

**ROVER PIPELINE LLC**Cost of Service - Supply Area to Mainline Compressor Station No. 1  
*Early In-Service 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	\$ 2,043,465	\$ 2,105,000	\$ 2,168,100	\$ 2,233,300	\$ 2,300,400	\$ 2,369,200	\$ 2,440,100	\$ 2,513,400	\$ 2,589,100	\$ 2,666,800
2	Depreciation Expense	15,685,097	15,685,097	15,685,097	15,685,097	15,685,097	15,685,097	15,685,097	15,685,097	15,685,097	15,685,097
3	Taxes - Other Than Income	35,799,094	34,728,892	33,690,907	32,684,168	31,707,768	30,760,766	29,842,295	28,951,528	28,087,620	27,249,733
4	Return	59,167,336	55,972,329	53,003,382	50,236,700	47,653,247	45,236,364	42,898,008	40,559,652	38,218,916	35,880,560
5	Federal Income Taxes	21,228,545	19,889,423	18,864,223	17,907,358	17,012,851	16,175,151	15,349,834	14,510,425	13,669,734	12,830,751
6	State Income Taxes	3,871,467	3,627,250	3,440,284	3,265,780	3,102,648	2,949,875	2,799,362	2,646,278	2,492,961	2,339,955
7	Revenue Credits	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>	<u>(542,200)</u>
8	Total	<u>\$ 137,252,804</u>	<u>\$131,465,791</u>	<u>\$126,309,793</u>	<u>\$ 121,470,203</u>	<u>\$116,919,811</u>	<u>\$112,634,253</u>	<u>\$108,472,496</u>	<u>\$104,324,180</u>	<u>\$100,201,228</u>	<u>\$ 96,110,696</u>

