COPY

OHIO VALLEY GAS CORPORATION

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April 13, 2007

FILED

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INDIANA UTILITY
REGULATORY COMMISSION

Indiana Utility Regulatory Commission
302 West Washington Street, Room E306
Indianapolis, IN 46204

Re: Cause No. 43209

Please find enclosed Ohio Valley Gas Corporation's late-filed case-in-chief testimony and exhibits as per Petitioner's Unopposed Motion for Modification of Procedural Schedule filed March 20, 2007, and subsequently approved.

Sincerely,

OHIO VALLEY GAS CORPORATION

S. Mark Kerney
Vice President and
Chief Financial Officer

CC: Susan L. Macey, Utility Consumer Counselor
Larry J. Wallace, PARR RICHEY OBREMSKEY & MORTON

CERTIFICATE OF SERVICE

I hereby certify that I have this day served a copy of the foregoing Prefiled Testimony and Exhibits of Ohio Valley Gas Corporation in Cause No. 43209 upon the following by personal service or by depositing same in the U.S. Mail, first class, postage prepaid to the following addresses:

The Indiana Office of Utility Consumer Counselor
Indiana Government Center North
100 North Senate Avenue, Room N501
Indianapolis IN 46204-3215

Dated this 13th day of April, 2007.

Ronald L. Loyd
Vice President & General Manager
OHIO VALLEY GAS CORPORATION
111 Energy Park Drive
P. O. Box 469
Winchester IN 47394-0469
Telephone: 765-584-6842
Fax: 765-584-0826

61. Q. Are you the same Ronald L. Loyd who provided pre-filed direct testimony as a part of Petitioner's case-in-chief filing of March 30, 2007 in this Cause No. 43209?

A. Yes.

62. Q. What is the nature and purpose of this additional testimony?

A. This additional testimony and accompanying Exhibit RLL-4 relate to Petitioner's Cost of Service study and resultant rate design (proposed rates) as completed and formulated by Petitioner's witness, Mr. Kerry Heid, and are provided now as a result of Petitioner's unopposed request for, and Commission-ordered granting of, an extension of time beyond the originally scheduled pre-filing date (March 30, 2007) for its Cost of Service study and rate design testimony and exhibits. Such order provided for a late filing date for said exhibits and testimony of not later than April 13, 2007.

63. Q. Please discuss the contents of Petitioner's Exhibit RLL-4.

A. Petitioner's Exhibit RLL-4 includes updated and revised rate sheets for each of the various rates under which Petitioner provides service to its sales and transportation customers. These rate sheets set forth in clear and definitive terms all charges which may be applicable to customers being served under same, including a monthly Facilities Charge, a Commodity Charge, reflecting the base cost of gas and remaining costs not covered by the Facilities Charge, and other charges as applicable to each rate.

64. Q. What material changes, if any, is Petitioner proposing to its various existing rate sheets?

A. In addition to the proposed rates and charges applicable to each rate sheet, Petitioner is proposing to make the following material changes:

- In its firm, small volume sales service rates (Rates 11 and 41), Petitioner is proposing to set forth the applicability of the Normal Temperature Adjustment (NTA) mechanism for which Petitioner is seeking approval in this Cause. Appendix C would then further delineate the details of said NTA mechanism. (NOTE: Existing Appendix C, which dealt with the handling of Transition Costs applicable to gas transported under Petitioner's transportation service rates is no longer applicable or necessary as such transition costs are no longer applicable.)

- In its firm, medium volume sales service rates (Rates 12 and 42), Petitioner is proposing to eliminate the existing Demand Charge, and increase the monthly Facilities Charge accordingly, in order to more properly align these rates with its corresponding medium volume transportation service rates (Rates 16 and 46) so that switching from a sales rate to a transportation rate will be revenue neutral to Petitioner.

- In its interruptible sales service rates (Rates 13 and 43), Petitioner is proposing to require customers being served or wishing to be served under these rates to provide verifiable evidence of an alternative energy source to be used when (if) curtailment of gas service is invoked.

- In all of its rates, Petitioner is proposing to eliminate existing Appendix D which dealt with the mechanism by which a customer's bill is calculated. This Appendix D has served its intended purpose and is no longer needed.

- In all of its rates, Petitioner is proposing to set forth the applicability of the Pipeline Safety Adjustment (PSA) tracking mechanism for which Petitioner is seeking approval in this Cause. Appendix D would then further delineate the details of said PSA mechanism. (NOTE: Existing Appendix D, which dealt with the mechanism by which a customer's bill is calculated, has served its intended purpose and is no longer needed.)

65. Q. What is the basis of the various rates/charges proposed by Petitioner in Exhibit RLL-4?

A. Petitioner's proposed Facilities Charge and Commodity Charge for each rate sheet are based on the results of Petitioner's Cost of Service study, and are further discussed by Petitioner's witness Kerry A. Heid in Petitioner's Exhibit KAH.

All other charges set forth on the rate sheets are proposed to reflect Petitioner's updated costs associated with such occurrences, and are further discussed by Petitioner's witness S. Mark Kerney in Exhibit SMK.

66. Q. Does this complete your testimony with regard to Exhibit RLL-4?

A. Yes, it does.

67. Q. Does this complete your pre-filed direct testimony in this Cause?

A. Yes, it does.

RATE NO. 11
Firm Small Volume Sales Service

AVAILABILITY:

This rate shall be available to Customers whose volume of natural gas purchased on an annual basis will be less than 100,000 Therms and who will take delivery of such natural gas in OVGC's ANR Service Area.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $16.00 per meter per month

Commodity Charge of $1.3217 per therm

Gas Cost Adjustment (GCA) – As set forth in the latest approved Appendix B (Sheet No. 1-10).

Normal Temperature Adjustment (NTA) – Dependent upon weather (temperature) conditions during specified billing cycles as described in the latest approved Appendix C (See Sheet No. 1-11).

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 1-12).

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum of twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 7:00 a.m. local time and continuing to 7:00 a.m. local time the next day.

RULES AND REGULATIONS:

This Rate Schedule is subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. 12
Firm Medium Volume Sales Service

AVAILABILITY:

This rate shall be available to Customers whose volume of natural gas purchased on an annual basis will be at least 100,000 Therms, but not greater than 500,000 Therms, and who will take delivery of such natural gas in OVGC's ANR Service Area.

APPLICABILITY, ELIGIBILITY & CHARACTER OF SERVICE:

This rate provides a means whereby OVGC can, within the physical limitations of its existing distribution system(s), and as per the terms of a written contract (Service Agreement) executed by a specific Customer, provide firm sales service to such Customer.

OVGC shall not be obligated to deliver (sell) to Customer in any one (1) hour period an aggregate amount at all points of delivery of more than one-sixteenth (1/16) of the maximum daily volume specified in the Service Agreement.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $550.00 per meter per month

Commodity Charge of $1.1806 per therm

Gas Cost Adjustment (GCA) – As set forth in the latest approved Appendix B (Sheet No. 1-10).

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 1-12).

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum of twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 7:00 a.m. local time and continuing to 7:00 a.m. local time the next day.

RULES AND REGULATIONS:

Sales service hereunder shall be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. 13
Interruptible Sales Service

AVAILABILITY:

This rate shall be available to Customers whose volume of natural gas purchased on an annual basis will be at least 100,000 Therms, but not greater than 500,000 Therms, and who will take delivery of such natural gas in OVGC's ANR Service Area.

APPLICABILITY, ELIGIBILITY & CHARACTER OF SERVICE:

This rate provides a means whereby OVGC can, within the physical limitations of its existing distribution system(s), and as per the terms of a written contract (Service Agreement) executed by a specific Customer, provide interruptible sales service to such Customer.

OVGC reserves the right to request that Customer curtail or discontinue the use of natural gas on one (1) hour verbal or written notice and to interrupt such supply of gas at any time that OVGC shall deem it necessary. The Customer agrees to curtail or discontinue the use of gas in compliance with such requests. OVGC shall have the right to physically interrupt the flow of natural gas to any Customer taking service under this rate who fails to curtail or discontinue their use of natural gas within the one (1) hour period following any such request.

Each Customer receiving service under this rate must have a verifiable alternative fuel supply of adequate capacity to allow for possible interruption of natural gas service.

OVGC shall not be obligated to deliver (sell) to Customer in any one (1) hour period an aggregate amount at all points of delivery of more than one-sixteenth (1/16) of the maximum daily volume specified in the Service Agreement.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $475.00 per meter per month

Commodity Charge of $1.0831 per therm

Gas Cost Adjustment (GCA) – As set forth in the latest approved Appendix B (Sheet No. 1-10).

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 1-12).

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00 will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum of twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

UNAUTHORIZED USE:

If Customer fails to completely curtail its use of natural gas within one (1) hour of Company's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) h period commencing at 7:00 a.m. local time and continuing to 7:00 a.m. local time the next day.

RULES AND REGULATIONS:

Sales service hereunder shall be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. 14
Firm Grain Drying Sales Service

AVAILABILITY:

This rate shall be available to Customers whose primary requirement for natural gas is for grain drying and who will take delivery of such natural gas in OVGC's ANR Service Area.

APPLICABILITY, ELIGIBILITY & CHARACTER OF SERVICE:

This rate provides a means whereby OVGC can, within the physical limitations of its existing distribution system(s), deliver natural gas for grain drying. Service provided hereunder shall be metered and billed separately from service provided under any other OVGC rate schedule.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge as set forth below.

Commodity Charge of $1.4631 per therm

Gas Cost Adjustment (GCA) – As set forth in the latest approved Appendix B (Sheet No. 1-10).

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 1-12).

FACILITIES CHARGE:

For meter size 1400 scfh or less - $480.00 per meter; to be billed annually in the September billing cycle.
For meter size greater than 1400 scfh - $840.00 per meter; to be billed annually in the September billing cycle.

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made in the amount of $80.00. However, Customers receiving service under this rate shall be allowed one (1) disconnection and reconnection of service per calendar year without the payment of any Reconnection Charge.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 7:00 a.m. local time and continuing to 7:00 a.m. local time the next day.

RULES AND REGULATIONS:

Sales service hereunder shall be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. T15
Large Volume Transportation Service

AVAILABILITY:

This rate schedule shall be available to any "Off-System End-Users" (Customer) whose annual requirements for natural gas are anticipated to be greater than 500,000 Therms; who has executed a Transportation Services Agreement; and who will take delivery of such natural gas in OVGC's ANR Service Area.

APPLICABILITY:

This rate provides a means whereby OVGC, within the physical limitations of its existing distribution systems can, under specific contract (OVGC's Transportation Services Agreement), provide a service for the transportation of Customer-owned natural gas to Customers who will accept delivery of such natural gas in OVGC's ANR Service Area. Service provided hereunder shall be metered and billed separately from service provided under any other OVGC rate schedule.

"OFF-SYSTEM END-USER" DEFINED:

As used in this rate an "Off-System End-User" is a Customer for whom OVGC has no contractual obligation to provide natural gas from its OVGC system supply and for whose natural gas needs and requirements OVGC is not contractually committed to pay interstate pipeline charges of any kind (e.g., demand, capacity, reservation, commodity, etc.).

ELIGIBILITY:

A Customer whose need for service is consistent with the availability paragraph of this rate, and who meets the eligibility requirements set forth below, shall be eligible to receive service under this rate. Service hereunder is intended for any Customer which, after arranging for a supply of natural gas from or through a third party, desires OVGC to provide transportation of said natural gas between two mutually agreeable points on an existing OVGC gas distribution system, and who:

a. Has met all applicable regulatory requirements and has the means (including but not limited to third party arrangements) for delivering natural gas (of specified quality, quantity, pressure, etc.) to the agreed upon OVGC receipt point(s).

b. Has the means (including but not limited to third party arrangements) for receiving and accepting said natural gas at the agreed upon OVGC delivery point(s).

c. Has entered into a Transportation Services Agreement with OVGC for an initial period of not less than one (1) year. Such agreement may contain other provisions relating to said service which are not inconsistent herewith.

d. Has provided OVGC with sufficient documentation and other information to permit prior verification and acceptance of the means and arrangements cited in "a." and "b." above. This documentation will include both transportation arrangements and source of natural gas supply. OVGC may require reasonable assurances from the Customer that the natural gas supply will physically flow to OVGC's receipt point on a timely and uninterrupted basis.

e. Agrees to provide OVGC with written Daily Nominations in a format acceptable to OVGC. All Daily Nominations are due in OVGC's gas supply department by the 25th day of each calendar month for the upcoming month's quantities (in Therms), and shall be detailed by calendar day. All written changes to Daily Nominations, when received in OVGC's gas supply department by 12:00 p.m. Eastern time on a scheduled OVGC workday, will become effective the next twenty-four (24) hour purchase gas day, or such later twenty-four (24) hour purchase gas day as specified by the Customer. If not otherwise indicated, all written changes to a customer's Daily Nominations shall be applicable to the remaining calendar days of the applicable month. Only written Daily Nominations properly received by the OVGC gas supply department will be recognized when determining daily balancing, etc. For the purpose of this rate, electronic (e-mail) or facsimile transmissions to OVGC's gas supply department will be deemed a written notice. Only allocated volumes shown on the applicable interstate pipeline's Electronic Bulletin Board will be recognized when billing any end-user and determining applicable Daily Balancing and Cashout of Monthly Imbalance charges.

f. Agrees that it is the responsibility of the Customer and its agent to ensure that the correct quantities of natural gas are properly nominated to the applicable receipt and delivery points utilized by OVGC. OVGC assumes no responsibility or liability for the accuracy of nominations by Customers receiving service under this rate.

CURTAILMENT:

OVGC will have the right to curtail or discontinue acceptance, transportation or redelivery of natural gas under this rate when:

a. After notification by OVGC to not exceed its Daily Nomination, Customer exceeds its Daily Nomination;

b. The interstate pipeline's Electronic Bulletin Board (EBB) reports Customer's supply quantity is less than as nominated to OVGC;

c. Accident, breakage or other causes of disruption of natural gas delivery into the interstate pipeline system occur which preclude the delivery of Customer's natural gas supply to Company; or,

d. Accident, breakage or other causes of disruption of natural gas delivery to Customer on Company's distribution system is beyond Company's control.

Company will attempt to verify the EBB information with the interstate pipeline prior to invoking a curtailment at Customer's meter. Company's usage of EBB information shall be deemed reasonable by the parties hereto, and Company will not be liable for the accuracy of the information obtained from the EBB. Company will attempt to provide a minimum one (1) hour notice, either verbal, or written, of its intent to curtail or discontinue acceptance, transportation, or redelivery of natural gas.

Any natural gas that flows into Company's city gate station for Customer shall be redelivered to Customer. Gas usage by Customer during a curtailment period in excess of the quantity allowed shall be considered Unauthorized Use and shall be subject to the Unauthorized Use Charge.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $1,300.00 per meter per month.

Commodity Charge of $0.0272 per therm

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 1-12).

FUEL LOSS CHARGE:

OVGC shall retain 1% of the received transport gas to account for fuel loss within the OVGC Distribution System. OVGC will not charge any "Off-System End-User" the Commodity Charge on such retained gas.

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

UNAUTHORIZED USE CHARGE:

If Customer fails to completely curtail its use of natural gas within one (1) hour of Company's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

OVERRUN SERVICE AND DAILY BALANCING CHARGES:

a. **Unauthorized Overrun**

(1) If Customer has been informed by OVGC to stay within their Daily Nomination (plus allowable tolerance), and then uses a quantity of natural gas which is greater than their Daily Nomination (plus allowable tolerance) without prior written or verbal approval of OVGC, the excess shall constitute an Unauthorized Overrun and the Customer shall pay OVGC a penalty of $3.00 per Therm for all natural gas used in excess of the Daily Nomination (plus allowable tolerance) for the applicable twenty-four (24) hour purchase gas day. The penalty shall be in addition to all other applicable charges.

(2) The payment of a penalty for unauthorized overrun shall not, under any circumstances, be considered as giving the Customer the right to take unauthorized overruns. Further, such payment shall not be considered a substitute for any other remedies available to OVGC or any of OVGC's other customers for failure to respect their obligation to adhere to the provisions of the Transportation Services Agreement.

(3) OVGC shall have the right, without obligation, to waive the penalty for any unauthorized overrun provided OVGC's other customers or its pipeline operations were not adversely affected.

(4) OVGC shall waive any penalty for an unauthorized overrun when such overrun occurred under circumstances beyond the control of the Customer due to emergency conditions on OVGC's facilities; or when such overrun is due to accident or breakage of pipelines, machinery, or equipment of the Customer. However, the Customer shall promptly take such action, as may be necessary and practical, to repair or remedy the situation and furnish OVGC with satisfactory evidence that such accident or breakage was not due to negligence.

b. **Authorized Overrun**

(1) Each twenty-four (24) hour purchase gas day, OVGC allows Customer an allowable tolerance on their Daily Nomination, without additional charge.

(2) If the difference between Customer's actual take for a twenty-four (24) hour purchase gas day, and their Daily Nomination as on file with the OVGC gas supply department for the applicable twenty-four (24) hour purchase gas day, is not within the allowable tolerance, those quantities beyond the allowable tolerance will be subject to a Daily Balancing Charge.

c. **Allowable Tolerance**

The allowable tolerance per each twenty-four (24) hour purchase gas day, shall be ten (10) percent of the applicable Daily Nomination on file with OVGC.

d. **Daily Balancing Charge**

Quantities of natural gas used that are not within the allowable tolerance of Customer's Daily Nomination shall be subject to a Daily Balancing Charge of $0.025 per Therm. The Daily Balancing Charge will apply to quantities both above and below the allowable tolerance. The Daily Balancing Charge shall be determined on a daily basis and there will be no netting of individual daily balancing charges.

CASHOUT OF MONTHLY IMBALANCE:

Customer shall be subject to net aggregate monthly imbalance cashout. At the end of each billing month, OVGC will determine the imbalance by comparing the net receipts at OVGC's city gate station from the applicable interstate pipeline to actual deliveries through OVGC's meter(s) located at Customer's location. The net aggregate imbalance percentage for each Customer will be determined by dividing the actual net imbalance by the net quantity delivered to the Customer during the billing cycle month.

