expense		29,205	**B/**
8	**Pre-tax Book Income**	$	**-178,676**	
9	**Excise Taxable Income**	$	**0**	**C/**
10	Excise Tax Rate		6.50%	
11	**State Excise Tax Expense**	$	**0**	

A/ CAPD Exhibit, Schedule 4.
B/ CAPD Exhibit, Schedule 10.
C/ Losses under current rates results in an Excise Taxable income of $0.

NAVITAS TN NG, LLC
Income Statement at Proposed Rates
For the 12 Months Ending December 31, 2013

Line No.		Current Rates A/	Rate Increase	Proposed Rates
	Operating Revenues:			
1	Gas Sales & Transportation Revenues	$ 428,193	$ 209,074 B/	$ 637,267
2	Other Revenues	7,794	3,806 C/	11,600
3	**Total Revenue**	**$ 435,988**	**$ 212,879**	**$ 648,867**
	Operating & Maintenance Expenses:			
4	Purchased Gas Expense	$ 219,160	$	$ 219,160
5	Operations & Maintenance	313,929	1,129 D/	315,057
6	**Total Operating & Maintenance Expenses**	**$ 533,089**	**$ 1,129**	**$ 534,218**
	Other Expenses:			
7	Depreciation Expense	$ 41,458	$	$ 41,458
8	General Taxes	10,911		10,911
9	State Excise Taxes	0	3,924 E/	3,924
10	Federal Income Taxes	0		0
11	**Total Other Expenses**	**$ 52,369**	**$ 3,924**	**$ 56,293**
12	**Total Operating Expenses**	**$ 585,458**	**$ 5,052**	**$ 590,510**
13	**Utility Operating Income**	**$ -149,470**	**$ 207,827**	**$ 58,356**

A/ CAPD Exhibit, Schedule 4.
B/ CAPD Exhibit, Schedule 1.
C/ This amount was calculated by taking the change in operating revenue (B/) multiplied by the gross up factor for forfeited discounts on Schedule 11.
D/ This amount was calculated by taking the change in operating revenue (B/) multiplied by the gross up factor for uncollectibles on Schedule 11.
E/ This amount was calculated by taking the change in operating revenue that will result in operating income multiplied by the state excise tax factor on Schedule 11.

NAVITAS TN NG, LLC
Rate of Return Summary
For the 12 Months Ending December 31, 2013

Line No.	Class of Capital	CAPD Percent of Total	CAPD Cost Rate A/	CAPD Weighted Cost Rate A/
1	Short-Term Debt	4.26%	6.89%	0.29%
2	Long-Term Debt	67.50%	6.02%	4.06%
3	Common Equity	28.24%	15.40%	4.35%
4	**Total**	**100.00%**		**8.71%**

Line No.			Amount
	Interest Expense Short-Term Debt:		
5	Rate Base	$	670,304 **B/**
6	Short-Term Weighted Debt Cost		0.29%
7	**Short-Term Debt Interest Expense**	$	**1,967**
	Interest Expense Long-Term Debt:		
8	Rate Base	$	670,304 **B/**
9	Long-Term Weighted Debt Cost		4.06%
10	**Long-Term Debt Interest Expense**	$	**27,238**
11	**Total Interest Expense**	$	**29,205**

A/ Klein Exhibit, Page 2 of 16.
B/ CAPD Exhibit, Schedule 2.

NAVITAS TN NG, LLC
Revenue Conversion Factor
For the 12 Months Ending December 31, 2013

Line No.		Amount	Balance
1	Operating Revenues		1.000000
2	Add: Forfeited Discounts	0.018202 **A/**	0.018202
3	Balance		1.018202
4	Uncollectible Ratio	0.005302 **B/**	0.005399
5	Balance		1.012803
6	State Excise Tax	0.018530 **C/**	0.018768
7	Balance		0.994036
8	Federal Income Tax	0.000000 **D/**	0.000000
9	Balance		0.994036
10	Revenue Conversion Factor (Line 1 / Line 9)		**1.005999**

A/ CAPD calculated this ratio by taking Other Revenue, which reflects the revenue from penalties and service charges for the 12 months ended 3/31/2012 on Schedule 4.A, divided by Operating Revenues from Schedule 5, the Comparative Income Statement.
B/ CAPD calculated this ratio by taking the adjusted bad debt expense for the 12 months ended 3/31/2012 on Schedule 4.A, divided by Operating Revenues from Schedule 5, the Comparative Income Statement.
C/ State Excise Tax Rate of 6.50% based upon total revenue increase above $0 income.
D/ Federal Income Taxes are passed through to the owner's personal return.