

Rover Pipeline LLC  
Summary of Transportation Rates

Line No.	Description (a)	Early In-Service Supply Zone (b)	Supply Zone (c)	Mainline Area (d)	Market Area - North (e)	Market Area - South (f)
<b>Firm Transportation Rates (\$/Dth)</b>						
<b>Rate Schedule FTS</b>						
1	Reservation Charge	\$ 3.5129	\$ 6.9574	\$ 12.0359	\$ 10.9496	\$ 9.3691
2	Maximum Usage Charge	0.0002	0.0004	0.0007	0.0010	0.0184
3	Minimum Usage Charge	0.0002	0.0004	0.0007	0.0010	0.0184
<b>Interruptible Transportation (ITS) Rates (\$/Dth)</b>						
<b>Rate Schedule ITS</b>						
4	Maximum Usage Charge	0.1157	0.2291	0.3964	0.3610	0.3264
5	Minimum Usage Charge	0.0002	0.0004	0.0007	0.0010	0.0184
<b>Authorized Overrun Rates (\$/Dth) for Rate Schedule FTS</b>						
6	Maximum Overrun Charge	0.1155	0.2287	0.3957	0.3600	0.3080
7	Minimum Overrun Charge	-	-	-	-	-
<b>Park and Loan Service Rates (\$/Dth) /1</b>						
<b>Rate Schedule GPS</b>						
8	Maximum Usage Charge	0.1157	0.2291	0.3964	0.3610	0.3264
9	Minimum Usage Charge	0.0002	0.0004	0.0007	0.0010	0.0184

Notes:

- 1/ Rates for Rate Schedule GPS are derived from the Rate Schedule ITS. The GPS rate is the equivalent of the Rate Schedule ITS 100% Load Factor rate. GPS shippers are charged a usage charge multiplied by the total quantity of gas either parked or borrowed each day during the month.

## Rover Pipeline LLC

## Summary of Rate Design and Rate Derivation

Line No.	Description (a)	Total (b)	Early In-Service Supply Zone (c)	Supply Zone (d)	Mainline Zone (e)	Market-North Zone (f)	Market-South Zone (g)
<b><u>Rate Design and Rate Derivation</u></b>							
	Cost of Service	<u>\$ 1,002,760,749</u> 8/	<u>\$ 137,252,804</u>	<u>\$ 271,848,623</u>	<u>\$ 470,273,497</u>	<u>\$ 171,279,755</u>	<u>\$ 89,358,874</u>
1	Reservation Cost of Service		\$ 137,003,321	\$ 271,337,283	\$ 469,400,482	\$ 170,814,110	\$ 84,321,874
2	Usage Cost of Service		\$ 249,483	\$ 511,340	\$ 873,015	\$ 465,645	\$ 5,037,000
3	Annual Reservation Volumes		39,000,000 1/	39,000,000 1/	39,000,000 1/	15,600,000 4/	9,000,000 6/
4	Annual Usage Volumes		1,186,250,000 2/	1,186,250,000 2/	1,186,250,000 2/	474,500,000 5/	273,750,000 7/
<b><u>Firm Transportation Service</u></b>							
5	Reservation Rate (\$/Dth)		\$ 3.5129	\$ 6.9574	\$ 12.0359	\$ 10.9496	\$ 9.3691
6	Usage Rate (\$/Dth)		\$ 0.0002	\$ 0.0004	\$ 0.0007	\$ 0.0010	\$ 0.0184
7	Authorized Overrun (\$/Dth)		\$ 0.1155 3/	\$ 0.2287 3/	\$ 0.3957 3/	\$ 0.3600 3/	\$ 0.3080 3/
<b><u>Interruptible Transportation Service</u></b>							
8	Usage Rate (\$/Dth)		\$ 0.1157	\$ 0.2291	\$ 0.3964	\$ 0.3610	\$ 0.3264

## Notes:

- 1/ 3,250,000 Dth/day x 12 months.
- 2/ 3,250,000 Dth/day x 365 days.
- 3/ Reservation Rate x 12 Months / 365 Days.
- 4/ 1,300,000 Dth/day x 12 months.
- 5/ 1,300,000 Dth/day x 365 days.
- 6/ 750,000 Dth/day x 12 months.
- 7/ 750,000 Dth/day x 365 days.
- 8/ Excludes Early In-Service Supply Zone Cost of Service

## Rover Pipeline LLC

## Pro Forma Cost of Service

Line No.	Description (a)	Reference (b)	Total Amount (c)
1	Operation & Maintenance Expense	Page 4	\$ 152,534,665
2	Depreciation Expense	Page 5	101,922,467
3	Other Taxes	Page 6	202,414,165
4	Return on Rate Base	Page 7	384,213,490
5	State Income Taxes	Page 9	25,245,650
6	Federal Income Taxes	Page 9	138,430,312
7	Revenue Credits 1/		<u>(2,000,000)</u>
8	Total Cost of Service		<u>\$ 1,002,760,749</u>

## Note:

- 1/ Represents revenues associated with Rate Schedule ITS transportation service, Rate Schedule FTS overrun service and Rate Schedule GPS service.