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the billing month is LESS than the total quantity of gas delivered by OVGC to the Customer, OVGC shall bill the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Highest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	110%
11% - 15%	120%
16% - 20%	130%
21% & up	140%

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the month is GREATER than the total quantity of gas delivered by OVGC to the Customer, OVGC shall credit the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Lowest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	90%
11% - 15%	80%
16% - 20%	70%
21% & up	60%

If the credit is greater than the total monthly billing, it shall be applied to subsequent billing cycles until such time as the entire credit has been appropriately applied. OVGC will not refund any monies to the Customer unless the credit exceeds the expected combined billings for the next two billing cycles.

SPECIAL CONSIDERATIONS:

A Customer electing to receive service under this rate shall pay a one-time charge of $2,600.00 to offset initial setup costs of the Company.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 9:00 a.m. Central Clock Time and continuing to 9:00 a.m. Central Clock Time the next day.

RULES AND REGULATIONS:

Transportation service hereunder shall, where applicable, be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. T16
Medium Volume Transportation Service

AVAILABILITY:

This rate schedule shall be available to any "Off-System End-Users" (Customer) whose annual requirements for natural gas will be at least 100,000 Therms, but not greater than 500,000 Therms; who has executed a Transportation Services Agreement; and who will take delivery of such natural gas in OVGC's ANR Service Area.

APPLICABILITY:

This rate provides a means whereby OVGC, within the physical limitations of its existing distribution systems can, under specific contract (OVGC's Transportation Services Agreement), provide a service for the transportation of Customer-owned natural gas to Customers who will accept delivery of such natural gas in OVGC's ANR Service Area. Service provided hereunder shall be metered and billed separately from service provided under any other OVGC rate schedule.

"OFF-SYSTEM END-USER" DEFINED:

As used in this rate an "Off-System End-User" is a Customer for whom OVGC has no contractual obligation to provide natural gas from its OVGC system supply and for whose natural gas needs and requirements OVGC is not contractually committed to pay interstate pipeline charges of any kind (e.g., demand, capacity, reservation, commodity, etc.).

ELIGIBILITY:

A Customer whose need for service is consistent with the availability paragraph of this rate, and who meets the eligibility requirements set forth below, shall be eligible to receive service under this rate. Service hereunder is intended for any Customer which, after arranging for a supply of natural gas from or through a third party, desires OVGC to provide transportation of said natural gas between two mutually agreeable points on an existing OVGC gas distribution system, and who:

a. Has met all applicable regulatory requirements and has the means (including but not limited to third party arrangements) for delivering natural gas (of specified quality, quantity, pressure, etc.) to the agreed upon OVGC receipt point(s).

b. Has the means (including but not limited to third party arrangements) for receiving and accepting said natural gas at the agreed upon OVGC delivery point(s).

c. Has entered into a Transportation Services Agreement with OVGC for an initial period of not less than one (1) year. Such agreement may contain other provisions relating to said service which are not inconsistent herewith.

d. Has provided OVGC with sufficient documentation and other information to permit prior verification and acceptance of the means and arrangements cited in "a." and "b." above. This documentation will include both transportation arrangements and source of natural gas supply.

OVGC may require reasonable assurances from the Customer that the natural gas supply will physically flow to OVGC's receipt point on a timely and uninterrupted basis.

e. Agrees to provide OVGC with written Daily Nominations in a format acceptable to OVGC. All Daily Nominations are due in OVGC's gas supply department by the 25th day of each calendar month for the upcoming month's quantities (in Therms), and shall be detailed by calendar day. All written changes to Daily Nominations, when received in OVGC's gas supply department by 12:00 p.m. Eastern time on a scheduled OVGC workday, will become effective the next twenty-four (24) hour purchase gas day, or such later twenty-four (24) hour purchase gas day as specified by the Customer. If not otherwise indicated, all written changes to a customer's Daily Nominations shall be applicable to the remaining calendar days of the applicable month. Only written Daily Nominations properly received by the OVGC gas supply department will be recognized when determining daily balancing, etc. For the purpose of this rate, electronic (e-mail) or facsimile transmissions to OVGC's gas supply department will be deemed a written notice. Only allocated volumes shown on the applicable interstate pipeline's Electronic Bulletin Board will be recognized when billing any end-user and determining applicable Daily Balancing and Cashout of Monthly Imbalance charges.

f. Agrees that it is the responsibility of the Customer and its agent to ensure that the correct quantities of natural gas are properly nominated to the applicable receipt and delivery points utilized by OVGC. OVGC assumes no responsibility or liability for the accuracy of nominations by Customers receiving service under this rate.

CURTAILMENT:

OVGC will have the right to curtail or discontinue acceptance, transportation or redelivery of natural gas under this rate when:

a. After notification by OVGC to not exceed its Daily Nomination, Customer exceeds its D Nomination;

b. The interstate pipeline's Electronic Bulletin Board (EBB) reports Customer's supply quantity is less than as nominated to OVGC;

c. Accident, breakage or other causes of disruption of natural gas delivery into the interstate pipeline system occur which preclude the delivery of Customer's natural gas supply to Company; or,

d. Accident, breakage or other causes of disruption of natural gas delivery to Customer on Company's distribution system is beyond Company's control.

Company will attempt to verify the EBB information with the interstate pipeline prior to invoking a curtailment at Customer's meter. Company's usage of EBB information shall be deemed reasonable by the parties hereto, and Company will not be liable for the accuracy of the information obtained from the EBB. Company will attempt to provide a minimum one (1) hour notice, either verbal, or written, of its intent to curtail or discontinue acceptance, transportation, or redelivery of natural gas.

Any natural gas that flows into Company's city gate station for Customer shall be redelivered to Customer. Gas usage by Customer during a curtailment period in excess of the quantity allowed shall be considered Unauthorized Use and shall be subject to the Unauthorized Use Charge.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $550.00 per meter per month.

Commodity Charge of $0.1145 per therm

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 1-12).

FUEL LOSS CHARGE:

OVGC shall retain 1% of the received transport gas to account for fuel loss within the OVGC Distribution System. OVGC will not charge any "Off-System End-User" the Commodity Charge on such retained gas.

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

UNAUTHORIZED USE CHARGE:

If Customer fails to completely curtail its use of natural gas within one (1) hour of Company's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

OVERRUN SERVICE AND DAILY BALANCING CHARGES:

a. **Unauthorized Overrun**

(1.) If Customer has been informed by OVGC to stay within their Daily Nomination (plus allowable tolerance), and then uses a quantity of natural gas which is greater than their Daily Nomination (plus allowable tolerance) without prior written or verbal approval of OVGC, the excess shall constitute an Unauthorized Overrun and the Customer shall pay OVGC a penalty of $3.00 per Therm for all natural gas used in excess of the Daily Nomination (plus allowable tolerance) for the applicable twenty-four (24) hour purchase gas day. The penalty shall be in addition to all other applicable charges.

(2.) The payment of a penalty for unauthorized overrun shall not, under any circumstances, be considered as giving the Customer the right to take unauthorized overruns. Further, such payment shall not be considered a substitute for any other remedies available to OVGC or any of OVGC's other customers for failure to respect their obligation to adhere to the provisions of the Transportation Services Agreement.

(3.) OVGC shall have the right, without obligation, to waive the penalty for any unauthorized overrun provided OVGC's other customers or its pipeline operations were not adversely affected.

(4.) OVGC shall waive any penalty for an unauthorized overrun when such overrun occurred under circumstances beyond the control of the Customer due to emergency conditions on OVGC's facilities; or when such overrun is due to accident or breakage of pipelines, machinery, equipment of the Customer. However, the Customer shall promptly take such action, as may be necessary and practical, to repair or remedy the situation and furnish OVGC with satisfactory evidence that such accident or breakage was not due to negligence.

b. **Authorized Overrun**

(1) Each twenty-four (24) hour purchase gas day, OVGC allows Customer an allowable tolerance on their Daily Nomination, without additional charge.

(2) If the difference between Customer's actual take for a twenty-four (24) hour purchase gas day, and their Daily Nomination as on file with the OVGC gas supply department for the applicable twenty-four (24) hour purchase gas day, is not within the allowable tolerance, those quantities beyond the allowable tolerance will be subject to a Daily Balancing Charge.

c. **Allowable Tolerance**

The allowable tolerance per each twenty-four (24) hour purchase gas day shall be ten (10) percent of the applicable Daily Nomination on file with OVGC.

d. **Daily Balancing Charge**

Quantities of natural gas used that are not within the allowable tolerance of Customer's Daily Nomination shall be subject to a Daily Balancing Charge of $0.025 per Therm. The Daily Balancing Charge will apply to quantities both above and below the allowable tolerance. The Daily Balancing Charge shall be determined on a daily basis and there will be no netting of individual daily balancing charges.

CASHOUT OF MONTHLY IMBALANCE:

Customer shall be subject to net aggregate monthly imbalance cashout. At the end of each billing month, OVGC will determine the imbalance by comparing the net receipts at OVGC's city gate station from the applicable interstate pipeline to actual deliveries through OVGC's meter(s) located at Customer's location. The net aggregate imbalance percentage for each Customer will be determined by dividing the actual net imbalance by the net quantity delivered to the Customer during the billing cycle month.

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the billing month is LESS than the total quantity of gas delivered by OVGC to the Customer, OVGC shall bill the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Highest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	110%
11% - 15%	120%
16% - 20%	130%
21% & up	140%

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the month is GREATER than the total quantity of gas delivered by OVGC to the Customer, OVGC shall credit the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Lowest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	90%
11% - 15%	80%
16% - 20%	70%
21% & up	60%

If the credit is greater than the total monthly billing, it shall be applied to subsequent billing cycles until such time as the entire credit has been appropriately applied. OVGC will not refund any monies to the Customer unless the credit exceeds the expected combined billings for the next two billing cycles.

SPECIAL CONSIDERATIONS:

A Customer electing to receive service under this rate shall pay a one-time charge of $1,800.00 to offset initial setup costs of the Company.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 9:00 a.m. Central Clock Time and continuing to 9:00 a.m. Central Clock Time the next day.

RULES AND REGULATIONS:

Transportation service hereunder shall, where applicable, be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RESERVED FOR FUTURE USE

RATE NO. T18
Public Schools Transportation Service

AVAILABILITY:

This Rate Schedule shall be available throughout the ANR Service Area, subject to the availability of adequate facilities, which determination shall be within OVGC's reasonable discretion.

APPLICABILITY:

This Rate Schedule provides a means whereby OVGC, within the physical limitations of its existing distribution systems can, under specific contract (OVGC's Transportation Services Agreement), provide a service for the transportation of "Off-System" end-user owned natural gas. This Rate Schedule shall be applicable to any public educational institution serving students in grades K through 12 that elects service hereunder.

A Customer is further defined for this Rate Schedule to be a single public school corporation, or multiple public school corporations, that elect(s) to purchase gas supply and pipeline capacity for one or more of its school facilities from a supplier other than OVGC, and meets all requirements of this Rate Schedule. Each school facility served under this Rate Schedule will have annual requirements for natural gas of less than 100,000 therms. A school facility is further defined as being any single structure owned by and utilized by the Customer to serve students as defined in the above paragraph.

OVGC will contract directly with the Customer for all transportation services under this Rate Schedule. No separate pooling services agreement will be transacted with the Customer's supplier and/or gas marketer.

Any school facility of the Customer already on another OVGC transportation rate schedule and continuing to qualify for same may remain on such rate schedule after this Rate Schedule becomes effective.

"OFF-SYSTEM END-USER"DEFINED:

As used in this Rate Schedule an "Off-System" Customer is a Customer for whom OVGC has no contractual obligation to provide natural gas from its system supply and for whose natural gas needs and requirements OVGC is not contractually committed to pay interstate pipeline charges of any kind (e.g., demand, capacity, reservation, commodity, etc.).

ELIGIBILITY:

Any Customer who meets the requirements of the applicability paragraph is eligible for service under this Rate Schedule, and who:

a. Has met all applicable regulatory requirements and has the means (including but not limited to third party arrangements) for delivering said gas (of specified quality, quantity, pressure, etc.) to the agreed upon OVGC receipt point.

b. Has the means (including but not limited to third party arrangements) for receiving and accepting said gas at the agreed upon OVGC delivery point. Has entered into a Transportation Service Agreement with OVGC for an initial period of not less than one (1) year. This Agreement may contain other provisions relating to said service which are not inconsistent herewith. Written notification to OVGC of Customer's intent to change from a sales rate schedule to this Rate Schedule and execution of the Agreement with OVGC is required no later than sixty (60) days prior to the first calendar day of the first calendar month for which service under this Rate Schedule is to begin. OVGC reserves the right to waive the sixty (60) day requirement.

c. Has provided OVGC with sufficient documentation and other information to permit prior verification and approval of the means and arrangements cited in "a." and "b." above. This documentation will include both transportation arrangements and source of natural gas supply. OVGC may require reasonable assurances from the Customer that the natural gas supply will physically flow to OVGC's receipt point on a timely and non-interrupted basis.

d. Agrees to provide OVGC with written Daily Nominations in a format acceptable to OVGC. All Daily Nominations are due in OVGC's gas supply department by the 25th day of each calendar month for the upcoming month's quantities in Therms, and shall be detailed by calendar day. All written changes to the Daily Nominations, when received in OVGC's gas supply department by 12:00 p.m. on a scheduled OVGC working day, will become effective the next twenty-four (24) hour purchase gas day, or such later twenty-four (24) hour purchase gas day specified by the customer. All written changes to the Daily Nominations shall be reflected for the remaining calendar days of the applicable month. Only written Daily Nominations properly received by the OVGC gas supply department will be recognized when determining daily balancing, etc. For the purpose of this Rate Schedule, facsimile transmissions or emails to OVGC's gas supply department will be deemed a written notice. Only allocated volumes shown on the applicable interstate pipeline's Electronic Bulletin Board will be recognized when billing and determining the Daily Balancing Charge and Cashout of Monthly Imbalance.

e. Agrees it is the responsibility of the Customer and its agent to ensure that the correct quantities of natural gas are properly nominated to the applicable receipt and delivery points utilized by OVGC. OVGC assumes no responsibility or liability for the accuracy of nominations. Nomination quantity is defined as the Customer's (a single or multiple public school corporations) supply requirements for the total of its school facilities for each Customer Group (each school corporation of the Customer) being served under this Rate Schedule per OVGC's designated receipt point.

f. Agrees to provide a dedicated telephone line at each metering location at Customer's expense that is capable of allowing the Company and Customer to contact the metering location to obtain flow information for the purpose of tracking daily and monthly usage.

g. Pays all existing arrearages for utility services prior to entering into a Transportation Service Agreement with OVGC.

CURTAILMENT:

OVGC will have the right to curtail or discontinue acceptance, transportation or redelivery of natural gas under this rate when:

a. After notification by OVGC to not exceed its Daily Nomination, Customer exceeds its Daily Nomination;

b. The interstate pipeline's Electronic Bulletin Board (EBB) reports Customer's supply quantity is less than as nominated to OVGC;

c. Accident, breakage or other causes of disruption of natural gas delivery into the interstate pipeline system occur which preclude the delivery of Customer's natural gas supply to Company; or,

d. Accident, breakage or other causes of disruption of natural gas delivery to Customer on Company's distribution system is beyond Company's control.

Company will attempt to verify the EBB information with the interstate pipeline prior to invoking a curtailment at Customer's meter. Company's usage of EBB information shall be deemed reasonable by the parties hereto, and Company will not be liable for the accuracy of the information obtained from the EBB. Company will attempt to provide a minimum one (1) hour notice, either verbal, or written, of its intent to curtail or discontinue acceptance, transportation, or redelivery of natural gas.

Any natural gas that flows into Company's city gate station for Customer shall be redelivered to Customer. Gas usage by Customer during a curtailment period in excess of the quantity allowed shall be considered Unauthorized Use and shall subject to the Unauthorized Use Charge.

CUSTOMER BILLING:

Each school facility of the Customer electing this Rate Schedule will be metered and levied a monthly Service Charge for each meter in service. Each meter and its metered volume will be listed on Customer's bill. Metered volumes of Customer will be aggregated on Customer's bill by OVGC receipt point for the purposes of calculating the Daily Balancing Charge and the Cash-Out of Monthly Imbalance. Where applicable, metered volumes will be grouped on Customer's bill by Customer Group (each school corporation) for purposes of calculating the Daily Balancing Charge and the Cash-Out of Monthly Imbalance, and further grouped by Meter Group for the appropriate application of charges per this Rate Schedule.

Metered volumes of multiple meters will not be aggregated on Customer's bill to avoid monthly Service Charges. Metered volumes of school facilities will not be aggregated to meet minimum volume requirements for application of OVGC's other transportation tariffs.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge, as applicable, per the following:

- Meter Group 1: $36.00 per meter per billing cycle month
- Meter Group 2: $56.00 per meter per billing cycle month
- Meter Group 3: $515.00 per meter per billing cycle month

Commodity Charge of $0.2594 per therm

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 1-12).

METER GROUP DETERMINATION:

- Meter Group 1: meter size 675 scfh or less
- Meter Group 2: meter size greater than 675 scfh
- Meter Group 3: Customer moving from, or otherwise eligible (volumetrically) for OVGC's applicable interruptible sales service rate.

FUEL LOSS CHARGE:

OVGC shall retain 1% of the received transport gas to account for fuel loss within the OVGC Distribution System. OVGC will not charge any "Off-System End-User" the Commodity Charge on such retained gas.

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over 3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

UNAUTHORIZED USE CHARGE:

If Customer fails to completely curtail its use of natural gas within one (1) hour of Company's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

OVERRUN SERVICE AND DAILY BALANCING CHARGES:

a. **Unauthorized Overrun**

(1) If Customer has been informed by OVGC to stay within their Daily Nomination (plus allowable tolerance), and then uses a quantity of natural gas which is greater than their Daily Nomination (plus allowable tolerance) without prior written or verbal approval of OVGC, the excess shall constitute an Unauthorized Overrun and the Customer shall pay OVGC a penalty of $3.00 per Therm for all natural gas used in excess of the Daily Nomination (plus allowable tolerance) for the applicable twenty-four (24) hour purchase gas day. The penalty shall be in addition to all other applicable charges.