**ROVER PIPELINE LLC**

Cost of Service  
 Operation and Maintenance Expenses - Total

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	\$ 364,110	\$ 375,100	\$ 386,600	\$ 398,200	\$ 410,200	\$ 422,400	\$ 435,100	\$ 448,100	\$ 461,600	\$ 475,400
2	851.00	System Control and Load Dispatching	83,611	86,100	88,700	91,400	94,100	97,000	99,900	102,900	106,000	109,100
3	852.00	Communication System Expenses	-	-	-	-	-	-	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	269,711	277,800	286,100	294,700	303,500	312,600	321,900	331,600	341,600	351,900
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-	-
7	856.00	Mains Expenses	202,283	208,400	214,600	221,100	227,700	234,500	241,500	248,800	256,300	264,000
8	857.00	Measuring and Regulating Station Expenses	144,295	148,600	153,100	157,700	162,500	167,300	172,300	177,500	182,800	188,300
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-	-	-
10	859.00	Other Expenses	-	-	-	-	-	-	-	-	-	-
11	860.00	Rents	4,180	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,200
12		Total Operation	<u>1,068,190</u>	<u>1,100,300</u>	<u>1,133,500</u>	<u>1,167,600</u>	<u>1,202,600</u>	<u>1,238,500</u>	<u>1,275,500</u>	<u>1,313,800</u>	<u>1,353,300</u>	<u>1,393,900</u>
13	861.00	Maintenance Supervision and Engineering	134,855	138,900	142,900	147,200	151,700	156,200	160,900	165,700	170,800	175,900
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	229,255	236,200	243,300	250,600	258,100	265,900	273,900	282,200	290,700	299,400
16	864.00	Maintenance of Compressor Station Equipment	114,627	118,100	121,600	125,300	129,100	133,000	137,000	141,100	145,300	149,600
17	865.00	Maintenance of Measuring and Regulating Station Equipment	87,657	90,300	93,000	95,800	98,600	101,600	104,700	107,900	111,100	114,400
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	4,315	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,200	5,400
20		Total Maintenance	<u>570,709</u>	<u>587,900</u>	<u>605,300</u>	<u>623,500</u>	<u>642,200</u>	<u>661,500</u>	<u>681,400</u>	<u>701,900</u>	<u>723,100</u>	<u>744,700</u>
21		Total Transmission Expense	<u>\$ 1,638,899</u>	<u>\$ 1,688,200</u>	<u>\$ 1,738,800</u>	<u>\$ 1,791,100</u>	<u>\$ 1,844,800</u>	<u>\$ 1,900,000</u>	<u>\$ 1,956,900</u>	<u>\$ 2,015,700</u>	<u>\$ 2,076,400</u>	<u>\$ 2,138,600</u>
		<u>Administrative and General Expense</u>										
22	920.00	Administrative and General Salaries	67,428	69,500	71,600	73,700	75,900	78,200	80,500	82,900	85,400	88,000
23	921.00	Office Supplies and Expenses	26,971	27,800	28,600	29,500	30,400	31,300	32,200	33,200	34,200	35,200
24	922.00	Administrative Expenses Transferred - Credit	-	-	-	-	-	-	-	-	-	-
25	923.00	Outside Services Employed	-	-	-	-	-	-	-	-	-	-
26	924.00	Property Insurance	80,913	83,300	85,800	88,400	91,200	93,900	96,700	99,600	102,600	105,700
27	925.00	Injuries and Damages	53,942	55,600	57,300	59,000	60,800	62,600	64,500	66,400	68,400	70,500
28	926.00	Employee Pensions and Benefits	175,312	180,600	186,000	191,600	197,300	203,200	209,300	215,600	222,100	228,800
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>404,566</u>	<u>416,800</u>	<u>429,300</u>	<u>442,200</u>	<u>455,600</u>	<u>469,200</u>	<u>483,200</u>	<u>497,700</u>	<u>512,700</u>	<u>528,200</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>\$ 404,566</u>	<u>\$ 416,800</u>	<u>\$ 429,300</u>	<u>\$ 442,200</u>	<u>\$ 455,600</u>	<u>\$ 469,200</u>	<u>\$ 483,200</u>	<u>\$ 497,700</u>	<u>\$ 512,700</u>	<u>\$ 528,200</u>
37		Grand Total	<u>\$ 2,043,465</u>	<u>\$ 2,105,000</u>	<u>\$ 2,168,100</u>	<u>\$ 2,233,300</u>	<u>\$ 2,300,400</u>	<u>\$ 2,369,200</u>	<u>\$ 2,440,100</u>	<u>\$ 2,513,400</u>	<u>\$ 2,589,100</u>	<u>\$ 2,666,800</u>

