

**ROVER PIPELINE LLC**Cost of Service - Market Zone  
Summary

Line No.	Description	YEAR 1 (a)	YEAR 2 (b)	YEAR 3 (c)	YEAR 4 (d)	YEAR 5 (e)	YEAR 6 (f)	YEAR 7 (g)	YEAR 8 (h)	YEAR 9 (i)	YEAR 10 (j)
1	Operating Expenses	\$ 51,658,575	\$ 51,773,065	\$ 51,890,965	\$ 52,012,265	\$ 52,137,465	\$ 52,266,165	\$ 52,398,965	\$ 52,535,565	\$ 52,676,265	\$ 52,821,265
2	Depreciation Expense	15,602,066	15,602,066	15,602,066	15,602,066	15,602,066	15,602,066	15,602,066	15,602,066	15,602,066	15,602,066
3	Taxes - Other Than Income	20,419,023	19,705,838	19,018,565	18,356,252	17,718,007	17,102,946	16,510,236	15,939,059	15,388,632	14,858,225
4	Return	58,808,691	55,630,597	52,677,367	49,925,331	47,355,554	44,951,465	42,625,487	40,299,510	37,971,165	35,645,187
5	Federal Income Taxes	21,256,458	19,924,423	18,904,651	17,952,851	17,063,080	16,229,813	15,408,866	14,573,900	13,737,660	12,903,118
6	State Income Taxes	3,876,558	3,633,633	3,447,657	3,274,076	3,111,808	2,959,844	2,810,128	2,657,854	2,505,348	2,353,152
7	Revenue Credits	<u>(341,616)</u>	<u>(341,616)</u>	<u>(341,616)</u>	<u>(341,616)</u>	<u>(341,616)</u>	<u>(341,616)</u>	<u>(341,616)</u>	<u>(341,616)</u>	<u>(341,616)</u>	<u>(341,616)</u>
8	Total	<u>\$ 171,279,755</u>	<u>\$165,928,006</u>	<u>\$161,199,655</u>	<u>\$ 156,781,225</u>	<u>\$152,646,364</u>	<u>\$148,770,683</u>	<u>\$145,014,132</u>	<u>\$141,266,338</u>	<u>\$137,539,520</u>	<u>\$133,841,397</u>

**ROVER PIPELINE LLC**

Cost of Service  
 Operation and Maintenance Expenses - Total

Line No.	Account	Description	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		<u>Transmission Expense</u>										
1	850.00	Operation Supervision and Engineering	\$ 679,590	\$ 699,900	\$ 720,900	\$ 742,500	\$ 764,700	\$ 787,600	\$ 811,100	\$ 835,600	\$ 860,500	\$ 886,300
2	851.00	System Control and Load Dispatching	156,054	160,800	165,600	170,600	175,700	181,000	186,400	192,000	197,800	203,800
3	852.00	Communication System Expenses	-	-	-	-	-	-	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	503,400	518,500	534,000	550,000	566,500	583,500	601,000	619,000	637,500	656,700
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-	-
7	856.00	Mains Expenses	377,550	388,900	400,600	412,600	425,000	437,700	450,900	464,400	478,400	492,700
8	857.00	Measuring and Regulating Station Expenses	269,319	277,400	285,800	294,400	303,300	312,400	321,800	331,400	341,400	351,600
9	858.00	Transmission and Compression of Gas by Others	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565
10	859.00	Other Expenses	-	-	-	-	-	-	-	-	-	-
11	860.00	Rents	7,803	8,000	8,200	8,400	8,700	9,000	9,300	9,600	9,900	10,200
12		Total Operation	<u>49,838,281</u>	<u>49,898,065</u>	<u>49,959,665</u>	<u>50,023,065</u>	<u>50,088,465</u>	<u>50,155,765</u>	<u>50,225,065</u>	<u>50,296,565</u>	<u>50,370,065</u>	<u>50,445,865</u>
13	861.00	Maintenance Supervision and Engineering	251,700	259,200	266,900	274,900	283,100	291,600	300,300	309,200	318,500	328,000
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	427,890	440,800	454,000	467,600	481,700	496,200	511,100	526,400	542,200	558,500
16	864.00	Maintenance of Compressor Station Equipment	213,945	220,400	227,100	233,900	241,000	248,200	255,700	263,400	271,300	279,400
17	865.00	Maintenance of Measuring and Regulating Station Equipment	163,605	168,500	173,600	178,800	184,100	189,600	195,300	201,200	207,200	213,500
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	8,054	8,300	8,500	8,800	9,100	9,400	9,700	10,000	10,300	10,600
20		Total Maintenance	<u>1,065,194</u>	<u>1,097,200</u>	<u>1,130,100</u>	<u>1,164,000</u>	<u>1,199,000</u>	<u>1,235,000</u>	<u>1,272,100</u>	<u>1,310,200</u>	<u>1,349,500</u>	<u>1,390,000</u>
21		Total Transmission Expense	<u>\$ 50,903,475</u>	<u>\$ 50,995,265</u>	<u>\$ 51,089,765</u>	<u>\$ 51,187,065</u>	<u>\$ 51,287,465</u>	<u>\$ 51,390,765</u>	<u>\$ 51,497,165</u>	<u>\$ 51,606,765</u>	<u>\$ 51,719,565</u>	<u>\$ 51,835,865</u>
		<u>Administrative and General Expense</u>										
22	920.00	Administrative and General Salaries	125,850	129,600	133,500	137,500	141,600	145,800	150,200	154,700	159,300	164,100
23	921.00	Office Supplies and Expenses	50,340	51,900	53,500	55,100	56,800	58,500	60,300	62,100	64,000	65,900
24	922.00	Administrative Expenses Transferred - Credit	-	-	-	-	-	-	-	-	-	-
25	923.00	Outside Services Employed	-	-	-	-	-	-	-	-	-	-
26	924.00	Property Insurance	151,020	155,600	160,300	165,100	170,100	175,200	180,500	185,900	191,500	197,300
27	925.00	Injuries and Damages	100,680	103,700	106,800	110,000	113,300	116,700	120,200	123,800	127,500	131,300
28	926.00	Employee Pensions and Benefits	327,210	337,000	347,100	357,500	368,200	379,200	390,600	402,300	414,400	426,800
29	928.00	Regulatory Commission Expenses	-	-	-	-	-	-	-	-	-	-
30	930.10	General Advertising Expenses	-	-	-	-	-	-	-	-	-	-
31	930.20	Miscellaneous General Expenses	-	-	-	-	-	-	-	-	-	-
32	931.00	Rents	-	-	-	-	-	-	-	-	-	-
33		Total Operation	<u>755,100</u>	<u>777,800</u>	<u>801,200</u>	<u>825,200</u>	<u>850,000</u>	<u>875,400</u>	<u>901,800</u>	<u>928,800</u>	<u>956,700</u>	<u>985,400</u>
34	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-	-	-
35		Total Maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
36		Total Administrative and General	<u>\$ 755,100</u>	<u>\$ 777,800</u>	<u>\$ 801,200</u>	<u>\$ 825,200</u>	<u>\$ 850,000</u>	<u>\$ 875,400</u>	<u>\$ 901,800</u>	<u>\$ 928,800</u>	<u>\$ 956,700</u>	<u>\$ 985,400</u>
37		Grand Total	<u>\$ 51,658,575</u>	<u>\$ 51,773,065</u>	<u>\$ 51,890,965</u>	<u>\$ 52,012,265</u>	<u>\$ 52,137,465</u>	<u>\$ 52,266,165</u>	<u>\$ 52,398,965</u>	<u>\$ 52,535,565</u>	<u>\$ 52,676,265</u>	<u>\$ 52,821,265</u>