(2) The payment of a penalty for unauthorized overrun shall not, under any circumstances, be considered as giving the Customer the right to take unauthorized overruns. Further, such payment shall not be considered a substitute for any other remedies available to OVGC or any of OVGC's other customers for failure to respect their obligation to adhere to the provisions of the Transportation Services Agreement.

(3) OVGC shall have the right, without obligation, to waive the penalty for any unauthorized overrun provided OVGC's other customers or its pipeline operations were not adversely affected.

(4) OVGC shall waive any penalty for an unauthorized overrun when such overrun occurred under circumstances beyond the control of the Customer due to emergency conditions on OVGC's facilities; or when such overrun is due to accident or breakage of pipelines, machinery, equipment of the Customer. However, the Customer shall promptly take such action, as may be necessary and practical, to repair or remedy the situation and furnish OVGC with satisfactory evidence that such accident or breakage was not due to negligence.

b. **Authorized Overrun**

(1) Each twenty-four (24) hour purchase gas day, OVGC allows Customer an allowable tolerance on their Daily Nomination, without additional charge.

(2) If the difference between Customer's actual take for a twenty-four (24) hour purchase gas day, and their Daily Nomination as on file with the OVGC gas supply department for the applicable twenty-four (24) hour purchase gas day, is not within the allowable tolerance, those quantities beyond the allowable tolerance will be subject to a Daily Balancing Charge.

c. **Allowable Tolerance**

The allowable tolerance per each twenty-four (24) hour purchase gas day, shall be ten (10) percent of the applicable Daily Nomination on file with OVGC.

d. **Daily Balancing Charge**

Quantities of natural gas used that are not within the allowable tolerance of Customer's Daily Nomination shall be subject to a Daily Balancing Charge of $0.025 per Therm. The Daily Balancing Charge will apply to quantities both above and below the allowable tolerance. The Daily Balancing Charge shall be determined on a daily basis and there will be no netting of individual daily balancing charges.

CASHOUT OF MONTHLY IMBALANCE:

Customer shall be subject to net aggregate monthly imbalance cashout. At the end of each billing month, OVGC will determine the imbalance by comparing the net receipts at OVGC's city gate station from the applicable interstate pipeline to actual deliveries through Customer's meter aggregated by OVGC receipt point or, if applicable, by each Customer Group of Customer. The net aggregate imbalance percentage for each Customer Group of Customer will be determined by dividing the actual net imbalance by the net quantity delivered to the Customer during the billing cycle month.

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the billing month is LESS than the total quantity of gas delivered by OVGC to the Customer, OVGC shall bill the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Highest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	110%
11% - 15%	120%
16% - 20%	130%
21% & up	140%

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the month is GREATER than the total quantity of gas delivered by OVGC to the Customer, OVGC shall credit the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Lowest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	90%
11% - 15%	80%
16% - 20%	70%
21% & up	60%

If the credit is greater than the total monthly billing, it shall be applied to subsequent billing cycles until such time as the entire credit has been appropriately applied. OVGC will not refund any monies to the Customer unless the credit exceeds the expected combined billings for the next two billing cycles.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 9:00 a.m. Central Clock Time and continuing to 9:00 a.m. Central Clock Time the next day.

RULES AND REGULATIONS:

Transportation service hereunder shall, where applicable, be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

APPENDIX A
BASE RATE COST OF GAS*

The base rate cost of gas included in Rates 11, 12 , 13, and 14 in accordance with the Order of the Indiana Utility Regulatory Commission, approved _____ , in Cause No. 43209, is as follows:

RATE	BASE RATE COST OF GAS
11	$1.0623 per Therm
12	$1.0623 per Therm
13	$1.0623 per Therm
14	$1.0623 per Therm

*NOTE: The Base Rate Cost of Gas was determined by dividing the adjusted net cost of gas (during the test year of Cause No. 43209) by the adjusted test year volume of sales (in therms).

APPENDIX B
GAS COST ADJUSTMENT FACTOR FOR PURCHASED GAS

The Rate Adjustment for the following rates shall be on the basis of a rate tracking factor, occasioned solely by changes in the cost of purchased gas, in accordance with the order of the Indiana Utility Regulatory Commission, approved May 14, 1986 in Cause No. 37091, as follows:

RATE	APPLICABLE GAS COST ADJUSTMENT FACTOR
11	$_____ per Therm
12	$_____ per Therm
13	$_____ per Therm
14	$_____ per Therm

Base Rates effective_____, in accordance with Indiana Utility Regulatory Commission Order issued under Cause No. 43209. The Base Rate Cost of Gas included in each of the following Base Rates is stated in Appendix A - Sheet No. 1-9.

RATE	BASE RATE	NEW GCA FACTOR	NEW RATE
11	$_____ per Therm	$_____ per Therm	$_____ per Therm
12	$_____ per Therm	$_____ per Therm	$_____ per Therm
13	$_____ per Therm	$_____ per Therm	$_____ per Therm
14	$_____ per Therm	$_____ per Therm	$_____ per Therm

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT

The billed amount for each Rate 11 (Firm Small Volume Gas Service) Customer shall be subject to a Normal Temperature Adjustment (NTA) for each bill rendered during the seven month period of November through May inclusive.

The NTA adjusts each Customer's monthly billed amount to reverse the impact on margin recovery caused by non-normal temperatures during the billing period, as measured by actual heating degree day variations from normal heating degree days.

NTA COMPUTATION

The NTA for each Customer's monthly billing shall be computed as follows:

NTA = NTA Therms x NTA Margin

NTA THERMS

The NTA Therms usage for each Customer to which the NTA Margin shall be applied is computed as follows:

$$\text{NTA Therms} = \frac{[\text{Actual Usage} - \text{Base Load Usage}] \times [\text{Normal Degree Days} - \text{Actual Degree Days}]}{\text{Actual Degree Days}}$$

NTA MARGIN

The NTA Margin shall be the margin (non-gas cost) component of the Commodity Charge (Base Rate Less Base Rate Cost of Gas) for the applicable Rate Schedule.

BASE LOAD THERMS (USAGE)

Base Load Usage shall be each Customer's average daily therms billed for the previous summer months (months of July, August and September) multiplied by the number of days in the billing period.

For Customers whose Base Load Usage cannot be accurately determined (e.g., new Customers without three months of summer usage history), an estimated Base Load Usage shall be used.

NORMAL AND ACTUAL DEGREE DAYS

Normal Degree Days for each Customer's billing period shall be as set forth in the tables on the following pages.

Actual Degree Days for each Customer's billing period shall be taken from the actual heating degree days reported each day by the National Weather Service at either Indianapolis, Indiana (for those customers located in OVGC's Portland, Winchester and Union City districts), or Evansville, Indiana (for those customers located in OVGC's Tell City district).

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD)-INDIANAPOLIS
NON-LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0	Aug 22	0	Oct 13	10	Dec 4	29	Jan 25	39	Mar 18	22	May 9	6
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	29	Jan 26	38	Mar 19	22	May 10	6
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	30	Jan 27	38	Mar 20	22	May 11	5
Jul 4	0	Aug 25	0	Oct 16	11	Dec 7	30	Jan 28	38	Mar 21	21	May 12	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	31	Jan 29	38	Mar 22	21	May 13	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	31	Jan 30	38	Mar 23	21	May 14	5
Jul 7	0	Aug 28	1	Oct 19	12	Dec 10	31	Jan 31	38	Mar 24	20	May 15	5
Jul 8	0	Aug 29	1	Oct 20	12	Dec 11	32	Feb 1	38	Mar 25	20	May 16	4
Jul 9	0	Aug 30	1	Oct 21	12	Dec 12	32	Feb 2	38	Mar 26	20	May 17	4
Jul 10	0	Aug 31	1	Oct 22	13	Dec 13	32	Feb 3	37	Mar 27	19	May 18	4
Jul 11	0	Sep 1	1	Oct 23	13	Dec 14	32	Feb 4	37	Mar 28	19	May 19	4
Jul 12	0	Sep 2	1	Oct 24	14	Dec 15	33	Feb 5	37	Mar 29	19	May 20	3
Jul 13	0	Sep 3	1	Oct 25	14	Dec 16	33	Feb 6	37	Mar 30	18	May 21	3
Jul 14	1	Sep 4	1	Oct 26	14	Dec 17	33	Feb 7	36	Mar 31	18	May 22	3
Jul 15	1	Sep 5	1	Oct 27	15	Dec 18	34	Feb 8	36	Apr 1	18	May 23	3
Jul 16	0	Sep 6	1	Oct 28	15	Dec 19	34	Feb 9	36	Apr 2	17	May 24	3
Jul 17	0	Sep 7	1	Oct 29	15	Dec 20	34	Feb 10	36	Apr 3	17	May 25	3
Jul 18	0	Sep 8	1	Oct 30	16	Dec 21	35	Feb 11	35	Apr 4	17	May 26	2
Jul 19	0	Sep 9	1	Oct 31	16	Dec 22	35	Feb 12	35	Apr 5	16	May 27	2
Jul 20	0	Sep 10	1	Nov 1	16	Dec 23	35	Feb 13	35	Apr 6	16	May 28	2
Jul 21	0	Sep 11	2	Nov 2	17	Dec 24	35	Feb 14	35	Apr 7	16	May 29	2
Jul 22	0	Sep 12	2	Nov 3	17	Dec 25	36	Feb 15	34	Apr 8	15	May 30	2
Jul 23	0	Sep 13	2	Nov 4	18	Dec 26	36	Feb 16	34	Apr 9	15	May 31	2
Jul 24	0	Sep 14	2	Nov 5	18	Dec 27	36	Feb 17	34	Apr 10	15	Jun 1	2
Jul 25	0	Sep 15	2	Nov 6	18	Dec 28	36	Feb 18	33	Apr 11	15	Jun 2	2
Jul 26	0	Sep 16	2	Nov 7	19	Dec 29	37	Feb 19	33	Apr 12	14	Jun 3	1
Jul 27	0	Sep 17	2	Nov 8	19	Dec 30	37	Feb 20	33	Apr 13	14	Jun 4	1
Jul 28	0	Sep 18	3	Nov 9	19	Dec 31	37	Feb 21	32	Apr 14	14	Jun 5	1
Jul 29	0	Sep 19	3	Nov 10	20	Jan 1	37	Feb 22	32	Apr 15	13	Jun 6	1
Jul 30	0	Sep 20	3	Nov 11	20	Jan 2	37	Feb 23	32	Apr 16	13	Jun 7	1
Jul 31	0	Sep 21	3	Nov 12	21	Jan 3	38	Feb 24	31	Apr 17	13	Jun 8	1
Aug 1	0	Sep 22	4	Nov 13	21	Jan 4	38	Feb 25	31	Apr 18	12	Jun 9	1
Aug 2	0	Sep 23	4	Nov 14	21	Jan 5	38	Feb 26	30	Apr 19	12	Jun 10	1
Aug 3	0	Sep 24	4	Nov 15	22	Jan 6	38	Feb 27	30	Apr 20	12	Jun 11	1
Aug 4	0	Sep 25	4	Nov 16	22	Jan 7	38	Feb 28	30	Apr 21	11	Jun 12	1
Aug 5	0	Sep 26	4	Nov 17	23	Jan 8	38	Mar 1	29	Apr 22	11	Jun 13	1
Aug 6	0	Sep 27	5	Nov 18	23	Jan 9	38	Mar 2	29	Apr 23	11	Jun 14	1
Aug 7	0	Sep 28	5	Nov 19	23	Jan 10	39	Mar 3	28	Apr 24	10	Jun 15	0
Aug 8	0	Sep 29	5	Nov 20	24	Jan 11	39	Mar 4	28	Apr 25	10	Jun 16	0
Aug 9	0	Sep 30	6	Nov 21	24	Jan 12	39	Mar 5	28	Apr 26	10	Jun 17	0
Aug 10	0	Oct 1	6	Nov 22	24	Jan 13	39	Mar 6	27	Apr 27	10	Jun 18	0
Aug 11	0	Oct 2	6	Nov 23	25	Jan 14	39	Mar 7	27	Apr 28	9	Jun 19	0
Aug 12	0	Oct 3	7	Nov 24	25	Jan 15	39	Mar 8	26	Apr 29	9	Jun 20	0
Aug 13	0	Oct 4	7	Nov 25	26	Jan 16	39	Mar 9	26	Apr 30	9	Jun 21	0
Aug 14	0	Oct 5	7	Nov 26	26	Jan 17	39	Mar 10	26	May 1	8	Jun 22	0
Aug 15	0	Oct 6	7	Nov 27	26	Jan 18	39	Mar 11	25	May 2	8	Jun 23	0
Aug 16	0	Oct 7	8	Nov 28	27	Jan 19	39	Mar 12	25	May 3	8	Jun 24	0
Aug 17	0	Oct 8	8	Nov 29	27	Jan 20	39	Mar 13	24	May 4	7	Jun 25	0
Aug 18	0	Oct 9	8	Nov 30	28	Jan 21	39	Mar 14	24	May 5	7	Jun 26	0
Aug 19	0	Oct 10	9	Dec 1	28	Jan 22	39	Mar 15	24	May 6	7	Jun 27	0
Aug 20	0	Oct 11	9	Dec 2	28	Jan 23	39	Mar 16	23	May 7	7	Jun 28	0
Aug 21	0	Oct 12	9	Dec 3	29	Jan 24	39	Mar 17	23	May 8	6	Jun 29	0
												Jun 30	0

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD)-INDIANAPOLIS
LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0	Aug 22	0	Oct 13	10	Dec 4	29	Jan 25	39	Mar 17	22	May 8	6
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	29	Jan 26	38	Mar 18	22	May 9	6
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	30	Jan 27	38	Mar 19	22	May 10	5
Jul 4	0	Aug 25	0	Oct 16	11	Dec 7	30	Jan 28	38	Mar 20	21	May 11	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	31	Jan 29	38	Mar 21	21	May 12	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	31	Jan 30	38	Mar 22	21	May 13	5
Jul 7	0	Aug 28	1	Oct 19	12	Dec 10	31	Jan 31	38	Mar 23	20	May 14	5
Jul 8	0	Aug 29	1	Oct 20	12	Dec 11	32	Feb 1	38	Mar 24	20	May 15	4
Jul 9	0	Aug 30	1	Oct 21	12	Dec 12	32	Feb 2	38	Mar 25	20	May 16	4
Jul 10	0	Aug 31	1	Oct 22	13	Dec 13	32	Feb 3	37	Mar 26	19	May 17	4
Jul 11	0	Sep 1	1	Oct 23	13	Dec 14	32	Feb 4	37	Mar 27	19	May 18	4
Jul 12	0	Sep 2	1	Oct 24	14	Dec 15	33	Feb 5	37	Mar 28	19	May 19	3
Jul 13	0	Sep 3	1	Oct 25	14	Dec 16	33	Feb 6	37	Mar 29	18	May 20	3
Jul 14	1	Sep 4	1	Oct 26	14	Dec 17	33	Feb 7	36	Mar 30	18	May 21	3
Jul 15	1	Sep 5	1	Oct 27	15	Dec 18	34	Feb 8	36	Mar 31	18	May 22	3
Jul 16	0	Sep 6	1	Oct 28	15	Dec 19	34	Feb 9	36	Apr 1	17	May 23	3
Jul 17	0	Sep 7	1	Oct 29	15	Dec 20	34	Feb 10	36	Apr 2	17	May 24	3
Jul 18	0	Sep 8	1	Oct 30	16	Dec 21	35	Feb 11	35	Apr 3	17	May 25	2
Jul 19	0	Sep 9	1	Oct 31	16	Dec 22	35	Feb 12	35	Apr 4	16	May 26	2
Jul 20	0	Sep 10	1	Nov 1	16	Dec 23	35	Feb 13	35	Apr 5	16	May 27	2
Jul 21	0	Sep 11	2	Nov 2	17	Dec 24	35	Feb 14	35	Apr 6	16	May 28	2
Jul 22	0	Sep 12	2	Nov 3	17	Dec 25	36	Feb 15	34	Apr 7	15	May 29	2
Jul 23	0	Sep 13	2	Nov 4	18	Dec 26	36	Feb 16	34	Apr 8	15	May 30	2
Jul 24	0	Sep 14	2	Nov 5	18	Dec 27	36	Feb 17	34	Apr 9	15	May 31	
Jul 25	0	Sep 15	2	Nov 6	18	Dec 28	36	Feb 18	33	Apr 10	15	Jun 1	
Jul 26	0	Sep 16	2	Nov 7	19	Dec 29	37	Feb 19	33	Apr 11	14	Jun 2	1
Jul 27	0	Sep 17	2	Nov 8	19	Dec 30	37	Feb 20	33	Apr 12	14	Jun 3	1
Jul 28	0	Sep 18	3	Nov 9	19	Dec 31	37	Feb 21	32	Apr 13	14	Jun 4	1
Jul 29	0	Sep 19	3	Nov 10	20	Jan 1	37	Feb 22	32	Apr 14	13	Jun 5	1
Jul 30	0	Sep 20	3	Nov 11	20	Jan 2	37	Feb 23	32	Apr 15	13	Jun 6	1
Jul 31	0	Sep 21	3	Nov 12	21	Jan 3	38	Feb 24	31	Apr 16	13	Jun 7	1
Aug 1	0	Sep 22	4	Nov 13	21	Jan 4	38	Feb 25	31	Apr 17	12	Jun 8	1
Aug 2	0	Sep 23	4	Nov 14	21	Jan 5	38	Feb 26	30	Apr 18	12	Jun 9	1
Aug 3	0	Sep 24	4	Nov 15	22	Jan 6	38	Feb 27	30	Apr 19	12	Jun 10	1
Aug 4	0	Sep 25	4	Nov 16	22	Jan 7	38	Feb 28	30	Apr 20	11	Jun 11	1
Aug 5	0	Sep 26	4	Nov 17	23	Jan 8	38	Feb 29	29	Apr 21	11	Jun 12	1
Aug 6	0	Sep 27	5	Nov 18	23	Jan 9	38	Mar 1	29	Apr 22	11	Jun 13	1
Aug 7	0	Sep 28	5	Nov 19	23	Jan 10	39	Mar 2	28	Apr 23	10	Jun 14	0
Aug 8	0	Sep 29	5	Nov 20	24	Jan 11	39	Mar 3	28	Apr 24	10	Jun 15	0
Aug 9	0	Sep 30	6	Nov 21	24	Jan 12	39	Mar 4	28	Apr 25	10	Jun 16	0
Aug 10	0	Oct 1	6	Nov 22	24	Jan 13	39	Mar 5	27	Apr 26	10	Jun 17	0
Aug 11	0	Oct 2	6	Nov 23	25	Jan 14	39	Mar 6	27	Apr 27	9	Jun 18	0
Aug 12	0	Oct 3	7	Nov 24	25	Jan 15	39	Mar 7	26	Apr 28	9	Jun 19	0
Aug 13	0	Oct 4	7	Nov 25	26	Jan 16	39	Mar 8	26	Apr 29	9	Jun 20	0
Aug 14	0	Oct 5	7	Nov 26	26	Jan 17	39	Mar 9	26	Apr 30	8	Jun 21	0
Aug 15	0	Oct 6	7	Nov 27	26	Jan 18	39	Mar 10	25	May 1	8	Jun 22	0
Aug 16	0	Oct 7	8	Nov 28	27	Jan 19	39	Mar 11	25	May 2	8	Jun 23	0
Aug 17	0	Oct 8	8	Nov 29	27	Jan 20	39	Mar 12	24	May 3	7	Jun 24	0
Aug 18	0	Oct 9	8	Nov 30	28	Jan 21	39	Mar 13	24	May 4	7	Jun 25	0
Aug 19	0	Oct 10	9	Dec 1	28	Jan 22	39	Mar 14	24	May 5	7	Jun 26	0
Aug 20	0	Oct 11	9	Dec 2	28	Jan 23	39	Mar 15	23	May 6	7	Jun 27	0
Aug 21	0	Oct 12	9	Dec 3	29	Jan 24	39	Mar 16	23	May 7	6	Jun 28	0
												Jun 29	0
												Jun 30	0