**ROVER PIPELINE LLC**

Cost of Service  
 Operation and Maintenance Expenses - Labor

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	\$ 283,197	\$ 291,700	\$ 300,600	\$ 309,600	\$ 319,000	\$ 328,500	\$ 338,400	\$ 348,600	\$ 359,100	\$ 369,800
2	851.00	System Control and Load Dispatching	40,457	41,700	43,000	44,300	45,600	47,000	48,400	49,900	51,400	52,900
3	852.00	Communication System Expenses	-	-	-	-	-	-	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	107,884	111,100	114,400	117,800	121,300	124,900	128,600	132,500	136,500	140,600
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-	-
7	856.00	Mains Expenses	26,971	27,800	28,600	29,500	30,400	31,300	32,200	33,200	34,200	35,200
8	857.00	Measuring and Regulating Station Expenses	80,913	83,300	85,800	88,400	91,100	93,800	96,600	99,500	102,500	105,600
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-	-	-
10	859.00	Other Expenses	-	-	-	-	-	-	-	-	-	-
11	860.00	Rents	-	-	-	-	-	-	-	-	-	-
12		Total Operation	<u>539,422</u>	<u>555,600</u>	<u>572,400</u>	<u>589,600</u>	<u>607,400</u>	<u>625,500</u>	<u>644,200</u>	<u>663,700</u>	<u>683,700</u>	<u>704,100</u>
13	861.00	Maintenance Supervision and Engineering	53,942	55,600	57,200	58,900	60,800	62,600	64,500	66,300	68,300	70,200
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	40,457	41,700	43,000	44,300	45,600	47,000	48,400	49,900	51,400	52,900
16	864.00	Maintenance of Compressor Station Equipment	26,971	27,800	28,600	29,500	30,400	31,300	32,200	33,200	34,200	35,200
17	865.00	Maintenance of Measuring and Regulating Station Equipment	13,486	13,900	14,300	14,700	15,100	15,600	16,100	16,600	17,100	17,600
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	-	-	-	-	-	-	-	-	-	-
20		Total Maintenance	<u>134,856</u>	<u>139,000</u>	<u>143,100</u>	<u>147,400</u>	<u>151,900</u>	<u>156,500</u>	<u>161,200</u>	<u>166,000</u>	<u>171,000</u>	<u>175,900</u>
21		Total Transmission Expense	<u>\$ 674,278</u>	<u>\$ 694,600</u>	<u>\$ 715,500</u>	<u>\$ 737,000</u>	<u>\$ 759,300</u>	<u>\$ 782,000</u>	<u>\$ 805,400</u>	<u>\$ 829,700</u>	<u>\$ 854,700</u>	<u>\$ 880,000</u>
		<u>Administrative and General Expense</u>										
22	920.00	Administrative and General Salaries	67,428	69,500	71,600	73,700	75,900	78,200	80,500	82,900	85,400	88,000
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>67,428</u>	<u>69,500</u>	<u>71,600</u>	<u>73,700</u>	<u>75,900</u>	<u>78,200</u>	<u>80,500</u>	<u>82,900</u>	<u>85,400</u>	<u>88,000</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>\$ 67,428</u>	<u>\$ 69,500</u>	<u>\$ 71,600</u>	<u>\$ 73,700</u>	<u>\$ 75,900</u>	<u>\$ 78,200</u>	<u>\$ 80,500</u>	<u>\$ 82,900</u>	<u>\$ 85,400</u>	<u>\$ 88,000</u>
37		Grand Total	<u>\$ 741,706</u>	<u>\$ 764,100</u>	<u>\$ 787,100</u>	<u>\$ 810,700</u>	<u>\$ 835,200</u>	<u>\$ 860,200</u>	<u>\$ 885,900</u>	<u>\$ 912,600</u>	<u>\$ 940,100</u>	<u>\$ 968,000</u>