## Rover Pipeline LLC

## Pro Forma Operation and Maintenance Expenses

<b>Line No.</b>	<b>Description (a)</b>	<b>Total (b)</b>
1	Operations & Maintenance Labor	\$ 5,500,000
2	Operations & Maintenance Supplies & Other	144,034,665
3	Administrative and General	2,000,000
4	Property and Casualty Insurance	<u>1,000,000</u>
5	Total Operation and Maintenance Expenses	<u><u>\$ 152,534,665</u></u>



## Rover Pipeline LLC

## Pro Forma Other Taxes

<u>Line No.</u>	<u>Description (a)</u>	<u>Total (b)</u>
1	Ad Valorem Taxes	\$ 201,949,413
2	Social Security & Unemployment Taxes	<u>464,752</u>
3	Total Other Taxes	<u>\$ 202,414,165</u>

## Rover Pipeline LLC

## Pro Forma Rate Base and Return Allowance Calculation

<b>Line No.</b>	<b>Description (a)</b>	<b>Total (b)</b>
1	Gross Plant	\$ 4,082,221,491
2	Accumulated Depreciation	101,922,467
3	Net Plant in Service	<u>3,980,299,024</u>
4	Deferred Taxes	39,647,840
5	Total Rate Base	<u>\$ 3,940,651,184</u>
6	Return on Rate Base (Return Allowance)	<u><u>\$ 384,213,490</u></u>

**Capital Structure and Rate of Return**

7	Capitalization - Debt Percentage	50.00%
8	Capitalization - Equity Percentage	50.00%
9	Cost of Debt	6.50%
10	Cost of Equity	13.00%
11	Return - Debt	3.250%
12	Return - Equity	6.500%
13	Return - Total	<u>9.750%</u>

## Rover Pipeline LLC

## Pro Forma Deferred Income Taxes

<u>Line No.</u>	<u>Description (a)</u>	<u>Total (b)</u>
1	Tax Depreciation	\$ 203,844,934 1/
2	Less: Book Depreciation	<u>101,922,467</u>
3	Tax/Book Depreciation Difference	101,922,467
4	Tax Rate	<u>38.90% 2/</u>
5	Deferred Taxes	<u><u>\$ 39,647,840</u></u>

## Notes:

- 1/ Based on a 5% MACRS tax depreciation rate.
- 2/ Federal Income Tax Rate of 35% and Composite State  
Income Tax Rate of 6.00%  
Effective Income Tax Rate = 35% x (100% - 6.00%) + 6.00%



## Rover Pipeline LLC

## Pro Forma Income Tax Allowance

<b>Line No.</b>	<b>Description (a)</b>	<b>Total (b)</b>
1	Return on Rate Base	\$ 384,213,490
2	Add: Equity AFUDC Amortization	\$ 5,543,573
3	Less: Interest Expense	<u>132,672,198</u>
4	Tax Base - Federal	257,084,864.54
5	Federal Income Taxes @ 35%	<u>138,430,312</u> 1/
6	Tax Base - State	395,515,177
7	State Income Taxes	<u>25,245,650</u> 2/
8	Total Income Taxes	<u><u>\$ 163,675,962</u></u>

## Notes:

1/ Line 4 x 35% / (100% - 35%).

2/ Line 6 x 6.00% / (100% - 6.00%).

Calculation based on a Composite State Income Tax Rate.

## ROVER PIPELINE LLC

Computation of Projected Compressor Fuel Use Component  
Pursuant to Section 21 of the General Terms and Conditions  
of Rover's *Pro Forma* FERC NGA Gas Tariff, Original Volume No. 1  
Effective December 1, 2016

Line No.	Description	Estimated Fuel - MMscf/d (a)	Estimated Flow - MMscf/d (b)	Fuel Use Component Percentage (c)
	<u>Supply Area</u>			
1	Sherwood	-	-	
2	Seneca	2.19	1,000.00	
3	Clarington	1.36	800.00	
4	Majorsville	-	-	
5	Cadiz	2.39	1,250.00	
6	Burgettstown	-	-	
7	Total Supply Area	<u>5.94</u>	<u>3,050.00</u>	<u>0.19 %</u>
	<u>Mainline</u>			
8	Mainline Compressor Station No. 1	5.73	3,250.00	
9	Mainline Compressor Station No. 2	5.39	3,250.00	
10	Mainline Compressor Station No. 3	4.90	3,250.00	
11	Total Mainline	<u>16.02</u>	<u>3,250.00</u>	<u>0.49 %</u>
	<u>Market - North</u>			
12	Defiance Compressor Station	-	-	
13	Total Market - North	<u>-</u>	<u>-</u>	<u>- %</u>
14	Estimated LUAF Component			<u>0.20 %</u>

Note: Fuel consumption data obtained from CAT technical data sheets using 0.5 Nox engines at site rated conditions.

## ROVER PIPELINE LLC

Computation of Projected Compressor Fuel Use Component  
Pursuant to Section 21 of the General Terms and Conditions  
of Rover's *Pro Forma* FERC NGA Gas Tariff, Original Volume No. 1  
Effective June 1, 2017

Line No.	Description	Estimated Fuel - MMscf/d (a)	Estimated Flow - MMscf/d (b)	Fuel Use Component Percentage (c)
	<u>Supply Area</u>			
1	Sherwood	1.96	800.00	
2	Seneca	2.19	1,000.00	
3	Clarrington	1.36	800.00	
4	Majorsville	1.17	300.00	
5	Cadiz	2.39	1,250.00	
6	Burgettstown	0.92	400.00	
7	Total Supply Area	<u>9.99</u>	<u>4,550.00</u>	<u>0.22 %</u>
	<u>Mainline</u>			
8	Mainline Compressor Station No. 1	5.73	3,250.00	
9	Mainline Compressor Station No. 2	5.39	3,250.00	
10	Mainline Compressor Station No. 3	4.90	3,250.00	
11	Total Mainline	<u>16.02</u>	<u>3,250.00</u>	<u>0.49 %</u>
	<u>Market - North</u>			
12	Defiance Compressor Station	3.43	1,300.00	
13	Total Market - North	<u>3.43</u>	<u>1,300.00</u>	<u>0.26 %</u>
14	Estimated LUAF Component			<u>0.20 %</u>

Note: Fuel consumption data obtained from CAT technical data sheets using 0.5 Nox engines at site rated conditions.