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD) - EVANSVILLE
NON-LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0	Aug 22	0	Oct 13	7	Dec 4	26	Jan 25	34	Mar 18	18	May 9	4
Jul 2	0	Aug 23	0	Oct 14	8	Dec 5	26	Jan 26	34	Mar 19	18	May 10	4
Jul 3	0	Aug 24	0	Oct 15	8	Dec 6	26	Jan 27	34	Mar 20	17	May 11	3
Jul 4	0	Aug 25	0	Oct 16	8	Dec 7	26	Jan 28	34	Mar 21	17	May 12	3
Jul 5	0	Aug 26	0	Oct 17	9	Dec 8	27	Jan 29	33	Mar 22	17	May 13	3
Jul 6	0	Aug 27	0	Oct 18	9	Dec 9	27	Jan 30	33	Mar 23	17	May 14	3
Jul 7	0	Aug 28	0	Oct 19	9	Dec 10	27	Jan 31	33	Mar 24	16	May 15	3
Jul 8	0	Aug 29	0	Oct 20	10	Dec 11	28	Feb 1	33	Mar 25	16	May 16	2
Jul 9	0	Aug 30	1	Oct 21	10	Dec 12	28	Feb 2	33	Mar 26	16	May 17	2
Jul 10	0	Aug 31	0	Oct 22	10	Dec 13	28	Feb 3	33	Mar 27	15	May 18	2
Jul 11	0	Sep 1	0	Oct 23	10	Dec 14	29	Feb 4	32	Mar 28	15	May 19	2
Jul 12	0	Sep 2	0	Oct 24	11	Dec 15	29	Feb 5	32	Mar 29	15	May 20	2
Jul 13	0	Sep 3	0	Oct 25	11	Dec 16	29	Feb 6	32	Mar 30	14	May 21	2
Jul 14	0	Sep 4	0	Oct 26	12	Dec 17	29	Feb 7	32	Mar 31	14	May 22	2
Jul 15	0	Sep 5	0	Oct 27	12	Dec 18	30	Feb 8	31	Apr 1	14	May 23	2
Jul 16	0	Sep 6	0	Oct 28	12	Dec 19	30	Feb 9	31	Apr 2	14	May 24	1
Jul 17	0	Sep 7	0	Oct 29	13	Dec 20	30	Feb 10	31	Apr 3	13	May 25	1
Jul 18	0	Sep 8	1	Oct 30	13	Dec 21	30	Feb 11	31	Apr 4	13	May 26	1
Jul 19	0	Sep 9	1	Oct 31	13	Dec 22	31	Feb 12	30	Apr 5	13	May 27	1
Jul 20	0	Sep 10	1	Nov 1	14	Dec 23	31	Feb 13	30	Apr 6	12	May 28	1
Jul 21	0	Sep 11	1	Nov 2	14	Dec 24	31	Feb 14	30	Apr 7	12	May 29	1
Jul 22	0	Sep 12	1	Nov 3	14	Dec 25	31	Feb 15	30	Apr 8	12	May 30	1
Jul 23	0	Sep 13	1	Nov 4	15	Dec 26	32	Feb 16	29	Apr 9	12	May 31	1
Jul 24	0	Sep 14	1	Nov 5	15	Dec 27	32	Feb 17	29	Apr 10	11	Jun 1	1
Jul 25	0	Sep 15	1	Nov 6	15	Dec 28	32	Feb 18	29	Apr 11	11	Jun 2	1
Jul 26	0	Sep 16	1	Nov 7	16	Dec 29	32	Feb 19	28	Apr 12	11	Jun 3	1
Jul 27	0	Sep 17	1	Nov 8	16	Dec 30	32	Feb 20	28	Apr 13	10	Jun 4	1
Jul 28	0	Sep 18	2	Nov 9	16	Dec 31	33	Feb 21	28	Apr 14	10	Jun 5	1
Jul 29	0	Sep 19	2	Nov 10	17	Jan 1	33	Feb 22	27	Apr 15	10	Jun 6	0
Jul 30	0	Sep 20	2	Nov 11	17	Jan 2	33	Feb 23	27	Apr 16	10	Jun 7	0
Jul 31	0	Sep 21	2	Nov 12	18	Jan 3	33	Feb 24	27	Apr 17	9	Jun 8	0
Aug 1	0	Sep 22	2	Nov 13	18	Jan 4	33	Feb 25	26	Apr 18	9	Jun 9	0
Aug 2	0	Sep 23	2	Nov 14	18	Jan 5	34	Feb 26	26	Apr 19	9	Jun 10	0
Aug 3	0	Sep 24	3	Nov 15	19	Jan 6	34	Feb 27	25	Apr 20	9	Jun 11	0
Aug 4	0	Sep 25	3	Nov 16	19	Jan 7	34	Feb 28	25	Apr 21	8	Jun 12	0
Aug 5	0	Sep 26	3	Nov 17	19	Jan 8	34	Mar 1	25	Apr 22	8	Jun 13	0
Aug 6	0	Sep 27	3	Nov 18	20	Jan 9	34	Mar 2	24	Apr 23	8	Jun 14	0
Aug 7	0	Sep 28	3	Nov 19	20	Jan 10	34	Mar 3	24	Apr 24	8	Jun 15	0
Aug 8	0	Sep 29	4	Nov 20	20	Jan 11	34	Mar 4	23	Apr 25	7	Jun 16	0
Aug 9	0	Sep 30	4	Nov 21	21	Jan 12	34	Mar 5	23	Apr 26	7	Jun 17	0
Aug 10	0	Oct 1	4	Nov 22	21	Jan 13	34	Mar 6	23	Apr 27	7	Jun 18	0
Aug 11	0	Oct 2	4	Nov 23	22	Jan 14	34	Mar 7	22	Apr 28	6	Jun 19	0
Aug 12	0	Oct 3	5	Nov 24	22	Jan 15	34	Mar 8	22	Apr 29	6	Jun 20	0
Aug 13	0	Oct 4	5	Nov 25	22	Jan 16	34	Mar 9	21	Apr 30	6	Jun 21	0
Aug 14	0	Oct 5	5	Nov 26	23	Jan 17	34	Mar 10	21	May 1	6	Jun 22	0
Aug 15	0	Oct 6	5	Nov 27	23	Jan 18	34	Mar 11	21	May 2	5	Jun 23	0
Aug 16	0	Oct 7	6	Nov 28	23	Jan 19	34	Mar 12	20	May 3	5	Jun 24	0
Aug 17	0	Oct 8	6	Nov 29	24	Jan 20	34	Mar 13	20	May 4	5	Jun 25	0
Aug 18	0	Oct 9	6	Nov 30	24	Jan 21	34	Mar 14	20	May 5	5	Jun 26	0
Aug 19	0	Oct 10	7	Dec 1	24	Jan 22	34	Mar 15	19	May 6	4	Jun 27	0
Aug 20	0	Oct 11	7	Dec 2	25	Jan 23	34	Mar 16	19	May 7	4	Jun 28	0
Aug 21	0	Oct 12	7	Dec 3	25	Jan 24	34	Mar 17	19	May 8	4	Jun 29	0
												Jun 30	0

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD) - EVANSVILLE
LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0	Aug 22	0	Oct 13	7	Dec 4	26	Jan 25	34	Mar 17	18	May 8	4
Jul 2	0	Aug 23	0	Oct 14	8	Dec 5	26	Jan 26	34	Mar 18	18	May 9	4
Jul 3	0	Aug 24	0	Oct 15	8	Dec 6	26	Jan 27	34	Mar 19	17	May 10	3
Jul 4	0	Aug 25	0	Oct 16	8	Dec 7	26	Jan 28	34	Mar 20	17	May 11	3
Jul 5	0	Aug 26	0	Oct 17	9	Dec 8	27	Jan 29	33	Mar 21	17	May 12	3
Jul 6	0	Aug 27	0	Oct 18	9	Dec 9	27	Jan 30	33	Mar 22	17	May 13	3
Jul 7	0	Aug 28	0	Oct 19	9	Dec 10	27	Jan 31	33	Mar 23	16	May 14	3
Jul 8	0	Aug 29	0	Oct 20	10	Dec 11	28	Feb 1	33	Mar 24	16	May 15	2
Jul 9	0	Aug 30	1	Oct 21	10	Dec 12	28	Feb 2	33	Mar 25	16	May 16	2
Jul 10	0	Aug 31	0	Oct 22	10	Dec 13	28	Feb 3	33	Mar 26	15	May 17	2
Jul 11	0	Sep 1	0	Oct 23	10	Dec 14	29	Feb 4	32	Mar 27	15	May 18	2
Jul 12	0	Sep 2	0	Oct 24	11	Dec 15	29	Feb 5	32	Mar 28	15	May 19	2
Jul 13	0	Sep 3	0	Oct 25	11	Dec 16	29	Feb 6	32	Mar 29	14	May 20	2
Jul 14	0	Sep 4	0	Oct 26	12	Dec 17	29	Feb 7	32	Mar 30	14	May 21	2
Jul 15	0	Sep 5	0	Oct 27	12	Dec 18	30	Feb 8	31	Mar 31	14	May 22	2
Jul 16	0	Sep 6	0	Oct 28	12	Dec 19	30	Feb 9	31	Apr 1	14	May 23	1
Jul 17	0	Sep 7	0	Oct 29	13	Dec 20	30	Feb 10	31	Apr 2	13	May 24	1
Jul 18	0	Sep 8	1	Oct 30	13	Dec 21	30	Feb 11	31	Apr 3	13	May 25	1
Jul 19	0	Sep 9	1	Oct 31	13	Dec 22	31	Feb 12	30	Apr 4	13	May 26	1
Jul 20	0	Sep 10	1	Nov 1	14	Dec 23	31	Feb 13	30	Apr 5	12	May 27	1
Jul 21	0	Sep 11	1	Nov 2	14	Dec 24	31	Feb 14	30	Apr 6	12	May 28	1
Jul 22	0	Sep 12	1	Nov 3	14	Dec 25	31	Feb 15	30	Apr 7	12	May 29	1
Jul 23	0	Sep 13	1	Nov 4	15	Dec 26	32	Feb 16	29	Apr 8	12	May 30	1
Jul 24	0	Sep 14	1	Nov 5	15	Dec 27	32	Feb 17	29	Apr 9	11	May 31	1
Jul 25	0	Sep 15	1	Nov 6	15	Dec 28	32	Feb 18	29	Apr 10	11	Jun 1	1
Jul 26	0	Sep 16	1	Nov 7	16	Dec 29	32	Feb 19	28	Apr 11	11	Jun 2	1
Jul 27	0	Sep 17	1	Nov 8	16	Dec 30	32	Feb 20	28	Apr 12	10	Jun 3	1
Jul 28	0	Sep 18	2	Nov 9	16	Dec 31	33	Feb 21	28	Apr 13	10	Jun 4	1
Jul 29	0	Sep 19	2	Nov 10	17	Jan 1	33	Feb 22	27	Apr 14	10	Jun 5	0
Jul 30	0	Sep 20	2	Nov 11	17	Jan 2	33	Feb 23	27	Apr 15	10	Jun 6	0
Jul 31	0	Sep 21	2	Nov 12	18	Jan 3	33	Feb 24	27	Apr 16	9	Jun 7	0
Aug 1	0	Sep 22	2	Nov 13	18	Jan 4	33	Feb 25	26	Apr 17	9	Jun 8	0
Aug 2	0	Sep 23	2	Nov 14	18	Jan 5	34	Feb 26	26	Apr 18	9	Jun 9	0
Aug 3	0	Sep 24	3	Nov 15	19	Jan 6	34	Feb 27	25	Apr 19	9	Jun 10	0
Aug 4	0	Sep 25	3	Nov 16	19	Jan 7	34	Feb 28	25	Apr 20	8	Jun 11	0
Aug 5	0	Sep 26	3	Nov 17	19	Jan 8	34	Feb 29	25	Apr 21	8	Jun 12	0
Aug 6	0	Sep 27	3	Nov 18	20	Jan 9	34	Mar 1	24	Apr 22	8	Jun 13	0
Aug 7	0	Sep 28	3	Nov 19	20	Jan 10	34	Mar 2	24	Apr 23	8	Jun 14	0
Aug 8	0	Sep 29	4	Nov 20	20	Jan 11	34	Mar 3	23	Apr 24	7	Jun 15	0
Aug 9	0	Sep 30	4	Nov 21	21	Jan 12	34	Mar 4	23	Apr 25	7	Jun 16	0
Aug 10	0	Oct 1	4	Nov 22	21	Jan 13	34	Mar 5	23	Apr 26	7	Jun 17	0
Aug 11	0	Oct 2	4	Nov 23	22	Jan 14	34	Mar 6	22	Apr 27	6	Jun 18	0
Aug 12	0	Oct 3	5	Nov 24	22	Jan 15	34	Mar 7	22	Apr 28	6	Jun 19	0
Aug 13	0	Oct 4	5	Nov 25	22	Jan 16	34	Mar 8	21	Apr 29	6	Jun 20	0
Aug 14	0	Oct 5	5	Nov 26	23	Jan 17	34	Mar 9	21	Apr 30	6	Jun 21	0
Aug 15	0	Oct 6	5	Nov 27	23	Jan 18	34	Mar 10	21	May 1	5	Jun 22	0
Aug 16	0	Oct 7	6	Nov 28	23	Jan 19	34	Mar 11	20	May 2	5	Jun 23	0
Aug 17	0	Oct 8	6	Nov 29	24	Jan 20	34	Mar 12	20	May 3	5	Jun 24	0
Aug 18	0	Oct 9	6	Nov 30	24	Jan 21	34	Mar 13	20	May 4	5	Jun 25	0
Aug 19	0	Oct 10	7	Dec 1	24	Jan 22	34	Mar 14	19	May 5	4	Jun 26	0
Aug 20	0	Oct 11	7	Dec 2	25	Jan 23	34	Mar 15	19	May 6	4	Jun 27	0
Aug 21	0	Oct 12	7	Dec 3	25	Jan 24	34	Mar 16	19	May 7	4	Jun 28	0
												Jun 29	0
												Jun 30	0

APPENDIX D
PIPELINE SAFETY ADJUSTMENT

APPLICABILITY

The Pipeline Safety Adjustment ("PSA") shall be applicable to all Customers on the Rate Schedules set forth in the PSA CHARGES section below.

DESCRIPTION

The PSA shall recover Company's incremental Operation and Maintenance expenses related to complying with federal pipeline integrity management mandates. Such costs would include expenses related to mapping, training, assessment, testing, data collection and storage, verification audits, remediation, right-of-way clearing, public education programs and all other costs required to comply, including associated taxes.

Company's actual, incremental pipeline safety expenses shall be allocated to the Rate Schedules using the cost allocation factors as set forth in Company's most recent cost of service study.

Company's actual, incremental pipeline safety expenses shall be reconciled annually with the actual recovery under this Pipeline Safety Adjustment, with any difference being reflected as a charge or credit over the next twelve months.

PSA CHARGES

The Pipeline Safety Adjustment shall be applied to each therm of gas usage each month. The current PSAs by Rate Schedule are set forth below:

Rate Schedule	PSA ($ per Therm)
11	$0.0000
12	$0.0000
13	$0.0000
14	$0.0000
T15	$0.0000
T16	$0.0000
T18	$0.0000

RATE NO. 41
Firm Small Volume Sales Service

AVAILABILITY:

This rate shall be available to Customers whose volume of natural gas purchased on an annual basis will be less than 100,000 Therms and who will take delivery of such natural gas in OVGC's Texas Gas Service Area.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $16.00 per meter per month

Commodity Charge of $1.5058 per therm

Gas Cost Adjustment (GCA) – As set forth in the latest approved Appendix B (Sheet No. 4-10).

Normal Temperature Adjustment (NTA) – Dependent upon weather (temperature) conditions during specified billing cycles as described in the latest approved Appendix C (See Sheet No. 4-11).

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 4-12).

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum of twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 7:00 a.m. local time and continuing to 7:00 a.m. local time the next day.