**ROVER PIPELINE LLC**

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	\$ 80,913	\$ 83,400	\$ 86,000	\$ 88,600	\$ 91,200	\$ 93,900	\$ 96,700	\$ 99,500	\$ 102,500	\$ 105,600
2	851.00	System Control and Load Dispatching	43,154	44,400	45,700	47,100	48,500	50,000	51,500	53,000	54,600	56,200
3	852.00	Communication System Expenses	-	-	-	-	-	-	-	-	-	-
4	853.00	Compressor Station Labor and Expenses	161,827	166,700	171,700	176,900	182,200	187,700	193,300	199,100	205,100	211,300
5	854.00	Gas for Compressor Station Fuel	-	-	-	-	-	-	-	-	-	-
6	855.00	Other Fuel and Power For Compressor Stations	-	-	-	-	-	-	-	-	-	-
7	856.00	Mains Expenses	175,312	180,600	186,000	191,600	197,300	203,200	209,300	215,600	222,100	228,800
8	857.00	Measuring and Regulating Station Expenses	63,382	65,300	67,300	69,300	71,400	73,500	75,700	78,000	80,300	82,700
9	858.00	Transmission and Compression of Gas by Others	-	-	-	-	-	-	-	-	-	-
10	859.00	Other Expenses	-	-	-	-	-	-	-	-	-	-
11	860.00	Rents	4,180	4,300	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,200
12		Total Operation	<u>528,768</u>	<u>544,700</u>	<u>561,100</u>	<u>578,000</u>	<u>595,200</u>	<u>613,000</u>	<u>631,300</u>	<u>650,100</u>	<u>669,600</u>	<u>689,800</u>
13	861.00	Maintenance Supervision and Engineering	80,913	83,300	85,700	88,300	90,900	93,600	96,400	99,400	102,500	105,700
14	862.00	Maintenance of Structures and Improvements	-	-	-	-	-	-	-	-	-	-
15	863.00	Maintenance of Mains	188,798	194,500	200,300	206,300	212,500	218,900	225,500	232,300	239,300	246,500
16	864.00	Maintenance of Compressor Station Equipment	87,656	90,300	93,000	95,800	98,700	101,700	104,800	107,900	111,100	114,400
17	865.00	Maintenance of Measuring and Regulating Station Equipment	74,171	76,400	78,700	81,100	83,500	86,000	88,600	91,300	94,000	96,800
18	866.00	Maintenance of Communication Equipment	-	-	-	-	-	-	-	-	-	-
19	867.00	Maintenance of Other Equipment	4,315	4,400	4,500	4,600	4,700	4,800	4,900	5,000	5,200	5,400
20		Total Maintenance	<u>435,853</u>	<u>448,900</u>	<u>462,200</u>	<u>476,100</u>	<u>490,300</u>	<u>505,000</u>	<u>520,200</u>	<u>535,900</u>	<u>552,100</u>	<u>568,800</u>
21		Total Transmission Expense	<u>\$ 964,621</u>	<u>\$ 993,600</u>	<u>\$ 1,023,300</u>	<u>\$ 1,054,100</u>	<u>\$ 1,085,500</u>	<u>\$ 1,118,000</u>	<u>\$ 1,151,500</u>	<u>\$ 1,186,000</u>	<u>\$ 1,221,700</u>	<u>\$ 1,258,600</u>
		<u>Administrative and General Expense</u>										
22	920.00	Administrative and General Salaries	-	-	-	-	-	-	-	-	-	-
23	921.00	Office Supplies and Expenses	26,971	27,800	28,600	29,500	30,400	31,300	32,200	33,200	34,200	35,200
24	922.00	Administrative Expenses Transferred - Credit	-	-	-	-	-	-	-	-	-	-
25	923.00	Outside Services Employed	-	-	-	-	-	-	-	-	-	-
26	924.00	Property Insurance	80,913	83,300	85,800	88,400	91,200	93,900	96,700	99,600	102,600	105,700
27	925.00	Injuries and Damages	53,942	55,600	57,300	59,000	60,800	62,600	64,500	66,400	68,400	70,500
28	926.00	Employee Pensions and Benefits	175,312	180,600	186,000	191,600	197,300	203,200	209,300	215,600	222,100	228,800