**ROVER PIPELINE LLC**

Cost of Service  
 Operation and Maintenance Expenses - Labor

Line No.	Account	Description	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9	YEAR 10
			(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
		<u>Transmission Expense</u>										
1	850.00	Operation Supervision and Engineering	\$ 528,570	\$ 544,300	\$ 560,600	\$ 577,400	\$ 594,600	\$ 612,400	\$ 630,700	\$ 649,700	\$ 669,100	\$ 689,200
2	851.00	System Control and Load Dispatching	75,510	77,800	80,100	82,500	85,000	87,600	90,200	92,900	95,700	98,600
3	852.00	Communication System Expenses	-	-	-	-	-	-	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	201,360	207,400	213,600	220,000	226,600	233,400	240,400	247,600	255,000	262,700
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-	-
7	856.00	Mains Expenses	50,340	51,900	53,500	55,100	56,800	58,500	60,300	62,100	64,000	65,900
8	857.00	Measuring and Regulating Station Expenses	151,020	155,600	160,300	165,100	170,100	175,200	180,500	185,900	191,500	197,200
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-	-	-
10	859.00	Other Expenses	-	-	-	-	-	-	-	-	-	-
11	860.00	Rents	-	-	-	-	-	-	-	-	-	-
12		Total Operation	<u>1,006,800</u>	<u>1,037,000</u>	<u>1,068,100</u>	<u>1,100,100</u>	<u>1,133,100</u>	<u>1,167,100</u>	<u>1,202,100</u>	<u>1,238,200</u>	<u>1,275,300</u>	<u>1,313,600</u>
13	861.00	Maintenance Supervision and Engineering	100,680	103,700	106,800	110,000	113,300	116,700	120,200	123,800	127,500	131,300
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	75,510	77,800	80,100	82,500	85,000	87,600	90,200	92,900	95,700	98,600
16	864.00	Maintenance of Compressor Station Equipment	50,340	51,900	53,500	55,100	56,800	58,500	60,300	62,100	64,000	65,900
17	865.00	Maintenance of Measuring and Regulating Station Equipment	25,170	25,900	26,700	27,500	28,300	29,100	30,000	30,900	31,800	32,800
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-	-	-
20		Total Maintenance	<u>251,700</u>	<u>259,300</u>	<u>267,100</u>	<u>275,100</u>	<u>283,400</u>	<u>291,900</u>	<u>300,700</u>	<u>309,700</u>	<u>319,000</u>	<u>328,600</u>
21		Total Transmission Expense	<u>\$ 1,258,500</u>	<u>\$ 1,296,300</u>	<u>\$ 1,335,200</u>	<u>\$ 1,375,200</u>	<u>\$ 1,416,500</u>	<u>\$ 1,459,000</u>	<u>\$ 1,502,800</u>	<u>\$ 1,547,900</u>	<u>\$ 1,594,300</u>	<u>\$ 1,642,200</u>
		<u>Administrative and General Expense</u>										
22	920.00	Administrative and General Salaries	125,850	129,600	133,500	137,500	141,600	145,800	150,200	154,700	159,300	164,100
23	921.00	Office Supplies and Expenses	-	-	-	-	-	-	-	-	-	-
24	922.00	Administrative Expenses Transferred - Credit	-	-	-	-	-	-	-	-	-	-
25	923.00	Outside Services Employed	-	-	-	-	-	-	-	-	-	-
26	924.00	Property Insurance	-	-	-	-	-	-	-	-	-	-
27	925.00	Injuries and Damages	-	-	-	-	-	-	-	-	-	-
28	926.00	Employee Pensions and Benefits	-	-	-	-	-	-	-	-	-	-
29	928.00	Regulatory Commission Expenses	-	-	-	-	-	-	-	-	-	-
30	930.10	General Advertising Expenses	-	-	-	-	-	-	-	-	-	-
31	930.20	Miscellaneous General Expenses	-	-	-	-	-	-	-	-	-	-
32	931.00	Rents	-	-	-	-	-	-	-	-	-	-
33		Total Operation	<u>125,850</u>	<u>129,600</u>	<u>133,500</u>	<u>137,500</u>	<u>141,600</u>	<u>145,800</u>	<u>150,200</u>	<u>154,700</u>	<u>159,300</u>	<u>164,100</u>
34	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-	-	-
35		Total Maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
36		Total Administrative and General	<u>\$ 125,850</u>	<u>\$ 129,600</u>	<u>\$ 133,500</u>	<u>\$ 137,500</u>	<u>\$ 141,600</u>	<u>\$ 145,800</u>	<u>\$ 150,200</u>	<u>\$ 154,700</u>	<u>\$ 159,300</u>	<u>\$ 164,100</u>
37		Grand Total	<u>\$ 1,384,350</u>	<u>\$ 1,425,900</u>	<u>\$ 1,468,700</u>	<u>\$ 1,512,700</u>	<u>\$ 1,558,100</u>	<u>\$ 1,604,800</u>	<u>\$ 1,653,000</u>	<u>\$ 1,702,600</u>	<u>\$ 1,753,600</u>	<u>\$ 1,806,300</u>