RULES AND REGULATIONS:

This Rate Schedule is subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. 42
Firm Medium Volume Sales Service

AVAILABILITY:

This rate shall be available to Customers whose volume of natural gas purchased on an annual basis will be at least 100,000 Therms, but not greater than 500,000 Therms, and who will take delivery of such natural gas in OVGC's Texas Gas Service Area.

APPLICABILITY, ELIGIBILITY & CHARACTER OF SERVICE:

This rate provides a means whereby OVGC can, within the physical limitations of its existing distribution system(s), and as per the terms of a written contract (Service Agreement) executed by a specific Customer, provide firm sales service to such Customer.

OVGC shall not be obligated to deliver (sell) to Customer in any one (1) hour period an aggregate amount at all points of delivery of more than one-sixteenth (1/16) of the maximum daily volume specified in the Service Agreement.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $550.00 per meter per month

Commodity Charge of $1.2622 per therm

Gas Cost Adjustment (GCA) – As set forth in the latest approved Appendix B (Sheet No. 4-10).

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 4-12).

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum of twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 7:00 a.m. local time and continuing to 7:00 a.m. local time the next day.

RULES AND REGULATIONS:

Sales service hereunder shall be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. 43
Interruptible Sales Service

AVAILABILITY:

This rate shall be available to Customers whose volume of natural gas purchased on an annual basis will be at least 100,000 Therms, but not greater than 500,000 Therms, and who will take delivery of such natural gas in OVGC's Texas Gas Service Area.

APPLICABILITY, ELIGIBILITY & CHARACTER OF SERVICE:

This rate provides a means whereby OVGC can, within the physical limitations of its existing distribution system(s), and as per the terms of a written contract (Service Agreement) executed by a specific Customer, provide interruptible sales service to such Customer.

OVGC reserves the right to request that Customer curtail or discontinue the use of natural gas on one (1) hour verbal or written notice and to interrupt such supply of gas at any time that OVGC shall deem it necessary. The Customer agrees to curtail or discontinue the use of gas in compliance with such requests. OVGC shall have the right to physically interrupt the flow of natural gas to any Customer taking service under this rate who fails to curtail or discontinue their use of natural gas within the one (1) hour period following any such request.

Each Customer receiving service under this rate must have a verifiable alternative fuel supply of adequate capacity to allow for possible interruption of natural gas service.

OVGC shall not be obligated to deliver (sell) to Customer in any one (1) hour period an aggregate amount at all points of delivery of more than one-sixteenth (1/16) of the maximum daily volume specified in the Service Agreement.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $475.00 per meter per month

Commodity Charge of $1.1648 per therm

Gas Cost Adjustment (GCA) – As set forth in the latest approved Appendix B (Sheet No. 4-10).

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 4-12).

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00 will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum of twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

UNAUTHORIZED USE:

If Customer fails to completely curtail its use of natural gas within one (1) hour of Company's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) h period commencing at 7:00 a.m. local time and continuing to 7:00 a.m. local time the next day.

RULES AND REGULATIONS:

Sales service hereunder shall be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. 44
Firm Grain Drying Sales Service

AVAILABILITY:

This rate shall be available to Customers whose primary requirement for natural gas is for grain drying and who will take delivery of such natural gas in OVGC's Texas Gas Service Area.

APPLICABILITY, ELIGIBILITY & CHARACTER OF SERVICE:

This rate provides a means whereby OVGC can, within the physical limitations of its existing distribution system(s), deliver natural gas for grain drying. Service provided hereunder shall be metered and billed separately from service provided under any other OVGC rate schedule.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge as set forth below.

Commodity Charge of $1.8075 per therm

Gas Cost Adjustment (GCA) – As set forth in the latest approved Appendix B (Sheet No. 4-10).

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 4-12).

FACILITIES CHARGE:

For meter size 1400 scfh or less - $480.00 per meter; to be billed annually in the September billing cycle.
For meter size greater than 1400 scfh - $840.00 per meter; to be billed annually in the September billing cycle.

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made in the amount of $80.00. However, Customers receiving service under this rate shall be allowed one (1) disconnection and reconnection of service per calendar year without the payment of any Reconnection Charge.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 7:00 a.m. local time and continuing to 7:00 a.m. local time the next day.

RULES AND REGULATIONS:

Sales service hereunder shall be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. T45
Large Volume Transportation Service

AVAILABILITY:

This rate schedule shall be available to any "Off-System End-Users" (Customer) whose annual requirements for natural gas are anticipated to be greater than 500,000 Therms; who has executed a Transportation Services Agreement; and who will take delivery of such natural gas in OVGC's Texas Gas Service Area.

APPLICABILITY:

This rate provides a means whereby OVGC, within the physical limitations of its existing distribution systems can, under specific contract (OVGC's Transportation Services Agreement), provide a service for the transportation of Customer-owned natural gas to Customers who will accept delivery of such natural gas in OVGC's Texas Gas Service Area. Service provided hereunder shall be metered and billed separately from service provided under any other OVGC rate schedule.

"OFF-SYSTEM END-USER" DEFINED:

As used in this rate an "Off-System End-User" is a Customer for whom OVGC has no contractual obligation to provide natural gas from its OVGC system supply and for whose natural gas needs and requirements OVGC is not contractually committed to pay interstate pipeline charges of any kind (e.g., demand, capacity, reservation, commodity, etc.).

ELIGIBILITY:

A Customer whose need for service is consistent with the availability paragraph of this rate, and who meets the eligibility requirements set forth below, shall be eligible to receive service under this rate. Service hereunder is intended for any Customer which, after arranging for a supply of natural gas from or through a third party, desires OVGC to provide transportation of said natural gas between two mutually agreeable points on an existing OVGC gas distribution system, and who:

a. Has met all applicable regulatory requirements and has the means (including but not limited to third party arrangements) for delivering natural gas (of specified quality, quantity, pressure, etc.) to the agreed upon OVGC receipt point(s).

b. Has the means (including but not limited to third party arrangements) for receiving and accepting said natural gas at the agreed upon OVGC delivery point(s).

c. Has entered into a Transportation Services Agreement with OVGC for an initial period of not less than one (1) year. Such agreement may contain other provisions relating to said service which are not inconsistent herewith.

d. Has provided OVGC with sufficient documentation and other information to permit prior verification and acceptance of the means and arrangements cited in "a." and "b." above. This documentation will include both transportation arrangements and source of natural gas supply. OVGC may require reasonable assurances from the Customer that the natural gas supply will physically flow to OVGC's receipt point on a timely and uninterrupted basis.

e. Agrees to provide OVGC with written Daily Nominations in a format acceptable to OVGC. All Daily Nominations are due in OVGC's gas supply department by the 25th day of each calendar month for the upcoming month's quantities (in Therms), and shall be detailed by calendar day. All written changes to Daily Nominations, when received in OVGC's gas supply department by 12:00 p.m. Eastern time on a scheduled OVGC workday, will become effective the next twenty-four (24) hour purchase gas day, or such later twenty-four (24) hour purchase gas day as specified by the Customer. If not otherwise indicated, all written changes to a customer's Daily Nominations shall be applicable to the remaining calendar days of the applicable month. Only written Daily Nominations properly received by the OVGC gas supply department will be recognized when determining daily balancing, etc. For the purpose of this rate, electronic (e-mail) or facsimile transmissions to OVGC's gas supply department will be deemed a written notice. Only allocated volumes shown on the applicable interstate pipeline's Electronic Bulletin Board will be recognized when billing any end-user and determining applicable Daily Balancing and Cashout of Monthly Imbalance charges.

f. Agrees that it is the responsibility of the Customer and its agent to ensure that the correct quantities of natural gas are properly nominated to the applicable receipt and delivery points utilized by OVGC. OVGC assumes no responsibility or liability for the accuracy of nominations by Customers receiving service under this rate.

CURTAILMENT:

OVGC will have the right to curtail or discontinue acceptance, transportation or redelivery of natural gas under this rate when:

a. After notification by OVGC to not exceed its Daily Nomination, Customer exceeds its Daily Nominatic

b. The interstate pipeline's Electronic Bulletin Board (EBB) reports Customer's supply quantity is less than as nominated to OVGC;

c. Accident, breakage or other causes of disruption of natural gas delivery into the interstate pipeline system occur which preclude the delivery of Customer's natural gas supply to Company; or,

d. Accident, breakage or other causes of disruption of natural gas delivery to Customer on Company's distribution system is beyond Company's control.

Company will attempt to verify the EBB information with the interstate pipeline prior to invoking a curtailment at Customer's meter. Company's usage of EBB information shall be deemed reasonable by the parties hereto, and Company will not be liable for the accuracy of the information obtained from the EBB. Company will attempt to provide a minimum one (1) hour notice, either verbal, or written, of its intent to curtail or discontinue acceptance, transportation, or redelivery of natural gas.

Any natural gas that flows into Company's city gate station for Customer shall be redelivered to Customer. Gas usage by Customer during a curtailment period in excess of the quantity allowed shall be considered Unauthorized Use and shall be subject to the Unauthorized Use Charge.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $1,300.00 per meter per month.

Commodity Charge of $0.0674 per therm

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 4-12).

FUEL LOSS CHARGE:

OVGC shall retain 1% of the received transport gas to account for fuel loss within the OVGC Distribution System. OVGC will not charge any "Off-System End-User" the Commodity Charge on such retained gas.

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

UNAUTHORIZED USE CHARGE:

If Customer fails to completely curtail its use of natural gas within one (1) hour of Company's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

OVERRUN SERVICE AND DAILY BALANCING CHARGES:

a. **Unauthorized Overrun**

(1) If Customer has been informed by OVGC to stay within their Daily Nomination (plus allowable tolerance), and then uses a quantity of natural gas which is greater than their Daily Nomination (plus allowable tolerance) without prior written or verbal approval of OVGC, the excess shall constitute an Unauthorized Overrun and the Customer shall pay OVGC a penalty of $3.00 per Therm for all natural gas used in excess of the Daily Nomination (plus allowable tolerance) for the applicable twenty-four (24) hour purchase gas day. The penalty shall be in addition to all other applicable charges.

(2) The payment of a penalty for unauthorized overrun shall not, under any circumstances, be considered as giving the Customer the right to take unauthorized overruns. Further, such payment shall not be considered a substitute for any other remedies available to OVGC or any of OVGC's other customers for failure to respect their obligation to adhere to the provisions of the Transportation Services Agreement.

(3) OVGC shall have the right, without obligation, to waive the penalty for any unauthorized overrun provided OVGC's other customers or its pipeline operations were not adversely affected.

(4) OVGC shall waive any penalty for an unauthorized overrun when such overrun occurred under circumstances beyond the control of the Customer due to emergency conditions on OVGC's facilities; or when such overrun is due to accident or breakage of pipelines, machinery, or equipment of the Customer. However, the Customer shall promptly take such action, as may necessary and practical, to repair or remedy the situation and furnish OVGC with satisfactory evidence that such accident or breakage was not due to negligence.

b. **Authorized Overrun**

(1) Each twenty-four (24) hour purchase gas day, OVGC allows Customer an allowable tolerance on their Daily Nomination, without additional charge.

(2) If the difference between Customer's actual take for a twenty-four (24) hour purchase gas day, and their Daily Nomination as on file with the OVGC gas supply department for the applicable twenty-four (24) hour purchase gas day, is not within the allowable tolerance, those quantities beyond the allowable tolerance will be subject to a Daily Balancing Charge.

c. **Allowable Tolerance**

The allowable tolerance per each twenty-four (24) hour purchase gas day, shall be ten (10) percent of the applicable Daily Nomination on file with OVGC.

d. **Daily Balancing Charge**

Quantities of natural gas used that are not within the allowable tolerance of Customer's Daily Nomination, shall be subject to a Daily Balancing Charge of $0.025 per Therm. The Daily Balancing Charge will apply to quantities both above and below the allowable tolerance. The Daily Balancing Charge shall be determined on a daily basis and there will be no netting of individual daily balancing charges.

CASHOUT OF MONTHLY IMBALANCE:

Customer shall be subject to net aggregate monthly imbalance cashout. At the end of each billing month, OVGC will determine the imbalance by comparing the net receipts at OVGC's city gate station from the applicable interstate pipeline to actual deliveries through OVGC's meter(s) located at Customer's location. The net aggregate imbalance percentage for each Customer will be determined by dividing the actual net imbalance by the net quantity delivered to the Customer during the billing cycle month.

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the billing month is LESS than the total quantity of gas delivered by OVGC to the Customer, OVGC shall bill the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Highest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	110%
11% - 15%	120%
16% - 20%	130%
21% & up	140%

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the month is GREATER than the total quantity of gas delivered by OVGC to the Customer, OVGC shall credit the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Lowest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	90%
11% - 15%	80%
16% - 20%	70%
21% & up	60%

If the credit is greater than the total monthly billing, it shall be applied to subsequent billing cycles until such time as the entire credit has been appropriately applied. OVGC will not refund any monies to the Customer unless the credit exceeds the expected combined billings for the next two billing cycles.

SPECIAL CONSIDERATIONS:

A Customer electing to receive service under this rate shall pay a one-time charge of $2,600.00 to offset initial setup costs of the Company.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 9:00 a.m. Central Clock Time and continuing to 9:00 a.m. Central Clock Time the next day.

RULES AND REGULATIONS:

Transportation service hereunder shall, where applicable, be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RATE NO. T46
Medium Volume Transportation Service

AVAILABILITY:

This rate schedule shall be available to any "Off-System End-Users" (Customer) whose annual requirements for natural gas will be at least 100,000 Therms, but not greater than 500,000 Therms; who has executed a Transportation Services Agreement; and who will take delivery of such natural gas in OVGC's Texas Gas Service Area.

APPLICABILITY:

This rate provides a means whereby OVGC, within the physical limitations of its existing distribution systems can, under specific contract (OVGC's Transportation Services Agreement), provide a service for the transportation of Customer-owned natural gas to Customers who will accept delivery of such natural gas in OVGC's Texas Gas Service Area. Service provided hereunder shall be metered and billed separately from service provided under any other OVGC rate schedule.

"OFF-SYSTEM END-USER" DEFINED:

As used in this rate an "Off-System End-User" is a Customer for whom OVGC has no contractual obligation to provide natural gas from its OVGC system supply and for whose natural gas needs and requirements OVGC is not contractually committed to pay interstate pipeline charges of any kind (e.g., demand, capacity, reservation, commodity, etc.).

ELIGIBILITY:

A Customer whose need for service is consistent with the availability paragraph of this rate, and who meets the eligibility requirements set forth below, shall be eligible to receive service under this rate. Service hereunder is intended for any Customer which, after arranging for a supply of natural gas from or through a third party, desires OVGC to provide transportation of said natural gas between two mutually agreeable points on an existing OVGC gas distribution system, and who:

a. Has met all applicable regulatory requirements and has the means (including but not limited to third party arrangements) for delivering natural gas (of specified quality, quantity, pressure, etc.) to the agreed upon OVGC receipt point(s).

b. Has the means (including but not limited to third party arrangements) for receiving and accepting said natural gas at the agreed upon OVGC delivery point(s).

c. Has entered into a Transportation Services Agreement with OVGC for an initial period of not less than one (1) year. Such agreement may contain other provisions relating to said service which are not inconsistent herewith.

d. Has provided OVGC with sufficient documentation and other information to permit prior verification and acceptance of the means and arrangements cited in "a." and "b." above. This documentation will include both transportation arrangements and source of natural gas supply.

   OVGC may require reasonable assurances from the Customer that the natural gas supply will physically flow to OVGC's receipt point on a timely and uninterrupted basis.

e. Agrees to provide OVGC with written Daily Nominations in a format acceptable to OVGC. All Daily Nominations are due in OVGC's gas supply department by the 25th day of each calendar month for the upcoming month's quantities (in Therms), and shall be detailed by calendar day. All written changes to Daily Nominations, when received in OVGC's gas supply department by 12:00 p.m. Eastern time on a scheduled OVGC workday, will become effective the next twenty-four (24) hour purchase gas day, or such later twenty-four (24) hour purchase gas day as specified by the Customer. If not otherwise indicated, all written changes to a customer's Daily Nominations shall be applicable to the remaining calendar days of the applicable month. Only written Daily Nominations properly received by the OVGC gas supply department will be recognized when determining daily balancing, etc. For the purpose of this rate, electronic (e-mail) or facsimile transmissions to OVGC's gas supply department will be deemed a written notice. Only allocated volumes shown on the applicable interstate pipeline's Electronic Bulletin Board will be recognized when billing any end-user and determining applicable Daily Balancing and Cashout of Monthly Imbalance charges.

f. Agrees that it is the responsibility of the Customer and its agent to ensure that the correct quantities of natural gas are properly nominated to the applicable receipt and delivery points utilized by OVGC. OVGC assumes no responsibility or liability for the accuracy of nominations by Customers receiving service under this rate.

CURTAILMENT:

OVGC will have the right to curtail or discontinue acceptance, transportation or redelivery of natural gas under this rate when:

a. After notification by OVGC to not exceed its Daily Nomination, Customer exceeds its Daily Nominatic

b. The interstate pipeline's Electronic Bulletin Board (EBB) reports Customer's supply quantity is less than as nominated to OVGC;

c. Accident, breakage or other causes of disruption of natural gas delivery into the interstate pipeline system occur which preclude the delivery of Customer's natural gas supply to Company; or,

d. Accident, breakage or other causes of disruption of natural gas delivery to Customer on Company's distribution system is beyond Company's control.

Company will attempt to verify the EBB information with the interstate pipeline prior to invoking a curtailment at Customer's meter. Company's usage of EBB information shall be deemed reasonable by the parties hereto, and Company will not be liable for the accuracy of the information obtained from the EBB. Company will attempt to provide a minimum one (1) hour notice, either verbal, or written, of its intent to curtail or discontinue acceptance, transportation, or redelivery of natural gas.

Any natural gas that flows into Company's city gate station for Customer shall be redelivered to Customer. Gas usage by Customer during a curtailment period in excess of the quantity allowed shall be considered Unauthorized Use and shall be subject to the Unauthorized Use Charge.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge of $550.00 per meter per month.

Commodity Charge of $0.1142 per therm

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 4-12).