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>337,138</u>	<u>347,300</u>	<u>357,700</u>	<u>368,500</u>	<u>379,700</u>	<u>391,000</u>	<u>402,700</u>	<u>414,800</u>	<u>427,300</u>	<u>440,200</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>\$ 337,138</u>	<u>\$ 347,300</u>	<u>\$ 357,700</u>	<u>\$ 368,500</u>	<u>\$ 379,700</u>	<u>\$ 391,000</u>	<u>\$ 402,700</u>	<u>\$ 414,800</u>	<u>\$ 427,300</u>	<u>\$ 440,200</u>
37		Grand Total	<u>\$ 1,301,759</u>	<u>\$ 1,340,900</u>	<u>\$ 1,381,000</u>	<u>\$ 1,422,600</u>	<u>\$ 1,465,200</u>	<u>\$ 1,509,000</u>	<u>\$ 1,554,200</u>	<u>\$ 1,600,800</u>	<u>\$ 1,649,000</u>	<u>\$ 1,698,800</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	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072
2	Less: Non-Depreciable Assets	1,227,189	1,227,189	1,227,189	1,227,189	1,227,189	1,227,189	1,227,189	1,227,189	1,227,189	1,227,189
3	Depreciable Plant	\$627,403,883	\$627,403,883	\$627,403,883	\$627,403,883	\$627,403,883	\$627,403,883	\$627,403,883	\$627,403,883	\$627,403,883	\$627,403,883
4	Composite Depreciation Rate	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%
5	Annual Depreciation Expense	<u>\$15,685,097</u>	<u>\$15,685,097</u>	<u>\$15,685,097</u>	<u>\$15,685,097</u>	<u>\$15,685,097</u>	<u>\$15,685,097</u>	<u>\$15,685,097</u>	<u>\$15,685,097</u>	<u>\$15,685,097</u>	<u>\$15,685,097</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	\$ 0	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
2	Taxable Costs	0										
3	Assessment Ratio	50.00%										
4	Taxable Value	0										
5	Average Rate	4.71%	-	-	-	-	-	-	-	-	-	-
<u>Ad Valorem Taxes-Ohio</u>												
6	Gross Plant	\$ 628,631,072										
7	Taxable Costs	628,631,072										
8	Assessment Ratio	88.00%										
9	Taxable Value	553,195,343										
10	Average Rate	6.46%	35,736,419	34,664,326	33,624,396	32,615,664	31,637,194	30,688,078	29,767,436	28,874,413	28,008,181	27,167,936
<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%	-	0	0	0	0	0	0	0	0	0
<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%	0	0	0	0	0	0	0	0	0	0
21	Total Ad Valorem Taxes	\$ 628,631,072	\$ 35,736,419	\$ 34,664,326	\$ 33,624,396	\$ 32,615,664	\$ 31,637,194	\$ 30,688,078	\$ 29,767,436	\$ 28,874,413	\$ 28,008,181	\$ 27,167,936
<u>Payroll Taxes</u>												
22	Labor		\$ 741,706	\$ 764,100	\$ 787,100	\$ 810,700	\$ 835,200	\$ 860,200	\$ 885,900	\$ 912,600	\$ 940,100	\$ 968,000
23	FICA @ 6.200%		45,986	47,374	48,800	50,263	51,782	53,332	54,926	56,581	58,286	60,016
24	FUTA @ 0.80%		5,934	6,113	6,297	6,486	6,682	6,882	7,087	7,301	7,521	7,744
25	Medicare @ 1.450%		10,755	11,079	11,413	11,755	12,110	12,473	12,846	13,233	13,631	14,036
26	Total Payroll Taxes		62,675	64,566	66,511	68,504	70,574	72,688	74,859	77,115	79,439	81,797
27	Total Other Taxes		\$ 35,799,094	\$ 34,728,892	\$ 33,690,907	\$ 32,684,168	\$ 31,707,768	\$ 30,760,766	\$ 29,842,295	\$ 28,951,528	\$ 28,087,620	\$ 27,249,733