Cost of Service  
 Operation and Maintenance Expenses - Supplies and Expenses

Line No.	Account	Description	YEAR 1 (a)	YEAR 2 (b)	YEAR 3 (c)	YEAR 4 (d)	YEAR 5 (e)	YEAR 6 (f)	YEAR 7 (g)	YEAR 8 (h)	YEAR 9 (i)	YEAR 10 (j)
<u>Transmission Expense</u>												
1	850.00	Operation Supervision and Engineering	\$ 151,020	\$ 155,600	\$ 160,300	\$ 165,100	\$ 170,100	\$ 175,200	\$ 180,400	\$ 185,900	\$ 191,400	\$ 197,100
2	851.00	System Control and Load Dispatching	80,544	83,000	85,500	88,100	90,700	93,400	96,200	99,100	102,100	105,200
3	852.00	Communication System Expenses	-	-	-	-	-	-	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	302,040	311,100	320,400	330,000	339,900	350,100	360,600	371,400	382,500	394,000
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-	-
7	856.00	Mains Expenses	327,210	337,000	347,100	357,500	368,200	379,200	390,600	402,300	414,400	426,800
8	857.00	Measuring and Regulating Station Expenses	118,299	121,800	125,500	129,300	133,200	137,200	141,300	145,500	149,900	154,400
9	858.00	Transmission and Compression of Gas by Others	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565	47,844,565
10	859.00	Other Expenses	-	-	-	-	-	-	-	-	-	-
11	860.00	Rents	7,803	8,000	8,200	8,400	8,700	9,000	9,300	9,600	9,900	10,200
12		Total Operation	<u>48,831,481</u>	<u>48,861,065</u>	<u>48,891,565</u>	<u>48,922,965</u>	<u>48,955,365</u>	<u>48,988,665</u>	<u>49,022,965</u>	<u>49,058,365</u>	<u>49,094,765</u>	<u>49,132,265</u>
13	861.00	Maintenance Supervision and Engineering	151,020	155,500	160,100	164,900	169,800	174,900	180,100	185,400	191,000	196,700
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	352,380	363,000	373,900	385,100	396,700	408,600	420,900	433,500	446,500	459,900
16	864.00	Maintenance of Compressor Station Equipment	163,605	168,500	173,600	178,800	184,200	189,700	195,400	201,300	207,300	213,500
17	865.00	Maintenance of Measuring and Regulating Station Equipment	138,435	142,600	146,900	151,300	155,800	160,500	165,300	170,300	175,400	180,700
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	8,054	8,300	8,500	8,800	9,100	9,400	9,700	10,000	10,300	10,600
20		Total Maintenance	<u>813,494</u>	<u>837,900</u>	<u>863,000</u>	<u>888,900</u>	<u>915,600</u>	<u>943,100</u>	<u>971,400</u>	<u>1,000,500</u>	<u>1,030,500</u>	<u>1,061,400</u>
21		Total Transmission Expense	<u>\$ 49,644,975</u>	<u>\$ 49,698,965</u>	<u>\$ 49,754,565</u>	<u>\$ 49,811,865</u>	<u>\$ 49,870,965</u>	<u>\$ 49,931,765</u>	<u>\$ 49,994,365</u>	<u>\$ 50,058,865</u>	<u>\$ 50,125,265</u>	<u>\$ 50,193,665</u>
<u>Administrative and General Expense</u>												
22	920.00	Administrative and General Salaries	-	-	-	-	-	-	-	-	-	-
23	921.00	Office Supplies and Expenses	50,340	51,900	53,500	55,100	56,800	58,500	60,300	62,100	64,000	65,900
24	922.00	Administrative Expenses Transferred - Credit	-	-	-	-	-	-	-	-	-	-
25	923.00	Outside Services Employed	-	-	-	-	-	-	-	-	-	-
26	924.00	Property Insurance	151,020	155,600	160,300	165,100	170,100	175,200	180,500	185,900	191,500	197,300
27	925.00	Injuries and Damages	100,680	103,700	106,800	110,000	113,300	116,700	120,200	123,800	127,500	131,300
28	926.00	Employee Pensions and Benefits	327,210	337,000	347,100	357,500	368,200	379,200	390,600	402,300	414,400	426,800
29	928.00	Regulatory Commission Expenses	-	-	-	-	-	-	-	-	-	-
30	930.10	General Advertising Expenses	-	-	-	-	-	-	-	-	-	-
31	930.20	Miscellaneous General Expenses	-	-	-	-	-	-	-	-	-	-
32	931.00	Rents	-	-	-	-	-	-	-	-	-	-
33		Total Operation	<u>629,250</u>	<u>648,200</u>	<u>667,700</u>	<u>687,700</u>	<u>708,400</u>	<u>729,600</u>	<u>751,600</u>	<u>774,100</u>	<u>797,400</u>	<u>821,300</u>
34	932.00	Maintenance of General Plant	-	-	-	-	-	-	-	-	-	-
35		Total Maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
36		Total Administrative and General	<u>\$ 629,250</u>	<u>\$ 648,200</u>	<u>\$ 667,700</u>	<u>\$ 687,700</u>	<u>\$ 708,400</u>	<u>\$ 729,600</u>	<u>\$ 751,600</u>	<u>\$ 774,100</u>	<u>\$ 797,400</u>	<u>\$ 821,300</u>
37		Grand Total	<u>\$ 50,274,225</u>	<u>\$ 50,347,165</u>	<u>\$ 50,422,265</u>	<u>\$ 50,499,565</u>	<u>\$ 50,579,365</u>	<u>\$ 50,661,365</u>	<u>\$ 50,745,965</u>	<u>\$ 50,832,965</u>	<u>\$ 50,922,665</u>	<u>\$ 51,014,965</u>