FUEL LOSS CHARGE:

OVGC shall retain 1% of the received transport gas to account for fuel loss within the OVGC Distribution System. OVGC will not charge any "Off-System End-User" the Commodity Charge on such retained gas.

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over $3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly Facilities Charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

UNAUTHORIZED USE CHARGE:

If Customer fails to completely curtail its use of natural gas within one (1) hour of Company's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

OVERRUN SERVICE AND DAILY BALANCING CHARGES:

a. **Unauthorized Overrun**

(1) If Customer has been informed by OVGC to stay within their Daily Nomination (plus allowable tolerance), and then uses a quantity of natural gas which is greater than their Daily Nomination (plus allowable tolerance) without prior written or verbal approval of OVGC, the excess shall constitute an Unauthorized Overrun and the Customer shall pay OVGC a penalty of $3.00 per Therm for all natural gas used in excess of the Daily Nomination (plus allowable tolerance) for the applicable twenty-four (24) hour purchase gas day. The penalty shall be in addition to all other applicable charges.

(2) The payment of a penalty for unauthorized overrun shall not, under any circumstances, be considered as giving the Customer the right to take unauthorized overruns. Further, such payment shall not be considered a substitute for any other remedies available to OVGC or any of OVGC's other customers for failure to respect their obligation to adhere to the provisions of the Transportation Services Agreement.

(3) OVGC shall have the right, without obligation, to waive the penalty for any unauthorized overrun provided OVGC's other customers or its pipeline operations were not adversely affected.

(4) OVGC shall waive any penalty for an unauthorized overrun when such overrun occurred under circumstances beyond the control of the Customer due to emergency conditions on OVGC's facilities; or when such overrun is due to accident or breakage of pipelines, machinery, or equipment of the Customer. However, the Customer shall promptly take such action, as may necessary and practical, to repair or remedy the situation and furnish OVGC with satisfactory evidence that such accident or breakage was not due to negligence.

b. **Authorized Overrun**

(1) Each twenty-four (24) hour purchase gas day, OVGC allows Customer an allowable tolerance on their Daily Nomination, without additional charge.

(2) If the difference between Customer's actual take for a twenty-four (24) hour purchase gas day, and their Daily Nomination as on file with the OVGC gas supply department for the applicable twenty-four (24) hour purchase gas day, is not within the allowable tolerance, those quantities beyond the allowable tolerance will be subject to a Daily Balancing Charge.

c. **Allowable Tolerance**

The allowable tolerance per each twenty-four (24) hour purchase gas day shall be ten (10) percent of the applicable Daily Nomination on file with OVGC.

d. **Daily Balancing Charge**

Quantities of natural gas used that are not within the allowable tolerance of Customer's Daily Nomination, shall be subject to a Daily Balancing Charge of $0.025 per Therm. The Daily Balancing Charge will apply to quantities both above and below the allowable tolerance. The Daily Balancing Charge shall be determined on a daily basis and there will be no netting of individual daily balancing charges.

CASHOUT OF MONTHLY IMBALANCE:

Customer shall be subject to net aggregate monthly imbalance cashout. At the end of each billing month, OVGC will determine the imbalance by comparing the net receipts at OVGC's city gate station from the applicable interstate pipeline to actual deliveries through OVGC's meter(s) located at Customer's location. The net aggregate imbalance percentage for each Customer will be determined by dividing the actual net imbalance by the net quantity delivered to the Customer during the billing cycle month.

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the billing month is LESS than the total quantity of gas delivered by OVGC to the Customer, OVGC shall bill the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Highest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	110%
11% - 15%	120%
16% - 20%	130%
21% & up	140%

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the month is GREATER than the total quantity of gas delivered by OVGC to the Customer, OVGC shall credit the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Lowest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	90%
11% - 15%	80%
16% - 20%	70%
21% & up	60%

If the credit is greater than the total monthly billing, it shall be applied to subsequent billing cycles until such time as the entire credit has been appropriately applied. OVGC will not refund any monies to the Customer unless the credit exceeds the expected combined billings for the next two billing cycles.

SPECIAL CONSIDERATIONS:

A Customer electing to receive service under this rate shall pay a one-time charge of $1,800.00 to offset initial setup costs of the Company.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 9:00 a.m. Central Clock Time and continuing to 9:00 a.m. Central Clock Time the next day.

RULES AND REGULATIONS:

Transportation service hereunder shall, where applicable, be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

RESERVED FOR FUTURE USE

RATE NO. T48
Public Schools Transportation Service

AVAILABILITY:

This Rate Schedule shall be available throughout OVGC's Texas Gas Service Area, subject to the availability of adequate facilities, which determination shall be within OVGC's reasonable discretion.

APPLICABILITY:

This Rate Schedule provides a means whereby OVGC, within the physical limitations of its existing distribution systems can, under specific contract (OVGC's Transportation Services Agreement), provide a service for the transportation of "Off-System" end-user owned natural gas. This Rate Schedule shall be applicable to any public educational institution serving students in grades K through 12 that elects service hereunder.

A Customer is further defined for this Rate Schedule to be a single public school corporation, or multiple public school corporations, that elect(s) to purchase gas supply and pipeline capacity for one or more of its school facilities from a supplier other than OVGC, and meets all requirements of this Rate Schedule. Each school facility served under this Rate Schedule will have annual requirements for natural gas of less than 100,000 therms. A school facility is further defined as being any single structure owned by and utilized by the Customer to serve students as defined in the above paragraph.

OVGC will contract directly with the Customer for all transportation services under this Rate Schedule. No separate pooling services agreement will be transacted with the Customer's supplier and/or gas marketer.

Any school facility of the Customer already on another OVGC transportation rate schedule and continuing to qualify same may remain on such rate schedule after this Rate Schedule becomes effective.

"OFF-SYSTEM END-USER"DEFINED:

As used in this Rate Schedule an "Off-System" Customer is a Customer for whom OVGC has no contractual obligation to provide natural gas from its system supply and for whose natural gas needs and requirements OVGC is not contractually committed to pay interstate pipeline charges of any kind (e.g., demand, capacity, reservation, commodity, etc.).

ELIGIBILITY:

Any Customer who meets the requirements of the applicability paragraph is eligible for service under this Rate Schedule, and who:

a. Has met all applicable regulatory requirements and has the means (including but not limited to third party arrangements) for delivering said gas (of specified quality, quantity, pressure, etc.) to the agreed upon OVGC receipt point.

b. Has the means (including but not limited to third party arrangements) for receiving and accepting said gas at the agreed upon OVGC delivery point. Has entered into a Transportation Service Agreement with OVGC for an initial period of not less than one (1) year. This Agreement may contain other provisions relating to said service which are not inconsistent herewith. Written notification to OVGC of Customer's intent to change from a sales rate schedule to this Rate Schedule and execution of the Agreement with OVGC is required no later than sixty (60) days prior to the first calendar day of the first calendar month for which service under this Rate Schedule is to begin. OVGC reserves the right to waive the sixty (60) day requirement.

c. Has provided OVGC with sufficient documentation and other information to permit prior verification and approval of the means and arrangements cited in "a." and "b." above. This documentation will include both transportation arrangements and source of natural gas supply. OVGC may require reasonable assurances from the Customer that the natural gas supply will physically flow to OVGC's receipt point on a timely and non-interrupted basis.

d. Agrees to provide OVGC with written Daily Nominations in a format acceptable to OVGC. All Daily Nominations are due in OVGC's gas supply department by the 25th day of each calendar month for the upcoming month's quantities in Therms, and shall be detailed by calendar day. All written changes to the Daily Nominations, when received in OVGC's gas supply department by 12:00 p.m. on a scheduled OVGC working day, will become effective the next twenty-four (24) hour purchase gas day, or such later twenty-four (24) hour purchase gas day specified by the customer. All written changes to the Daily Nominations shall be reflected for the remaining calendar days of the applicable month. Only written Daily Nominations properly received by the OVGC gas supply department will be recognized when determining daily balancing, etc. For the purpose of this Rate Schedule, facsimile transmissions or emails to OVGC's gas supply department will be deemed a written notice. Only allocated volumes shown on the applicable interstate pipeline's Electronic Bulletin Board will be recognized when billing and determining the Daily Balancing Charge and Cashout of Monthly Imbalance.

e. Agrees it is the responsibility of the Customer and its agent to ensure that the correct quantities of natural gas are properly nominated to the applicable receipt and delivery points utilized by OVGC. OVGC assumes no responsibility or liability for the accuracy of nominations. Nomination quantity is defined as the Customer's (a single or multiple public school corporations) supply requirements for the total of its school facilities for each Customer Group (each school corporation of the Customer) being served under this Rate Schedule per OVGC's designated receipt point.

f. Agrees to provide a dedicated telephone line at each metering location at Customer's expense that is capable of allowing the Company and Customer to contact the metering location to obtain flow information for the purpose of tracking daily and monthly usage.

g. Pays all existing arrearages for utility services prior to entering into a Transportation Service Agreement with OVGC.

CURTAILMENT:

OVGC will have the right to curtail or discontinue acceptance, transportation or redelivery of natural gas under this rate when:

a. After notification by OVGC to not exceed its Daily Nomination, Customer exceeds its Daily Nomination;

b. The interstate pipeline's Electronic Bulletin Board (EBB) reports Customer's supply quantity is less than as nominated to OVGC;

c. Accident, breakage or other causes of disruption of natural gas delivery into the interstate pipeline system occur which preclude the delivery of Customer's natural gas supply to Company; or,

d. Accident, breakage or other causes of disruption of natural gas delivery to Customer on Company's distribution system is beyond Company's control.

Company will attempt to verify the EBB information with the interstate pipeline prior to invoking a curtailment at Custom meter. Company's usage of EBB information shall be deemed reasonable by the parties hereto, and Company will not be liable for the accuracy of the information obtained from the EBB. Company will attempt to provide a minimum one (1) hour notice, either verbal, or written, of its intent to curtail or discontinue acceptance, transportation, or redelivery of natural gas.

Any natural gas that flows into Company's city gate station for Customer shall be redelivered to Customer. Gas usage by Customer during a curtailment period in excess of the quantity allowed shall be considered Unauthorized Use and shall be subject to the Unauthorized Use Charge.

CUSTOMER BILLING:

Each school facility of the Customer electing this Rate Schedule will be metered and levied a monthly Service Charge for each meter in service. Each meter and its metered volume will be listed on Customer's bill. Metered volumes of Customer will be aggregated on Customer's bill by OVGC receipt point for the purposes of calculating the Daily Balancing Charge and the Cash-Out of Monthly Imbalance. Where applicable, metered volumes will be grouped on Customer's bill by Customer Group (each school corporation) for purposes of calculating the Daily Balancing Charge and the Cash-Out of Monthly Imbalance, and further grouped by Meter Group for the appropriate application of charges per this Rate Schedule.

Metered volumes of multiple meters will not be aggregated on Customer's bill to avoid monthly Service Charges. Metered volumes of school facilities will not be aggregated to meet minimum volume requirements for application of OVGC's other transportation tariffs.

RATES AND CHARGES:

Rates, charges and adjustments applicable to service under this rate for monthly billing purposes shall be as follows:

Facilities Charge, as applicable, per the following:

- Meter Group 1: $36.00 per meter per billing cycle month
- Meter Group 2: $56.00 per meter per billing cycle month
- Meter Group 3: $515.00 per meter per billing cycle month

Commodity Charge of $0.3751 per therm

Pipeline Safety Adjustment (PSA) – Dependent upon actual costs incurred as set forth in the latest approved Appendix D (See Sheet No. 4-12).

METER GROUP DETERMINATION:

- Meter Group 1: meter size 675 scfh or less

- Meter Group 2: meter size greater than 675 scfh

- Meter Group 3: Customer moving from, or otherwise eligible (volumetrically) for OVGC's applicable interruptible sales service rate.

FUEL LOSS CHARGE:

OVGC shall retain 1% of the received transport gas to account for fuel loss within the OVGC Distribution System. OVGC will not charge any "Off-System End-User" the Commodity Charge on such retained gas.

LATE PAYMENT CHARGE:

A Late Payment Charge, of ten (10) percent on the first $3.00 or less, and three (3) percent on all amounts over 3.00, will be made on all bills not paid on or before the due date of the bill. Any payments received by OVGC after the due date will be subject to the Late Payment Charge.

COLLECTION CHARGE:

A Collection Charge of $30.00, will be made should it become necessary to send an employee or other agent to the Customer's premises to collect a past due account.

RETURNED CHECK CHARGE:

A Returned Check Charge of $21.00, plus charges, if any, levied against OVGC's bank account, will be made for any payment, including a direct debit, returned by a financial institution as unpaid.

RECONNECTION CHARGE:

To cover the cost of discontinuance and reestablishment of service for the same Customer at the same service address, a Reconnection Charge will be made which is the greater of either $80.00 or the product of the monthly service charge multiplied by the number of billing cycle months during which service was discontinued, up to a maximum twelve (12) billing cycle months. This charge must be paid before service is restored. If the disconnected period exceeds one (1) year, OVGC may waive the reconnection fee, provided that disconnection was not for violation of OVGC's Rules and Regulations.

UNAUTHORIZED USE CHARGE:

If Customer fails to completely curtail its use of natural gas within one (1) hour of Company's verbal or written notice, Customer shall be billed and agrees to pay a penalty of $3.00 per therm for all gas consumed during the curtailment period. Said penalty shall be in addition to all other applicable charges, including, but not limited to any interstate pipeline penalties.

OVGC shall have the right, without obligation, to waive the penalty for any unauthorized use if OVGC's other Customers or its pipeline operations were not adversely affected by such use.

OVERRUN SERVICE AND DAILY BALANCING CHARGES:

a. **Unauthorized Overrun**

(1) If Customer has been informed by OVGC to stay within their Daily Nomination (plus allowable tolerance), and then uses a quantity of natural gas which is greater than their Daily Nomination (plus allowable tolerance) without prior written or verbal approval of OVGC, the excess shall constitute an Unauthorized Overrun and the Customer shall pay OVGC a penalty of $3.00 per Therm for all natural gas used in excess of the Daily Nomination (plus allowable tolerance) for the applicable twenty-four (24) hour purchase gas day. The penalty shall be in addition to all other applicable charges.

(2) The payment of a penalty for unauthorized overrun shall not, under any circumstances, be considered as giving the Customer the right to take unauthorized overruns. Further, such payment shall not be considered a substitute for any other remedies available to OVGC or any of OVGC's other customers for failure to respect their obligation to adhere to the provisions of the Transportation Services Agreement.

(3) OVGC shall have the right, without obligation, to waive the penalty for any unauthorized overrun provided OVGC's other customers or its pipeline operations were not adversely affected.

(4) OVGC shall waive any penalty for an unauthorized overrun when such overrun occurred under circumstances beyond the control of the Customer due to emergency conditions on OVGC's facilities; or when such overrun is due to accident or breakage of pipelines, machinery, equipment of the Customer. However, the Customer shall promptly take such action, as may be necessary and practical, to repair or remedy the situation and furnish OVGC with satisfactory evidence that such accident or breakage was not due to negligence.

b. **Authorized Overrun**

(1) Each twenty-four (24) hour purchase gas day, OVGC allows Customer an allowable tolerance on their Daily Nomination, without additional charge.

(2) If the difference between Customer's actual take for a twenty-four (24) hour purchase gas day, and their Daily Nomination as on file with the OVGC gas supply department for the applicable twenty-four (24) hour purchase gas day, is not within the allowable tolerance, those quantities beyond the allowable tolerance will be subject to a Daily Balancing Charge.

c. **Allowable Tolerance**

The allowable tolerance per each twenty-four (24) hour purchase gas day, shall be ten (10) percent of the applicable Daily Nomination on file with OVGC.

d. **Daily Balancing Charge**

Quantities of natural gas used that are not within the allowable tolerance of Customer's Daily Nomination shall be subject to a Daily Balancing Charge of $0.025 per Therm. The Daily Balancing Charge will apply to quantities both above and below the allowable tolerance. The Daily Balancing Charge shall be determined on a daily basis and there will be no netting of individual daily balancing charges.

CASHOUT OF MONTHLY IMBALANCE:

Customer shall be subject to net aggregate monthly imbalance cashout. At the end of each billing month, OVGC will determine the imbalance by comparing the net receipts at OVGC's city gate station from the applicable interstate pipeline to actual deliveries through Customer's meter aggregated by OVGC receipt point or, if applicable, by each Customer Group of Customer. The net aggregate imbalance percentage for each Customer Group of Customer will be determined by dividing the actual net imbalance by the net quantity delivered to the Customer during the billing cycle month.

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the billing month is LESS than the total quantity of gas delivered by OVGC to the Customer, OVGC shall bill the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Highest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	110%
11% - 15%	120%
16% - 20%	130%
21% & up	140%

If Customer has a net aggregate monthly imbalance such that the total quantity of gas received by OVGC during the month is GREATER than the total quantity of gas delivered by OVGC to the Customer, OVGC shall credit the Customer for the net aggregate monthly imbalance according to the following table:

Net Aggregate Monthly Imbalance Percentage	Percentage of OVGC's Lowest City Gate Station Price for the Month
0% - 5%	100%
6% - 10%	90%
11% - 15%	80%
16% - 20%	70%
21% & up	60%

If the credit is greater than the total monthly billing, it shall be applied to subsequent billing cycles until such time as the entire credit has been appropriately applied. OVGC will not refund any monies to the Customer unless the credit exceeds the expected combined billings for the next two billing cycles.

TWENTY-FOUR (24) HOUR PURCHASE GAS DAY:

For the purpose of this Rate Schedule the twenty-four (24) hour purchase gas day is that continuous twenty-four (24) hour period commencing at 9:00 a.m. Central Clock Time and continuing to 9:00 a.m. Central Clock Time the next day.

RULES AND REGULATIONS:

Transportation service hereunder shall, where applicable, be subject to OVGC's General Rules and Regulations Applicable to Gas Service, to the orders of the Indiana Utility Regulatory Commission, and to the Rules, Regulations and Standards of Service for Gas Public Utilities in Indiana as prescribed by the Indiana Utility Regulatory Commission.