**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									
		<i>Rate Base and Return</i>									
		(31,370,194.00)	(47,055,291.00)	(62,740,388.00)	(78,425,485.00)	(94,110,582.00)	(109,795,679.00)	(125,480,776.00)	(141,165,873.00)	(156,850,970.00)	
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	<u>Rate Base</u> Plant	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072	\$ 628,631,072
2	Accumulated Provision for Depreciation	<u>(\$15,685,097)</u>	<u>(31,370,194)</u>	<u>(47,055,291)</u>	<u>(62,740,388)</u>	<u>(78,425,485)</u>	<u>(94,110,582)</u>	<u>(109,795,679)</u>	<u>(125,480,776)</u>	<u>(141,165,873)</u>	<u>(156,850,970)</u>
3	Net Plant	612,945,975	597,260,878	581,575,781	565,890,684	550,205,587	534,520,490	518,835,393	503,150,296	487,465,199	471,780,102
4	Accumulated Deferred Income Taxes 1/	(6,101,503)	(23,185,711)	(37,951,348)	(50,642,474)	(61,454,337)	(70,557,779)	(78,855,823)	(87,153,867)	(95,476,316)	(103,774,360)
5	Working Capital	-	-	-	-	-	-	-	-	-	-
6	Rate Base	<u>\$ 606,844,472</u>	<u>\$ 574,075,167</u>	<u>\$ 543,624,433</u>	<u>\$ 515,248,210</u>	<u>\$ 488,751,250</u>	<u>\$ 463,962,711</u>	<u>\$ 439,979,570</u>	<u>\$ 415,996,429</u>	<u>\$ 391,988,883</u>	<u>\$ 368,005,742</u>
<u>Return</u>											
7	Return on Rate Base	<u>\$ 59,167,336</u>	<u>\$ 55,972,329</u>	<u>\$ 53,003,382</u>	<u>\$ 50,236,700</u>	<u>\$ 47,653,247</u>	<u>\$ 45,236,364</u>	<u>\$ 42,898,008</u>	<u>\$ 40,559,652</u>	<u>\$ 38,218,916</u>	<u>\$ 35,880,560</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>\$ 20,430,510</u>	<u>\$ 19,722,445</u>	<u>\$ 18,657,443</u>	<u>\$ 17,667,794</u>	<u>\$ 16,745,567</u>	<u>\$ 15,884,416</u>	<u>\$ 15,078,788</u>	<u>\$ 14,299,336</u>	<u>\$ 13,519,884</u>	<u>\$ 12,739,639</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)
<b>Federal Income Tax</b>											
1	Return on Rate Base	\$ 59,167,336	\$ 55,972,329	\$ 53,003,382	\$ 50,236,700	\$ 47,653,247	\$ 45,236,364	\$ 42,898,008	\$ 40,559,652	\$ 38,218,916	\$ 35,880,560
<b>Federal Income Tax Adjustments</b>											
2	Interest Expense	(20,430,510)	(19,722,445)	(18,657,443)	(17,667,794)	(16,745,567)	(15,884,416)	(15,078,788)	(14,299,336)	(13,519,884)	(12,739,639)
3	Amortization of Equity AFUDC	687,615	687,615	687,615	687,615	687,615	687,615	687,615	687,615	687,615	687,615
4	Net FIT Adjustments	(19,742,895)	(19,034,830)	(17,969,828)	(16,980,179)	(16,057,952)	(15,196,801)	(14,391,173)	(13,611,721)	(12,832,269)	(12,052,024)
5	Return after FIT Adjustments	39,424,441	36,937,499	35,033,554	33,256,521	31,595,295	30,039,563	28,506,835	26,947,931	25,386,647	23,828,536
6	Federal Income Taxes @ 35% (Line 5 x 53.846154%)	\$ 21,228,545	\$ 19,889,423	\$ 18,864,223	\$ 17,907,358	\$ 17,012,851	\$ 16,175,151	\$ 15,349,834	\$ 14,510,425	\$ 13,669,734	\$ 12,830,751
<b>State Income Tax</b>											
7	Return Before Federal Income Tax	\$ 60,652,986	\$ 56,826,922	\$ 53,897,777	\$ 51,163,879	\$ 48,608,146	\$ 46,214,714	\$ 43,856,669	\$ 41,458,356	\$ 39,056,381	\$ 36,659,287
8	Composite State Tax @ 6.00% (Line 7 x 6.383%)	\$ 3,871,467	\$ 3,627,250	\$ 3,440,284	\$ 3,265,780	\$ 3,102,648	\$ 2,949,875	\$ 2,799,362	\$ 2,646,278	\$ 2,492,961	\$ 2,339,955