**ROVER PIPELINE COMPANY LLC**

Cost of Service  
 Operation and Maintenance Expenses  
 Account No. 858 - Transportation and Compression By Others  
 Market - North

Line No.	Description	YEAR 1 (a)	YEAR 2 (b)	YEAR 3 (c)	YEAR 4 (d)	YEAR 5 (e)	YEAR 6 (f)	YEAR 7 (g)	YEAR 8 (h)	YEAR 9 (i)	YEAR 10 (j)
<b>Market North</b>											
<u>Panhandle Eastern Pipe Line Company, LP</u>											
1	Capacity - MDCQ	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000	75,000
<u>Reservation</u>											
2	PEPL Rate	\$ 0.1315	\$ 0.1315	\$ 0.1315	\$ 0.1315	\$ 0.1315	\$ 0.1315	\$ 0.1315	\$ 0.1315	\$ 0.1315	\$ 0.1315
3	Annualization Factor	365	365	365	365	365	365	365	365	365	365
4	Sub-Total	<u>\$3,599,813</u>	<u>\$3,599,813</u>	<u>\$3,599,813</u>	<u>\$3,599,813</u>	<u>\$3,599,813</u>	<u>\$3,599,813</u>	<u>\$3,599,813</u>	<u>\$3,599,813</u>	<u>\$3,599,813</u>	<u>\$3,599,813</u>
<u>Usage</u>											
5	PEPL Rate	\$ 0.0053	\$ 0.0053	\$ 0.0053	\$ 0.0053	\$ 0.0053	\$ 0.0053	\$ 0.0053	\$ 0.0053	\$ 0.0053	\$ 0.0053
6	Annualization Factor	365	365	365	365	365	365	365	365	365	365
7	Sub-Total	<u>\$145,088</u>	<u>\$145,088</u>	<u>\$145,088</u>	<u>\$145,088</u>	<u>\$145,088</u>	<u>\$145,088</u>	<u>\$145,088</u>	<u>\$145,088</u>	<u>\$145,088</u>	<u>\$145,088</u>
8	Total Panhandle Eastern Pipe LineT&C Expense	<u>\$3,744,900</u>	<u>\$3,744,900</u>	<u>\$3,744,900</u>	<u>\$3,744,900</u>	<u>\$3,744,900</u>	<u>\$3,744,900</u>	<u>\$3,744,900</u>	<u>\$3,744,900</u>	<u>\$3,744,900</u>	<u>\$3,744,900</u>
<u>Vector Pipeline</u>											
9	Capacity - MDCQ	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000	950,000
<u>Reservation</u>											
10	Vector Rate (100% LF)	\$ 0.1272	\$ 0.1272	\$ 0.1272	\$ 0.1272	\$ 0.1272	\$ 0.1272	\$ 0.1272	\$ 0.1272	\$ 0.1272	\$ 0.1272
11	Annualization Factor	365	365	365	365	365	365	365	365	365	365
12	Sub-Total	<u>\$44,099,665</u>	<u>\$44,099,665</u>	<u>\$44,099,665</u>	<u>\$44,099,665</u>	<u>\$44,099,665</u>	<u>\$44,099,665</u>	<u>\$44,099,665</u>	<u>\$44,099,665</u>	<u>\$44,099,665</u>	<u>\$44,099,665</u>
13	Total Market North T&C Expense	<u>\$47,844,565</u>	<u>\$47,844,565</u>	<u>\$47,844,565</u>	<u>\$47,844,565</u>	<u>\$47,844,565</u>	<u>\$47,844,565</u>	<u>\$47,844,565</u>	<u>\$47,844,565</u>	<u>\$47,844,565</u>	<u>\$47,844,565</u>