APPENDIX A
BASE RATE COST OF GAS*

The base rate cost of gas included in Rates 41, 42 , 43, and 44 in accordance with the Order of the Indiana Utility Regulatory Commission, approved _____ , in Cause No. 43209, is as follows:

RATE	BASE RATE COST OF GAS
41	$1.1307 per Therm
42	$1.1307 per Therm
43	$1.1307 per Therm
44	$1.1307 per Therm

*NOTE: The Base Rate Cost of Gas was determined by dividing the adjusted net cost of gas (during the test year of Cause No. 43209) by the adjusted test year volume of sales (in therms).

APPENDIX B
GAS COST ADJUSTMENT FACTOR FOR PURCHASED GAS

The Rate Adjustment for the following rates shall be on the basis of a rate tracking factor, occasioned solely by changes in the cost of purchased gas, in accordance with the order of the Indiana Utility Regulatory Commission, approved May 14, 1986. in Cause No. 37091, as follows:

RATE	APPLICABLE GAS COST ADJUSTMENT FACTOR
41	$_____ per Therm
42	$_____ per Therm
43	$_____ per Therm
44	$_____ per Therm

Base Rates effective_____, in accordance with Indiana Utility Regulatory Commission Order issued under Cause No. 43209. The Base Rate Cost of Gas included in each of the following Base Rates is stated in Appendix A - Sheet No. 4-9.

RATE	BASE RATE	NEW GCA FACTOR	NEW RATE
41	$_____ per Therm	$_____ per Therm	$_____ per Therm
42	$_____ per Therm	$_____ per Therm	$_____ per Therm
43	$_____ per Therm	$_____ per Therm	$_____ per Therm
44	$_____ per Therm	$_____ per Therm	$_____ per Therm

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT

The billed amount for each Rate 41 (Firm Small Volume Gas Service) Customer shall be subject to a Normal Temperature Adjustment (NTA) for each bill rendered during the seven month period of November through May inclusive.

The NTA adjusts each Customer's monthly billed amount to reverse the impact on margin recovery caused by non-normal temperatures during the billing period, as measured by actual heating degree day variations from normal heating degree days.

NTA COMPUTATION

The NTA for each Customer's monthly billing shall be computed as follows:

NTA = NTA Therms x NTA Margin

NTA THERMS

The NTA Therms usage for each Customer to which the NTA Margin shall be applied is computed as follows:

$$\text{NTA Therms} = \frac{[\text{Actual Usage} - \text{Base Load Usage}] \times [\text{Normal Degree Days} - \text{Actual Degree Days}]}{\text{Actual Degree Days}}$$

NTA MARGIN

The NTA Margin shall be the margin (non-gas cost) component of the Commodity Charge (Base Rate Less Base Rate Cost of Gas) for the applicable Rate Schedule.

BASE LOAD THERMS (USAGE)

Base Load Usage shall be each Customer's average daily therms billed for the previous summer months (months of July, August and September) multiplied by the number of days in the billing period.

For Customers whose Base Load Usage cannot be accurately determined (e.g., new Customers without three months of summer usage history), an estimated Base Load Usage shall be used.

NORMAL AND ACTUAL DEGREE DAYS

Normal Degree Days for each Customer's billing period shall be as set forth in the tables on the following pages.

Actual Degree Days for each Customer's billing period shall be taken from the actual heating degree days reported each day by the National Weather Service at either Indianapolis, Indiana (for those customers located in OVGC's Connersville district), or Evansville, Indiana (for those customers located in OVGC's Tell City district).

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD)-INDIANAPOLIS
NON-LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0	Aug 22	0	Oct 13	10	Dec 4	29	Jan 25	39	Mar 18	22	May 9	6
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	29	Jan 26	38	Mar 19	22	May 10	6
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	30	Jan 27	38	Mar 20	22	May 11	5
Jul 4	0	Aug 25	0	Oct 16	11	Dec 7	30	Jan 28	38	Mar 21	21	May 12	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	31	Jan 29	38	Mar 22	21	May 13	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	31	Jan 30	38	Mar 23	21	May 14	5
Jul 7	0	Aug 28	1	Oct 19	12	Dec 10	31	Jan 31	38	Mar 24	20	May 15	5
Jul 8	0	Aug 29	1	Oct 20	12	Dec 11	32	Feb 1	38	Mar 25	20	May 16	4
Jul 9	0	Aug 30	1	Oct 21	12	Dec 12	32	Feb 2	38	Mar 26	20	May 17	4
Jul 10	0	Aug 31	1	Oct 22	13	Dec 13	32	Feb 3	37	Mar 27	19	May 18	4
Jul 11	0	Sep 1	1	Oct 23	13	Dec 14	32	Feb 4	37	Mar 28	19	May 19	4
Jul 12	0	Sep 2	1	Oct 24	14	Dec 15	33	Feb 5	37	Mar 29	19	May 20	3
Jul 13	0	Sep 3	1	Oct 25	14	Dec 16	33	Feb 6	37	Mar 30	18	May 21	3
Jul 14	1	Sep 4	1	Oct 26	14	Dec 17	33	Feb 7	36	Mar 31	18	May 22	3
Jul 15	1	Sep 5	1	Oct 27	15	Dec 18	34	Feb 8	36	Apr 1	18	May 23	3
Jul 16	0	Sep 6	1	Oct 28	15	Dec 19	34	Feb 9	36	Apr 2	17	May 24	3
Jul 17	0	Sep 7	1	Oct 29	15	Dec 20	34	Feb 10	36	Apr 3	17	May 25	3
Jul 18	0	Sep 8	1	Oct 30	16	Dec 21	35	Feb 11	35	Apr 4	17	May 26	2
Jul 19	0	Sep 9	1	Oct 31	16	Dec 22	35	Feb 12	35	Apr 5	16	May 27	2
Jul 20	0	Sep 10	1	Nov 1	16	Dec 23	35	Feb 13	35	Apr 6	16	May 28	2
Jul 21	0	Sep 11	2	Nov 2	17	Dec 24	35	Feb 14	35	Apr 7	16	May 29	2
Jul 22	0	Sep 12	2	Nov 3	17	Dec 25	36	Feb 15	34	Apr 8	15	May 30	2
Jul 23	0	Sep 13	2	Nov 4	18	Dec 26	36	Feb 16	34	Apr 9	15	May 31	2
Jul 24	0	Sep 14	2	Nov 5	18	Dec 27	36	Feb 17	34	Apr 10	15	Jun 1	2
Jul 25	0	Sep 15	2	Nov 6	18	Dec 28	36	Feb 18	33	Apr 11	15	Jun 2	2
Jul 26	0	Sep 16	2	Nov 7	19	Dec 29	37	Feb 19	33	Apr 12	14	Jun 3	1
Jul 27	0	Sep 17	2	Nov 8	19	Dec 30	37	Feb 20	33	Apr 13	14	Jun 4	1
Jul 28	0	Sep 18	3	Nov 9	19	Dec 31	37	Feb 21	32	Apr 14	14	Jun 5	1
Jul 29	0	Sep 19	3	Nov 10	20	Jan 1	37	Feb 22	32	Apr 15	13	Jun 6	1
Jul 30	0	Sep 20	3	Nov 11	20	Jan 2	37	Feb 23	32	Apr 16	13	Jun 7	1
Jul 31	0	Sep 21	3	Nov 12	21	Jan 3	38	Feb 24	31	Apr 17	13	Jun 8	1
Aug 1	0	Sep 22	4	Nov 13	21	Jan 4	38	Feb 25	31	Apr 18	12	Jun 9	1
Aug 2	0	Sep 23	4	Nov 14	21	Jan 5	38	Feb 26	30	Apr 19	12	Jun 10	1
Aug 3	0	Sep 24	4	Nov 15	22	Jan 6	38	Feb 27	30	Apr 20	12	Jun 11	1
Aug 4	0	Sep 25	4	Nov 16	22	Jan 7	38	Feb 28	30	Apr 21	11	Jun 12	1
Aug 5	0	Sep 26	4	Nov 17	23	Jan 8	38	Mar 1	29	Apr 22	11	Jun 13	1
Aug 6	0	Sep 27	5	Nov 18	23	Jan 9	38	Mar 2	29	Apr 23	11	Jun 14	1
Aug 7	0	Sep 28	5	Nov 19	23	Jan 10	39	Mar 3	28	Apr 24	10	Jun 15	0
Aug 8	0	Sep 29	5	Nov 20	24	Jan 11	39	Mar 4	28	Apr 25	10	Jun 16	0
Aug 9	0	Sep 30	6	Nov 21	24	Jan 12	39	Mar 5	28	Apr 26	10	Jun 17	0
Aug 10	0	Oct 1	6	Nov 22	24	Jan 13	39	Mar 6	27	Apr 27	10	Jun 18	0
Aug 11	0	Oct 2	6	Nov 23	25	Jan 14	39	Mar 7	27	Apr 28	9	Jun 19	0
Aug 12	0	Oct 3	7	Nov 24	25	Jan 15	39	Mar 8	26	Apr 29	9	Jun 20	0
Aug 13	0	Oct 4	7	Nov 25	26	Jan 16	39	Mar 9	26	Apr 30	9	Jun 21	0
Aug 14	0	Oct 5	7	Nov 26	26	Jan 17	39	Mar 10	26	May 1	8	Jun 22	0
Aug 15	0	Oct 6	7	Nov 27	26	Jan 18	39	Mar 11	25	May 2	8	Jun 23	0
Aug 16	0	Oct 7	8	Nov 28	27	Jan 19	39	Mar 12	25	May 3	8	Jun 24	0
Aug 17	0	Oct 8	8	Nov 29	27	Jan 20	39	Mar 13	24	May 4	7	Jun 25	0
Aug 18	0	Oct 9	8	Nov 30	28	Jan 21	39	Mar 14	24	May 5	7	Jun 26	0
Aug 19	0	Oct 10	9	Dec 1	28	Jan 22	39	Mar 15	24	May 6	7	Jun 27	0
Aug 20	0	Oct 11	9	Dec 2	28	Jan 23	39	Mar 16	23	May 7	7	Jun 28	0
Aug 21	0	Oct 12	9	Dec 3	29	Jan 24	39	Mar 17	23	May 8	6	Jun 29	0
												Jun 30	0

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD)-INDIANAPOLIS
LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0	Aug 22	0	Oct 13	10	Dec 4	29	Jan 25	39	Mar 17	22	May 8	6
Jul 2	0	Aug 23	0	Oct 14	10	Dec 5	29	Jan 26	38	Mar 18	22	May 9	6
Jul 3	0	Aug 24	0	Oct 15	10	Dec 6	30	Jan 27	38	Mar 19	22	May 10	5
Jul 4	0	Aug 25	0	Oct 16	11	Dec 7	30	Jan 28	38	Mar 20	21	May 11	5
Jul 5	0	Aug 26	0	Oct 17	11	Dec 8	31	Jan 29	38	Mar 21	21	May 12	5
Jul 6	0	Aug 27	0	Oct 18	11	Dec 9	31	Jan 30	38	Mar 22	21	May 13	5
Jul 7	0	Aug 28	1	Oct 19	12	Dec 10	31	Jan 31	38	Mar 23	20	May 14	5
Jul 8	0	Aug 29	1	Oct 20	12	Dec 11	32	Feb 1	38	Mar 24	20	May 15	4
Jul 9	0	Aug 30	1	Oct 21	12	Dec 12	32	Feb 2	38	Mar 25	20	May 16	4
Jul 10	0	Aug 31	1	Oct 22	13	Dec 13	32	Feb 3	37	Mar 26	19	May 17	4
Jul 11	0	Sep 1	1	Oct 23	13	Dec 14	32	Feb 4	37	Mar 27	19	May 18	4
Jul 12	0	Sep 2	1	Oct 24	14	Dec 15	33	Feb 5	37	Mar 28	19	May 19	3
Jul 13	0	Sep 3	1	Oct 25	14	Dec 16	33	Feb 6	37	Mar 29	18	May 20	3
Jul 14	1	Sep 4	1	Oct 26	14	Dec 17	33	Feb 7	36	Mar 30	18	May 21	3
Jul 15	1	Sep 5	1	Oct 27	15	Dec 18	34	Feb 8	36	Mar 31	18	May 22	3
Jul 16	0	Sep 6	1	Oct 28	15	Dec 19	34	Feb 9	36	Apr 1	17	May 23	3
Jul 17	0	Sep 7	1	Oct 29	15	Dec 20	34	Feb 10	36	Apr 2	17	May 24	3
Jul 18	0	Sep 8	1	Oct 30	16	Dec 21	35	Feb 11	35	Apr 3	17	May 25	2
Jul 19	0	Sep 9	1	Oct 31	16	Dec 22	35	Feb 12	35	Apr 4	16	May 26	2
Jul 20	0	Sep 10	1	Nov 1	16	Dec 23	35	Feb 13	35	Apr 5	16	May 27	2
Jul 21	0	Sep 11	2	Nov 2	17	Dec 24	35	Feb 14	35	Apr 6	16	May 28	2
Jul 22	0	Sep 12	2	Nov 3	17	Dec 25	36	Feb 15	34	Apr 7	15	May 29	2
Jul 23	0	Sep 13	2	Nov 4	18	Dec 26	36	Feb 16	34	Apr 8	15	May 30	2
Jul 24	0	Sep 14	2	Nov 5	18	Dec 27	36	Feb 17	34	Apr 9	15	May 31	[illegible]
Jul 25	0	Sep 15	2	Nov 6	18	Dec 28	36	Feb 18	33	Apr 10	15	Jun 1	[illegible]
Jul 26	0	Sep 16	2	Nov 7	19	Dec 29	37	Feb 19	33	Apr 11	14	Jun 2	1
Jul 27	0	Sep 17	2	Nov 8	19	Dec 30	37	Feb 20	33	Apr 12	14	Jun 3	1
Jul 28	0	Sep 18	3	Nov 9	19	Dec 31	37	Feb 21	32	Apr 13	14	Jun 4	1
Jul 29	0	Sep 19	3	Nov 10	20	Jan 1	37	Feb 22	32	Apr 14	13	Jun 5	1
Jul 30	0	Sep 20	3	Nov 11	20	Jan 2	37	Feb 23	32	Apr 15	13	Jun 6	1
Jul 31	0	Sep 21	3	Nov 12	21	Jan 3	38	Feb 24	31	Apr 16	13	Jun 7	1
Aug 1	0	Sep 22	4	Nov 13	21	Jan 4	38	Feb 25	31	Apr 17	12	Jun 8	1
Aug 2	0	Sep 23	4	Nov 14	21	Jan 5	38	Feb 26	30	Apr 18	12	Jun 9	1
Aug 3	0	Sep 24	4	Nov 15	22	Jan 6	38	Feb 27	30	Apr 19	12	Jun 10	1
Aug 4	0	Sep 25	4	Nov 16	22	Jan 7	38	Feb 28	30	Apr 20	11	Jun 11	1
Aug 5	0	Sep 26	4	Nov 17	23	Jan 8	38	Feb 29	29	Apr 21	11	Jun 12	1
Aug 6	0	Sep 27	5	Nov 18	23	Jan 9	38	Mar 1	29	Apr 22	11	Jun 13	1
Aug 7	0	Sep 28	5	Nov 19	23	Jan 10	39	Mar 2	28	Apr 23	10	Jun 14	0
Aug 8	0	Sep 29	5	Nov 20	24	Jan 11	39	Mar 3	28	Apr 24	10	Jun 15	0
Aug 9	0	Sep 30	6	Nov 21	24	Jan 12	39	Mar 4	28	Apr 25	10	Jun 16	0
Aug 10	0	Oct 1	6	Nov 22	24	Jan 13	39	Mar 5	27	Apr 26	10	Jun 17	0
Aug 11	0	Oct 2	6	Nov 23	25	Jan 14	39	Mar 6	27	Apr 27	9	Jun 18	0
Aug 12	0	Oct 3	7	Nov 24	25	Jan 15	39	Mar 7	26	Apr 28	9	Jun 19	0
Aug 13	0	Oct 4	7	Nov 25	26	Jan 16	39	Mar 8	26	Apr 29	9	Jun 20	0
Aug 14	0	Oct 5	7	Nov 26	26	Jan 17	39	Mar 9	26	Apr 30	8	Jun 21	0
Aug 15	0	Oct 6	7	Nov 27	26	Jan 18	39	Mar 10	25	May 1	8	Jun 22	0
Aug 16	0	Oct 7	8	Nov 28	27	Jan 19	39	Mar 11	25	May 2	8	Jun 23	0
Aug 17	0	Oct 8	8	Nov 29	27	Jan 20	39	Mar 12	24	May 3	7	Jun 24	0
Aug 18	0	Oct 9	8	Nov 30	28	Jan 21	39	Mar 13	24	May 4	7	Jun 25	0
Aug 19	0	Oct 10	9	Dec 1	28	Jan 22	39	Mar 14	24	May 5	7	Jun 26	0
Aug 20	0	Oct 11	9	Dec 2	28	Jan 23	39	Mar 15	23	May 6	7	Jun 27	0
Aug 21	0	Oct 12	9	Dec 3	29	Jan 24	39	Mar 16	23	May 7	6	Jun 28	0
												Jun 29	0
												Jun 30	0