**ROVER PIPELINE LLC**

## Cost of Service

*Estimate of Deferred Income Tax Liability Balance*

Description	Depreciation		Difference	DSIT - 282 at 6.00%	DFIT - 282 at 35%	Total	
	Book (a)	Tax (b)				Annual (f)	Cumulative (g)
Property basis	\$627,403,883						
Book depreciation rate	2.50%						
FDPS	2016						
Tax depreciation MACRS 15 year, half year convention							
Year 1	15,685,097	31,370,194	(15,685,097)	941,106	5,160,397	6,101,503	6,101,503
Year 2	15,685,097	59,603,369	(43,918,272)	2,635,096	14,449,112	17,084,208	23,185,711
Year 3	15,685,097	53,643,032	(37,957,935)	2,277,476	12,488,161	14,765,637	37,951,348
Year 4	15,685,097	48,310,099	(32,625,002)	1,957,500	10,733,626	12,691,126	50,642,474
Year 5	15,685,097	43,479,089	(27,793,992)	1,667,640	9,144,223	10,811,863	61,454,337
Year 6	15,685,097	39,087,262	(23,402,165)	1,404,130	7,699,312	9,103,442	70,557,779
Year 7	15,685,097	37,016,829	(21,331,732)	1,279,904	7,018,140	8,298,044	78,855,823
Year 8	15,685,097	37,016,829	(21,331,732)	1,279,904	7,018,140	8,298,044	87,153,867
Year 9	15,685,097	37,079,569	(21,394,472)	1,283,668	7,038,781	8,322,449	95,476,316
Year 10	15,685,097	37,016,829	(21,331,732)	1,279,904	7,018,140	8,298,044	103,774,360
Total				<u>\$ 16,006,328</u>	<u>\$ 87,768,032</u>	<u>\$ 103,774,360</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	\$ 137,003,321	\$ 131,208,791	\$ 126,045,093	\$ 121,197,503	\$ 116,638,911	\$ 112,344,853	\$ 108,174,396	\$ 104,017,180	\$ 99,885,028	\$ 95,784,996
2	- Variable (1)	249,483	257,000	264,700	272,700	280,900	289,400	298,100	307,000	316,200	325,700
3	Total Cost of Service - New Facilities	<u>\$ 137,252,804</u>	<u>\$ 131,465,791</u>	<u>\$ 126,309,793</u>	<u>\$ 121,470,203</u>	<u>\$ 116,919,811</u>	<u>\$ 112,634,253</u>	<u>\$ 108,472,496</u>	<u>\$ 104,324,180</u>	<u>\$ 100,201,228</u>	<u>\$ 96,110,696</u>
<b>Reservation Rate</b>											
4	Cost of Service - Fixed	\$ 137,003,321	\$ 131,208,791	\$ 126,045,093	\$ 121,197,503	\$ 116,638,911	\$ 112,344,853	\$ 108,174,396	\$ 104,017,180	\$ 99,885,028	\$ 95,784,996
5	Daily Demand Billing Determinants	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>
6	Daily Reservation Rate	<u>\$ 3.5129</u>	<u>\$ 3.3643</u>	<u>\$ 3.2319</u>	<u>\$ 3.1076</u>	<u>\$ 2.9907</u>	<u>\$ 2.8806</u>	<u>\$ 2.7737</u>	<u>\$ 2.6671</u>	<u>\$ 2.5612</u>	<u>\$ 2.4560</u>
<b>Usage Rate</b>											
7	Cost of Service - Variable	\$ 249,483	\$ 257,000	\$ 264,700	\$ 272,700	\$ 280,900	\$ 289,400	\$ 298,100	\$ 307,000	\$ 316,200	\$ 325,700
8	Usage Billing Determinants	<u>1,186,250,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>	<u>39,000,000</u>
9	Usage Rate	<u>\$ 0.0002</u>	<u>\$ 0.0066</u>	<u>\$ 0.0068</u>	<u>\$ 0.0070</u>	<u>\$ 0.0072</u>	<u>\$ 0.0074</u>	<u>\$ 0.0076</u>	<u>\$ 0.0079</u>	<u>\$ 0.0081</u>	<u>\$ 0.0084</u>