**ROVER PIPELINE LLC**

Cost of Service  
*Depreciation Expense*

Line No.	Description	YEAR 1 (a)	YEAR 2 (b)	YEAR 3 (c)	YEAR 4 (d)	YEAR 5 (e)	YEAR 6 (f)	YEAR 7 (g)	YEAR 8 (h)	YEAR 9 (i)	YEAR 10 (j)
1	Gross Plant	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334
2	Less: Non-Depreciable Assets	<u>754,714</u>	<u>754,714</u>	<u>754,714</u>	<u>754,714</u>	<u>754,714</u>	<u>754,714</u>	<u>754,714</u>	<u>754,714</u>	<u>754,714</u>	<u>754,714</u>
3	Depreciable Plant	\$624,082,620	\$624,082,620	\$624,082,620	\$624,082,620	\$624,082,620	\$624,082,620	\$624,082,620	\$624,082,620	\$624,082,620	\$624,082,620
4	Composite Depreciation Rate	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>	<u>2.50%</u>
5	Annual Depreciation Expense	<u>\$15,602,066</u>	<u>\$15,602,066</u>	<u>\$15,602,066</u>	<u>\$15,602,066</u>	<u>\$15,602,066</u>	<u>\$15,602,066</u>	<u>\$15,602,066</u>	<u>\$15,602,066</u>	<u>\$15,602,066</u>	<u>\$15,602,066</u>

**ROVER PIPELINE LLC**

Cost of Service  
*Other Taxes*

Line No.	Description	Detail (a)	YEAR 1 (b)	YEAR 2 (c)	YEAR 3 (d)	YEAR 4 (e)	YEAR 5 (f)	YEAR 6 (g)	YEAR 7 (h)	YEAR 8 (i)	YEAR 9 (j)	YEAR 10 (k)
<u>Ad Valorem Taxes-Michigan</u>												
1	Gross Plant	\$ 457,045,703	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	Taxable Costs	457,045,703										
3	Assessment Ratio	50.00%										
4	Taxable Value	228,522,852										
5	Average Rate	4.71%	10,763,426	10,332,889	9,919,573	9,522,790	9,141,878	8,776,203	8,425,155	8,088,149	7,764,623	7,454,038
<u>Ad Valorem Taxes-Ohio</u>												
6	Gross Plant	\$ 167,791,631										
7	Taxable Costs	167,791,631										
8	Assessment Ratio	88.00%										
9	Taxable Value	147,656,635										
10	Average Rate	6.46%	9,538,619	9,252,460	8,974,886	8,705,639	8,444,470	8,191,136	7,945,402	7,707,040	7,475,829	7,251,554
<u>Ad Valorem Taxes-Pennsylvania</u>												
11	Gross Plant	\$ 0										
12	Taxable Costs	0										
13	Assessment Ratio	100.00%										
14	Taxable Value	0										
15	Average Rate	1.00%	-	-	-	-	-	-	-	-	-	-
<u>Ad Valorem Taxes-West Virginia</u>												
16	Gross Plant	\$ 0										
17	Taxable Costs	0										
18	Assessment Ratio	75.00%										
19	Taxable Value	0										
20	Average Rate	2.00%	-	-	-	-	-	-	-	-	-	-
21	Total Ad Valorem Taxes	\$ 624,837,334	\$ 20,302,045	\$ 19,585,349	\$ 18,894,459	\$ 18,228,429	\$ 17,586,348	\$ 16,967,339	\$ 16,370,557	\$ 15,795,189	\$ 15,240,452	\$ 14,705,592
<u>Payroll Taxes</u>												
22	Labor		\$ 1,384,350	\$ 1,425,900	\$ 1,468,700	\$ 1,512,700	\$ 1,558,100	\$ 1,604,800	\$ 1,653,000	\$ 1,702,600	\$ 1,753,600	\$ 1,806,300
23	FICA @ 6.200%		85,830	88,406	91,059	93,787	96,602	99,498	102,486	105,561	108,723	111,991
24	FUTA @ 0.80%		11,075	11,407	11,750	12,102	12,465	12,838	13,224	13,621	14,029	14,450
25	Medicare @ 1.450%		20,073	20,676	21,296	21,934	22,592	23,270	23,969	24,688	25,427	26,191
26	Total Payroll Taxes		116,978	120,489	124,106	127,823	131,659	135,607	139,679	143,870	148,180	152,633
27	Total Other Taxes	\$	20,419,023	\$ 19,705,838	\$ 19,018,565	\$ 18,356,252	\$ 17,718,007	\$ 17,102,946	\$ 16,510,236	\$ 15,939,059	\$ 15,388,632	\$ 14,858,225

