

Rover Pipeline LLC

Docket No. CP15-93-000

Calculation of Depreciation Expense for the
First Three Years in Service, and
Accumulated Depreciation Balances

Rover Pipeline LLC

Depreciation and Depletion

Rover Pipeline LLC ("Rover") proposes to utilize a depreciation rate of 2.50 percent (2.50%) per year applicable to the proposed facilities. This rate represents a depreciable life of forty (40) years. The proposed rate takes into account the supply source that will be available to Rover from the developing Marcellus and Utica shale production regions in Pennsylvania, West Virginia and Ohio. The rate is further consistent with the depreciation rates recently approved by the Commission for new transportation projects involving traditional gas supply sources. (See Trunkline LNG Company, LLC, Docket No. CP06-102, Rockies Express Pipeline LLC, Docket No. CP06-354, and Midcontinent Express Pipeline LLC, Docket No. CP08-6.

Rover is assuming the project risk given that the underlying precedent agreements supporting the project have a primary term of less than 40 years.

Rover Pipeline LLC

Summary of Annual Depreciation Expense and Accumulated Depreciation
Summary of First Three Years of Annual Depreciation and Capital Balances

<u>Line No.</u>	<u>Year (a)</u>	<u>Depreciation Rate (b)</u>	<u>Depreciable Capital Beginning Balance 1/ (c)</u>	<u>Annual Depreciation Expense (d)</u>	<u>Capital Ending Balance (e)</u>	<u>Accumulated Depreciation (f)</u>
1	One	2.50%	\$ 4,076,898,687	\$ 101,922,467	\$ 3,974,976,220	\$ 101,922,467
2	Two	2.50%	3,974,976,220	101,922,467	3,873,053,753	203,844,934
3	Three	2.50%	3,873,053,753	101,922,467	3,771,131,285	305,767,402

1/ Excludes Non-Depreciable Land of \$5,322,804.