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

**ROVER PIPELINE LLC**

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

AFUDC Calculation - Supply 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	17,060	188	17,248	17,060	94	17,154	282	282
3	August	48,278	533	48,811	48,278	267	48,545	800	1,082
4	September	2,120,770	22,660	2,143,430	2,120,770	11,330	2,132,100	33,990	35,072
5	October	2,513,367	27,750	2,541,117	2,513,367	13,875	2,527,242	41,625	76,697
6	November	6,587,957	70,392	6,658,349	6,587,957	35,196	6,623,153	105,588	182,285
7	December	8,040,054	88,771	8,128,825	8,040,054	44,386	8,084,440	133,157	315,442
8	January 2015	12,351,821	138,700	12,490,521	12,351,821	68,769	12,420,590	207,469	522,911
9	February	25,008,083	249,396	25,257,479	25,008,083	124,698	25,132,781	374,094	897,005
10	March	26,957,985	297,646	27,255,631	26,957,985	148,823	27,106,808	446,469	1,343,474
11	April	29,115,178	311,094	29,426,272	29,115,178	155,547	29,270,725	466,641	1,810,115
12	May	43,677,781	482,251	44,160,032	43,677,781	241,125	43,918,906	723,376	2,533,491
13	June	46,388,103	495,654	46,883,757	46,388,103	247,827	46,635,930	743,481	3,276,972
14	July	49,859,369	572,305	50,431,674	49,859,369	280,699	50,140,068	853,004	4,129,976
15	August	71,766,305	792,379	72,558,684	71,766,305	396,189	72,162,494	1,188,568	5,318,544
16	September	74,311,974	794,018	75,105,992	74,311,974	397,009	74,708,983	1,191,027	6,509,571
17	October	77,338,571	853,903	78,192,474	77,338,571	426,951	77,765,522	1,280,854	7,790,425
18	November	97,350,133	1,040,179	98,390,312	97,350,133	520,090	97,870,223	1,560,269	9,350,694
19	December	99,765,320	1,101,518	100,866,838	99,765,320	550,759	100,316,079	1,652,277	11,002,971
20	January 2016	104,072,976	1,224,437	105,297,413	104,072,976	592,561	104,665,537	1,816,998	12,819,969
21	February	115,533,394	1,190,057	116,723,451	115,533,394	595,029	116,128,423	1,785,086	14,605,055
22	March	121,442,203	1,337,191	122,779,394	121,442,203	668,596	122,110,799	2,005,787	16,610,842
23	April	130,802,832	1,393,801	132,196,633	130,802,832	696,900	131,499,732	2,090,701	18,701,543
24	May	139,444,828	1,535,417	140,980,245	139,444,828	767,709	140,212,537	2,303,126	21,004,669
25	June	144,732,963	1,542,236	146,275,199	144,732,963	771,118	145,504,081	2,313,354	23,318,023
26	July	151,384,934	1,757,433	153,142,367	151,384,934	855,972	152,240,906	2,613,405	25,931,428
27	August	160,273,477	1,764,760	162,038,237	160,273,477	882,380	161,155,857	2,647,140	28,578,568
28	September	170,340,239	1,815,101	172,155,340	170,340,239	907,550	171,247,789	2,722,651	31,301,219
29	October	184,885,497	2,035,761	186,921,258	184,885,497	1,017,881	185,903,378	3,053,642	34,354,861
30	November	197,616,783	2,105,753	199,722,536	197,616,783	1,052,876	198,669,659	3,158,629	37,513,490
31	December	223,717,246	2,463,335	226,180,581	223,717,246	1,231,667	224,948,913	3,695,002	41,208,492
32	January 2017	247,217,991	-	247,217,991	247,217,991	-	247,217,991	-	41,208,492
33	February	274,389,382	-	274,389,382	274,389,382	-	274,389,382	-	41,208,492
34	March	285,795,141	-	285,795,141	285,795,141	-	285,795,141	-	41,208,492
35	April	289,481,167	-	289,481,167	289,481,167	-	289,481,167	-	41,208,492
36	May	290,530,275	-	290,530,275	290,530,275	-	290,530,275	-	41,208,492
37	June	293,192,499	-	293,192,499	293,192,499	-	293,192,499	-	41,208,492
38	Total		\$ 27,504,619			\$ 13,703,873		\$ 41,208,492	
39	Annual Amortization								
40	- Equity		\$ 687,615						
41	- Debt		342,597						
41	Total		\$ 1,030,212						