**ROVER PIPELINE LLC**

Cost of Service  
*Working Capital*

<u>Line No.</u>	<u>Description</u>	<u>YEAR 1</u> (a)	<u>YEAR 2</u> (b)	<u>YEAR 3</u> (c)	<u>YEAR 4</u> (d)	<u>YEAR 5</u> (e)	<u>YEAR 6</u> (f)	<u>YEAR 7</u> (g)	<u>YEAR 8</u> (h)	<u>YEAR 9</u> (i)	<u>YEAR 10</u> (j)
1	Cash Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	Materials and Supplies	-	-	-	-	-	-	-	-	-	-
3	Prepayments	-	-	-	-	-	-	-	-	-	-
4	Total Working Capital	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>



## ROVER PIPELINE LLC

Cost of Service  
Rate Base and Return

Line No.	Description	YEAR 1 (a)	YEAR 2 (b)	YEAR 3 (c)	YEAR 4 (d)	YEAR 5 (e)	YEAR 6 (f)	YEAR 7 (g)	YEAR 8 (h)	YEAR 9 (i)	YEAR 10 (j)
	<u>Rate Base</u>										
1	Plant	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334	\$ 624,837,334
2	Accumulated Provision for Depreciation	<u>(\$15,602,066)</u>	<u>(31,204,132)</u>	<u>(46,806,198)</u>	<u>(62,408,264)</u>	<u>(78,010,330)</u>	<u>(93,612,396)</u>	<u>(109,214,462)</u>	<u>(124,816,528)</u>	<u>(140,418,594)</u>	<u>(156,020,660)</u>
3	Net Plant	609,235,268	593,633,202	578,031,136	562,429,070	546,827,004	531,224,938	515,622,872	500,020,806	484,418,740	468,816,674
4	Accumulated Deferred Income Taxes 1/	(6,069,203)	(23,062,973)	(37,750,445)	(50,374,388)	(61,129,017)	(70,184,268)	(78,438,385)	(86,692,502)	(94,970,895)	(103,225,012)
5	Working Capital	-	-	-	-	-	-	-	-	-	-
6	Rate Base	<u>\$ 603,166,065</u>	<u>\$ 570,570,229</u>	<u>\$ 540,280,691</u>	<u>\$ 512,054,682</u>	<u>\$ 485,697,987</u>	<u>\$ 461,040,670</u>	<u>\$ 437,184,487</u>	<u>\$ 413,328,304</u>	<u>\$ 389,447,845</u>	<u>\$ 365,591,662</u>
	<u>Return</u>										
7	Return on Rate Base	<u>\$ 58,808,691</u>	<u>\$ 55,630,597</u>	<u>\$ 52,677,367</u>	<u>\$ 49,925,331</u>	<u>\$ 47,355,554</u>	<u>\$ 44,951,465</u>	<u>\$ 42,625,487</u>	<u>\$ 40,299,510</u>	<u>\$ 37,971,165</u>	<u>\$ 35,645,187</u>
8	Rate of Return	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%	9.75%
9	Interest Expense	<u>\$ 20,307,213</u>	<u>\$ 19,602,897</u>	<u>\$ 18,543,532</u>	<u>\$ 17,559,122</u>	<u>\$ 16,641,777</u>	<u>\$ 15,785,185</u>	<u>\$ 14,983,822</u>	<u>\$ 14,208,496</u>	<u>\$ 13,433,170</u>	<u>\$ 12,657,055</u>

1/ FGT anticipates utilizing, to the extent possible, bonus depreciation allowed pursuant to IRS Code Section 168(k), however, no bonus depreciation is projected in the deferred taxes shown.

## ROVER PIPELINE LLC

Cost of Service  
Income Taxes

Line No.	Description	YEAR 1 (a)	YEAR 2 (b)	YEAR 3 (c)	YEAR 4 (d)	YEAR 5 (e)	YEAR 6 (f)	YEAR 7 (g)	YEAR 8 (h)	YEAR 9 (i)	YEAR 10 (j)
<u>Federal Income Tax</u>											
1	Return on Rate Base	\$ 58,808,691	\$ 55,630,597	\$ 52,677,367	\$ 49,925,331	\$ 47,355,554	\$ 44,951,465	\$ 42,625,487	\$ 40,299,510	\$ 37,971,165	\$ 35,645,187
<u>Federal Income Tax Adjustments</u>											
2	Interest Expense	(20,307,213)	(19,602,897)	(18,543,532)	(17,559,122)	(16,641,777)	(15,785,185)	(14,983,822)	(14,208,496)	(13,433,170)	(12,657,055)
3	Amortization of Equity AFUDC	974,800	974,800	974,800	974,800	974,800	974,800	974,800	974,800	974,800	974,800
4	Net FIT Adjustments	(19,332,413)	(18,628,097)	(17,568,732)	(16,584,322)	(15,666,977)	(14,810,385)	(14,009,022)	(13,233,696)	(12,458,370)	(11,682,255)
5	Return after FIT Adjustments	39,476,278	37,002,500	35,108,635	33,341,009	31,688,577	30,141,080	28,616,465	27,065,814	25,512,795	23,962,932
6	Federal Income Taxes @ 35% (Line 5 x 53.846154%)	\$ 21,256,458	\$ 19,924,423	\$ 18,904,651	\$ 17,952,851	\$ 17,063,080	\$ 16,229,813	\$ 15,408,866	\$ 14,573,900	\$ 13,737,660	\$ 12,903,118
<u>State Income Tax</u>											
7	Return Before Federal Income Tax	\$ 60,732,736	\$ 56,926,923	\$ 54,013,286	\$ 51,293,860	\$ 48,751,657	\$ 46,370,893	\$ 44,025,331	\$ 41,639,714	\$ 39,250,455	\$ 36,866,050
8	Composite State Tax @ 6.00% (Line 7 x 6.383%)	\$ 3,876,558	\$ 3,633,633	\$ 3,447,657	\$ 3,274,076	\$ 3,111,808	\$ 2,959,844	\$ 2,810,128	\$ 2,657,854	\$ 2,505,348	\$ 2,353,152

**ROVER PIPELINE LLC**Cost of Service  
*Estimate of Deferred Income Tax Liability Balance*

Line No.	Description	Depreciation		Difference	DSIT - 282 at 6.00%	DFIT - 282 at 35%	Total	
		Book (a)	Tax (b)				Annual (f)	Cumulative (g)
1	Property basis		\$624,082,620					
2	Book depreciation rate		2.50%					
3	FDPS		2017					
4	Tax depreciation MACRS 15 year, half year convention							
		Depreciation						
5	Year 1	15,602,066	31,204,131	(15,602,065)	936,124	5,133,079	6,069,203	6,069,203
6	Year 2	15,602,066	59,287,849	(43,685,783)	2,621,147	14,372,623	16,993,770	23,062,973
7	Year 3	15,602,066	53,359,064	(37,756,998)	2,265,420	12,422,052	14,687,472	37,750,445
8	Year 4	15,602,066	48,054,362	(32,452,296)	1,947,138	10,676,805	12,623,943	50,374,388
9	Year 5	15,602,066	43,248,926	(27,646,860)	1,658,812	9,095,817	10,754,629	61,129,017
10	Year 6	15,602,066	38,880,347	(23,278,281)	1,396,697	7,658,554	9,055,251	70,184,268
11	Year 7	15,602,066	36,820,875	(21,218,809)	1,273,129	6,980,988	8,254,117	78,438,385
12	Year 8	15,602,066	36,820,875	(21,218,809)	1,273,129	6,980,988	8,254,117	86,692,502
13	Year 9	15,602,066	36,883,283	(21,281,217)	1,276,873	7,001,520	8,278,393	94,970,895
14	Year 10	15,602,066	36,820,875	(21,218,809)	1,273,129	6,980,988	8,254,117	103,225,012
15	Total				<u>\$ 15,921,598</u>	<u>\$ 87,303,414</u>	<u>\$ 103,225,012</u>	

**ROVER PIPELINE LLC**

Illustrative Rate Design

Line No.	Description	YEAR 1 (a)	YEAR 2 (b)	YEAR 3 (c)	YEAR 4 (d)	YEAR 5 (e)	YEAR 6 (f)	YEAR 7 (g)	YEAR 8 (h)	YEAR 9 (i)	YEAR 10 (j)
<b>Rate Schedule FTS-1</b>											
Cost of Service - New Facilities (Exhibit N, Page 1)											
1	- Fixed	\$ 170,814,110	\$ 165,448,406	\$ 160,705,655	\$ 156,272,425	\$ 152,122,264	\$ 148,230,883	\$ 144,458,132	\$ 140,693,638	\$ 136,949,720	\$ 133,233,897
2	- Variable (1)	465,645	479,600	494,000	508,800	524,100	539,800	556,000	572,700	589,800	607,500
3	Total Cost of Service - New Facilities	<u>\$ 171,279,755</u>	<u>\$ 165,928,006</u>	<u>\$ 161,199,655</u>	<u>\$ 156,781,225</u>	<u>\$ 152,646,364</u>	<u>\$ 148,770,683</u>	<u>\$ 145,014,132</u>	<u>\$ 141,266,338</u>	<u>\$ 137,539,520</u>	<u>\$ 133,841,397</u>
<b>Reservation Rate</b>											
4	Cost of Service - Fixed	\$ 170,814,110	\$ 165,448,406	\$ 160,705,655	\$ 156,272,425	\$ 152,122,264	\$ 148,230,883	\$ 144,458,132	\$ 140,693,638	\$ 136,949,720	\$ 133,233,897
5	Daily Demand Billing Determinants	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>
6	Daily Reservation Rate	<u>\$ 10.9496</u>	<u>\$ 10.6057</u>	<u>\$ 10.3016</u>	<u>\$ 10.0175</u>	<u>\$ 9.7514</u>	<u>\$ 9.5020</u>	<u>\$ 9.2601</u>	<u>\$ 9.0188</u>	<u>\$ 8.7788</u>	<u>\$ 8.5406</u>
<b>Usage Rate</b>											
7	Cost of Service - Variable	\$ 465,645	\$ 479,600	\$ 494,000	\$ 508,800	\$ 524,100	\$ 539,800	\$ 556,000	\$ 572,700	\$ 589,800	\$ 607,500
8	Usage Billing Determinants	<u>474,500,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>	<u>15,600,000</u>
9	Usage Rate	<u>\$ 0.0010</u>	<u>\$ 0.0307</u>	<u>\$ 0.0317</u>	<u>\$ 0.0326</u>	<u>\$ 0.0336</u>	<u>\$ 0.0346</u>	<u>\$ 0.0356</u>	<u>\$ 0.0367</u>	<u>\$ 0.0378</u>	<u>\$ 0.0389</u>

(1) Variable costs equal estimated Supplies and Expenses for Account Nos. 853 and 864.

**ROVER PIPELINE LLC**

Docket No. CP15-\_\_\_-000

AFUDC Calculation - Market North Segment

Line No.	Month	Beginning Balance (a)	Equity During Construction On 13.00% (b)	Ending Balance (c)	Debt Beginning Balance (d)	Debt During Construction On 6.50% (e)	Debt Ending Balance (f)	Total Monthly AFUDC (g)	Cumulative AFUDC (h)
1	June 2014	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2	July	-	-	-	-	-	-	-	-
3	August	-	-	-	-	-	-	-	-
4	September	9,003	96	9,099	9,003	48	9,051	144	144
5	October	110,814	1,224	112,038	110,814	612	111,426	1,836	1,980
6	November	3,425,771	36,604	3,462,375	3,425,771	18,302	3,444,073	54,906	56,886
7	December	4,215,461	46,543	4,262,004	4,215,461	23,272	4,238,733	69,815	126,701
8	January 2015	4,613,463	51,871	4,665,334	4,613,463	25,702	4,639,165	77,573	204,274
9	February	17,686,090	176,376	17,862,466	17,686,090	88,188	17,774,278	264,564	468,838
10	March	18,724,703	206,741	18,931,444	18,724,703	103,371	18,828,074	310,112	778,950
11	April	20,025,724	213,973	20,239,697	20,025,724	106,987	20,132,711	320,960	1,099,910
12	May	35,037,873	386,857	35,424,730	35,037,873	193,428	35,231,301	580,285	1,680,195
13	June	37,101,949	396,432	37,498,381	37,101,949	198,216	37,300,165	594,648	2,274,843
14	July	39,053,270	447,005	39,500,275	39,053,270	219,547	39,272,817	666,552	2,941,395
15	August	54,379,044	600,404	54,979,448	54,379,044	300,202	54,679,246	900,606	3,842,001
16	September	56,369,680	602,306	56,971,986	56,369,680	301,153	56,670,833	903,459	4,745,460
17	October	62,003,964	684,592	62,688,556	62,003,964	342,296	62,346,260	1,026,888	5,772,348
18	November	77,849,757	831,819	78,681,576	77,849,757	415,910	78,265,667	1,247,729	7,020,077
19	December	80,001,929	883,309	80,885,238	80,001,929	441,654	80,443,583	1,324,963	8,345,040
20	January 2016	84,964,381	995,895	85,960,276	84,964,381	482,835	85,447,216	1,478,730	9,823,770
21	February	91,192,742	939,335	92,132,077	91,192,742	469,668	91,662,410	1,409,003	11,232,773
22	March	96,565,133	1,063,272	97,628,405	96,565,133	531,636	97,096,769	1,594,908	12,827,681
23	April	101,539,882	1,081,982	102,621,864	101,539,882	540,991	102,080,873	1,622,973	14,450,654
24	May	105,812,199	1,165,091	106,977,290	105,812,199	582,545	106,394,744	1,747,636	16,198,290
25	June	110,558,467	1,178,082	111,736,549	110,558,467	589,041	111,147,508	1,767,123	17,965,413
26	July	114,517,393	1,331,673	115,849,066	114,517,393	648,070	115,165,463	1,979,743	19,945,156
27	August	118,455,233	1,304,302	119,759,535	118,455,233	652,151	119,107,384	1,956,453	21,901,609
28	September	132,352,091	1,410,309	133,762,400	132,352,091	705,155	133,057,246	2,115,464	24,017,073
29	October	151,238,699	1,665,279	152,903,978	151,238,699	832,639	152,071,338	2,497,918	26,514,991
30	November	166,718,488	1,776,508	168,494,996	166,718,488	888,254	167,606,742	2,664,762	29,179,753
31	December	194,321,385	2,139,659	196,461,044	194,321,385	1,069,829	195,391,214	3,209,488	32,389,241
32	January 2017	224,180,523	2,652,424	226,832,947	224,180,523	1,281,724	225,462,247	3,934,148	36,323,389
33	February	259,432,739	2,587,220	262,019,959	259,432,739	1,293,610	260,726,349	3,880,830	40,204,219
34	March	276,049,245	3,047,886	279,097,131	276,049,245	1,523,943	277,573,188	4,571,829	44,776,048
35	April	277,922,259	2,969,580	280,891,839	277,922,259	1,484,790	279,407,049	4,454,370	49,230,418
36	May	279,974,337	3,091,224	283,065,561	279,974,337	1,545,612	281,519,949	4,636,836	53,867,254
37	June	283,215,437	3,026,138	286,241,575	283,215,437	1,513,069	284,728,506	4,539,207	58,406,461
38	Total		\$ 38,992,011			\$ 19,414,450		\$ 58,406,461	
39	Annual Amortization		\$ 974,800						
40	- Equity		485,361						
41	Total		\$ 1,460,162						