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD) - EVANSVILLE
NON-LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0	Aug 22	0	Oct 13	7	Dec 4	26	Jan 25	34	Mar 18	18	May 9	4
Jul 2	0	Aug 23	0	Oct 14	8	Dec 5	26	Jan 26	34	Mar 19	18	May 10	4
Jul 3	0	Aug 24	0	Oct 15	8	Dec 6	26	Jan 27	34	Mar 20	17	May 11	3
Jul 4	0	Aug 25	0	Oct 16	8	Dec 7	26	Jan 28	34	Mar 21	17	May 12	3
Jul 5	0	Aug 26	0	Oct 17	9	Dec 8	27	Jan 29	33	Mar 22	17	May 13	3
Jul 6	0	Aug 27	0	Oct 18	9	Dec 9	27	Jan 30	33	Mar 23	17	May 14	3
Jul 7	0	Aug 28	0	Oct 19	9	Dec 10	27	Jan 31	33	Mar 24	16	May 15	3
Jul 8	0	Aug 29	0	Oct 20	10	Dec 11	28	Feb 1	33	Mar 25	16	May 16	2
Jul 9	0	Aug 30	1	Oct 21	10	Dec 12	28	Feb 2	33	Mar 26	16	May 17	2
Jul 10	0	Aug 31	0	Oct 22	10	Dec 13	28	Feb 3	33	Mar 27	15	May 18	2
Jul 11	0	Sep 1	0	Oct 23	10	Dec 14	29	Feb 4	32	Mar 28	15	May 19	2
Jul 12	0	Sep 2	0	Oct 24	11	Dec 15	29	Feb 5	32	Mar 29	15	May 20	2
Jul 13	0	Sep 3	0	Oct 25	11	Dec 16	29	Feb 6	32	Mar 30	14	May 21	2
Jul 14	0	Sep 4	0	Oct 26	12	Dec 17	29	Feb 7	32	Mar 31	14	May 22	2
Jul 15	0	Sep 5	0	Oct 27	12	Dec 18	30	Feb 8	31	Apr 1	14	May 23	2
Jul 16	0	Sep 6	0	Oct 28	12	Dec 19	30	Feb 9	31	Apr 2	14	May 24	1
Jul 17	0	Sep 7	0	Oct 29	13	Dec 20	30	Feb 10	31	Apr 3	13	May 25	1
Jul 18	0	Sep 8	1	Oct 30	13	Dec 21	30	Feb 11	31	Apr 4	13	May 26	1
Jul 19	0	Sep 9	1	Oct 31	13	Dec 22	31	Feb 12	30	Apr 5	13	May 27	1
Jul 20	0	Sep 10	1	Nov 1	14	Dec 23	31	Feb 13	30	Apr 6	12	May 28	1
Jul 21	0	Sep 11	1	Nov 2	14	Dec 24	31	Feb 14	30	Apr 7	12	May 29	1
Jul 22	0	Sep 12	1	Nov 3	14	Dec 25	31	Feb 15	30	Apr 8	12	May 30	1
Jul 23	0	Sep 13	1	Nov 4	15	Dec 26	32	Feb 16	29	Apr 9	12	May 31	1
Jul 24	0	Sep 14	1	Nov 5	15	Dec 27	32	Feb 17	29	Apr 10	11	Jun 1	1
Jul 25	0	Sep 15	1	Nov 6	15	Dec 28	32	Feb 18	29	Apr 11	11	Jun 2	1
Jul 26	0	Sep 16	1	Nov 7	16	Dec 29	32	Feb 19	28	Apr 12	11	Jun 3	1
Jul 27	0	Sep 17	1	Nov 8	16	Dec 30	32	Feb 20	28	Apr 13	10	Jun 4	1
Jul 28	0	Sep 18	2	Nov 9	16	Dec 31	33	Feb 21	28	Apr 14	10	Jun 5	1
Jul 29	0	Sep 19	2	Nov 10	17	Jan 1	33	Feb 22	27	Apr 15	10	Jun 6	0
Jul 30	0	Sep 20	2	Nov 11	17	Jan 2	33	Feb 23	27	Apr 16	10	Jun 7	0
Jul 31	0	Sep 21	2	Nov 12	18	Jan 3	33	Feb 24	27	Apr 17	9	Jun 8	0
Aug 1	0	Sep 22	2	Nov 13	18	Jan 4	33	Feb 25	26	Apr 18	9	Jun 9	0
Aug 2	0	Sep 23	2	Nov 14	18	Jan 5	34	Feb 26	26	Apr 19	9	Jun 10	0
Aug 3	0	Sep 24	3	Nov 15	19	Jan 6	34	Feb 27	25	Apr 20	9	Jun 11	0
Aug 4	0	Sep 25	3	Nov 16	19	Jan 7	34	Feb 28	25	Apr 21	8	Jun 12	0
Aug 5	0	Sep 26	3	Nov 17	19	Jan 8	34	Mar 1	25	Apr 22	8	Jun 13	0
Aug 6	0	Sep 27	3	Nov 18	20	Jan 9	34	Mar 2	24	Apr 23	8	Jun 14	0
Aug 7	0	Sep 28	3	Nov 19	20	Jan 10	34	Mar 3	24	Apr 24	8	Jun 15	0
Aug 8	0	Sep 29	4	Nov 20	20	Jan 11	34	Mar 4	23	Apr 25	7	Jun 16	0
Aug 9	0	Sep 30	4	Nov 21	21	Jan 12	34	Mar 5	23	Apr 26	7	Jun 17	0
Aug 10	0	Oct 1	4	Nov 22	21	Jan 13	34	Mar 6	23	Apr 27	7	Jun 18	0
Aug 11	0	Oct 2	4	Nov 23	22	Jan 14	34	Mar 7	22	Apr 28	6	Jun 19	0
Aug 12	0	Oct 3	5	Nov 24	22	Jan 15	34	Mar 8	22	Apr 29	6	Jun 20	0
Aug 13	0	Oct 4	5	Nov 25	22	Jan 16	34	Mar 9	21	Apr 30	6	Jun 21	0
Aug 14	0	Oct 5	5	Nov 26	23	Jan 17	34	Mar 10	21	May 1	6	Jun 22	0
Aug 15	0	Oct 6	5	Nov 27	23	Jan 18	34	Mar 11	21	May 2	5	Jun 23	0
Aug 16	0	Oct 7	6	Nov 28	23	Jan 19	34	Mar 12	20	May 3	5	Jun 24	0
Aug 17	0	Oct 8	6	Nov 29	24	Jan 20	34	Mar 13	20	May 4	5	Jun 25	0
Aug 18	0	Oct 9	6	Nov 30	24	Jan 21	34	Mar 14	20	May 5	5	Jun 26	0
Aug 19	0	Oct 10	7	Dec 1	24	Jan 22	34	Mar 15	19	May 6	4	Jun 27	0
Aug 20	0	Oct 11	7	Dec 2	25	Jan 23	34	Mar 16	19	May 7	4	Jun 28	0
Aug 21	0	Oct 12	7	Dec 3	25	Jan 24	34	Mar 17	19	May 8	4	Jun 29	0
												Jun 30	0

APPENDIX C
NORMAL TEMPERATURE ADJUSTMENT
NORMAL DEGREE DAYS (NDD) - EVANSVILLE
LEAP YEAR

Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD	Date	NDD
Jul 1	0	Aug 22	0	Oct 13	7	Dec 4	26	Jan 25	34	Mar 17	18	May 8	4
Jul 2	0	Aug 23	0	Oct 14	8	Dec 5	26	Jan 26	34	Mar 18	18	May 9	4
Jul 3	0	Aug 24	0	Oct 15	8	Dec 6	26	Jan 27	34	Mar 19	17	May 10	3
Jul 4	0	Aug 25	0	Oct 16	8	Dec 7	26	Jan 28	34	Mar 20	17	May 11	3
Jul 5	0	Aug 26	0	Oct 17	9	Dec 8	27	Jan 29	33	Mar 21	17	May 12	3
Jul 6	0	Aug 27	0	Oct 18	9	Dec 9	27	Jan 30	33	Mar 22	17	May 13	3
Jul 7	0	Aug 28	0	Oct 19	9	Dec 10	27	Jan 31	33	Mar 23	16	May 14	3
Jul 8	0	Aug 29	0	Oct 20	10	Dec 11	28	Feb 1	33	Mar 24	16	May 15	2
Jul 9	0	Aug 30	1	Oct 21	10	Dec 12	28	Feb 2	33	Mar 25	16	May 16	2
Jul 10	0	Aug 31	0	Oct 22	10	Dec 13	28	Feb 3	33	Mar 26	15	May 17	2
Jul 11	0	Sep 1	0	Oct 23	10	Dec 14	29	Feb 4	32	Mar 27	15	May 18	2
Jul 12	0	Sep 2	0	Oct 24	11	Dec 15	29	Feb 5	32	Mar 28	15	May 19	2
Jul 13	0	Sep 3	0	Oct 25	11	Dec 16	29	Feb 6	32	Mar 29	14	May 20	2
Jul 14	0	Sep 4	0	Oct 26	12	Dec 17	29	Feb 7	32	Mar 30	14	May 21	2
Jul 15	0	Sep 5	0	Oct 27	12	Dec 18	30	Feb 8	31	Mar 31	14	May 22	2
Jul 16	0	Sep 6	0	Oct 28	12	Dec 19	30	Feb 9	31	Apr 1	14	May 23	1
Jul 17	0	Sep 7	0	Oct 29	13	Dec 20	30	Feb 10	31	Apr 2	13	May 24	1
Jul 18	0	Sep 8	1	Oct 30	13	Dec 21	30	Feb 11	31	Apr 3	13	May 25	1
Jul 19	0	Sep 9	1	Oct 31	13	Dec 22	31	Feb 12	30	Apr 4	13	May 26	1
Jul 20	0	Sep 10	1	Nov 1	14	Dec 23	31	Feb 13	30	Apr 5	12	May 27	1
Jul 21	0	Sep 11	1	Nov 2	14	Dec 24	31	Feb 14	30	Apr 6	12	May 28	1
Jul 22	0	Sep 12	1	Nov 3	14	Dec 25	31	Feb 15	30	Apr 7	12	May 29	1
Jul 23	0	Sep 13	1	Nov 4	15	Dec 26	32	Feb 16	29	Apr 8	12	May 30	1
Jul 24	0	Sep 14	1	Nov 5	15	Dec 27	32	Feb 17	29	Apr 9	11	May 31	1
Jul 25	0	Sep 15	1	Nov 6	15	Dec 28	32	Feb 18	29	Apr 10	11	Jun 1	1
Jul 26	0	Sep 16	1	Nov 7	16	Dec 29	32	Feb 19	28	Apr 11	11	Jun 2	1
Jul 27	0	Sep 17	1	Nov 8	16	Dec 30	32	Feb 20	28	Apr 12	10	Jun 3	1
Jul 28	0	Sep 18	2	Nov 9	16	Dec 31	33	Feb 21	28	Apr 13	10	Jun 4	1
Jul 29	0	Sep 19	2	Nov 10	17	Jan 1	33	Feb 22	27	Apr 14	10	Jun 5	0
Jul 30	0	Sep 20	2	Nov 11	17	Jan 2	33	Feb 23	27	Apr 15	10	Jun 6	0
Jul 31	0	Sep 21	2	Nov 12	18	Jan 3	33	Feb 24	27	Apr 16	9	Jun 7	0
Aug 1	0	Sep 22	2	Nov 13	18	Jan 4	33	Feb 25	26	Apr 17	9	Jun 8	0
Aug 2	0	Sep 23	2	Nov 14	18	Jan 5	34	Feb 26	26	Apr 18	9	Jun 9	0
Aug 3	0	Sep 24	3	Nov 15	19	Jan 6	34	Feb 27	25	Apr 19	9	Jun 10	0
Aug 4	0	Sep 25	3	Nov 16	19	Jan 7	34	Feb 28	25	Apr 20	8	Jun 11	0
Aug 5	0	Sep 26	3	Nov 17	19	Jan 8	34	Feb 29	25	Apr 21	8	Jun 12	0
Aug 6	0	Sep 27	3	Nov 18	20	Jan 9	34	Mar 1	24	Apr 22	8	Jun 13	0
Aug 7	0	Sep 28	3	Nov 19	20	Jan 10	34	Mar 2	24	Apr 23	8	Jun 14	0
Aug 8	0	Sep 29	4	Nov 20	20	Jan 11	34	Mar 3	23	Apr 24	7	Jun 15	0
Aug 9	0	Sep 30	4	Nov 21	21	Jan 12	34	Mar 4	23	Apr 25	7	Jun 16	0
Aug 10	0	Oct 1	4	Nov 22	21	Jan 13	34	Mar 5	23	Apr 26	7	Jun 17	0
Aug 11	0	Oct 2	4	Nov 23	22	Jan 14	34	Mar 6	22	Apr 27	6	Jun 18	0
Aug 12	0	Oct 3	5	Nov 24	22	Jan 15	34	Mar 7	22	Apr 28	6	Jun 19	0
Aug 13	0	Oct 4	5	Nov 25	22	Jan 16	34	Mar 8	21	Apr 29	6	Jun 20	0
Aug 14	0	Oct 5	5	Nov 26	23	Jan 17	34	Mar 9	21	Apr 30	6	Jun 21	0
Aug 15	0	Oct 6	5	Nov 27	23	Jan 18	34	Mar 10	21	May 1	5	Jun 22	0
Aug 16	0	Oct 7	6	Nov 28	23	Jan 19	34	Mar 11	20	May 2	5	Jun 23	0
Aug 17	0	Oct 8	6	Nov 29	24	Jan 20	34	Mar 12	20	May 3	5	Jun 24	0
Aug 18	0	Oct 9	6	Nov 30	24	Jan 21	34	Mar 13	20	May 4	5	Jun 25	0
Aug 19	0	Oct 10	7	Dec 1	24	Jan 22	34	Mar 14	19	May 5	4	Jun 26	0
Aug 20	0	Oct 11	7	Dec 2	25	Jan 23	34	Mar 15	19	May 6	4	Jun 27	0
Aug 21	0	Oct 12	7	Dec 3	25	Jan 24	34	Mar 16	19	May 7	4	Jun 28	0
												Jun 29	0
												Jun 30	0

APPENDIX D
PIPELINE SAFETY ADJUSTMENT

APPLICABILITY

The Pipeline Safety Adjustment ("PSA") shall be applicable to all Customers on the Rate Schedules set forth in the PSA CHARGES section below.

DESCRIPTION

The PSA shall recover Company's incremental Operation and Maintenance expenses related to complying with federal pipeline integrity management mandates. Such costs would include expenses related to mapping, training, assessment, testing, data collection and storage, verification audits, remediation, right-of-way clearing, public education programs and all other costs required to comply, including associated taxes.

Company's actual, incremental pipeline safety expenses shall be allocated to the Rate Schedules using the cost allocation factors as set forth in Company's most recent cost of service study.

Company's actual, incremental pipeline safety expenses shall be reconciled annually with the actual recovery under this Pipeline Safety Adjustment, with any difference being reflected as a charge or credit over the next twelve months.

PSA CHARGES

The Pipeline Safety Adjustment shall be applied to each therm of gas usage each month. The current PSAs by Rate Schedule are set forth below:

Rate Schedule	PSA ($ per Therm)
41	$0.0000
42	$0.0000
43	$0.0000
44	$0.0000
T45	$0.0000
T46	$0.0000
T48	$0.0000

BEFORE THE

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF OHIO VALLEY GAS CORPORATION FOR (1) AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR GAS UTILITY SERVICE; (2) APPROVAL OF NEW SCHEDULES OF RATES AND CHARGES AND CHANGES TO ITS GENERAL RULES AND REGULATIONS APPLICABLE TO GAS UTILITY SERVICE, INCLUDING CERTAIN INCREASES IN CERTAIN NON-RECURRING CHARGES; (3) AUTHORITY TO IMPLEMENT A NORMAL TEMPERATURE ADJUSTMENT MECHANISM AND DEFER THE NORMAL TEMPERATURE ADJUSTMENT MARGINS FOR FUTURE RECOVERY OR REFUND; (4) AUTHORITY TO IMPLEMENT A PIPELINE SAFETY COMPLIANCE COST TRACKING MECHANISM AND DEFERRAL ACCOUNTING OF SUCH COSTS UNTIL THE EFFECTIVE DATE OF THE TRACKING MECHANISM; (5) APPROVAL OF NEW DEPRECIATION RATES; AND (6) APPROVAL PURSUANT TO I.C. 8-1-2.5 OF SUCH ALTERNATIVE REGULATORY PLANS AS MAY BE REASONABLE, NECESSARY AND APPLICABLE TO SUCH AUTHORITY, APPROVALS AND DEFERRALS	CAUSE NO. 43209

PETITIONER'S EXHIBIT KAH
DIRECT TESTIMONY
OF
KERRY A. HEID
ON BEHALF OF
OHIO VALLEY GAS CORPORATION
APRIL 2007

DIRECT TESTIMONY
OF
KERRY A. HEID

I. INTRODUCTION AND OVERVIEW

1. Please state your name and business address.

A. My name is Kerry A. Heid. My address is 3212 Brookfield Drive, Newburgh, IN 47630.

2. What is your occupation?

A. I am an independent utility rate consultant. I have been engaged by the Petitioner, Ohio Valley Gas Corporation, to prepare a cost of service study and recommend a rate design and other tariff changes in this proceeding.

3. What is your educational background?

A. In 1973, I graduated from Purdue University with a Bachelor of Science degree in Civil Engineering. In 1985, I graduated from Indiana University with a Master of Business Administration degree, majoring in Finance.

4. Please describe your business experience.

A. My business experience and qualifications are set forth in Petitioner's Exhibit KAH-1.

5. Do you hold any professional accreditations?

A. Yes. I have been a licensed Professional Engineer in the State of Indiana since 1977.

6. Have you previously testified before this Commission?

A. Yes. I have testified on numerous occasions before this Commission on cost-of-service, rate design and other matters.

7. What is the purpose of your testimony in this proceeding?

A. The purpose of my testimony is to present evidence on:

(1) Petitioner's cost of service study;

(2) Petitioner's proposed revenue distribution among its rate schedules;

(3) The proposed rate design and levels of rates and charges applicable to each rate schedule;

(4) The computational details of Petitioner's proposed Normal Temperature Adjustment;

(5) The details of Petitioner's proposed Pipeline Safety Adjustment mechanism; and

(6) Petitioner's proposal to eliminate the use of demand allocators for its Gas Cost Adjustment ("GCA") filings;

8. How is your testimony organized?

A. My testimony is organized into the following sections:

I. Introduction and Overview

II. Overview of Rate Schedules

III. Cost of Service Study

IV. Proposed Revenue Distribution Among Rate Schedules

V. Proposed Rates and Charges

VI. Normal Temperature Adjustment

VII. Pipeline Safety Adjustment

VIII. Proposed Elimination of Demand Allocators for GCA

9. What exhibits are you sponsoring in this proceeding?

A. I am sponsoring the following exhibits:

KAH-1	Business Experience and Qualifications of Kerry A. Heid
KAH-2	Cost of Service Study
KAH-3	Operating Income at Present and Proposed Rates
KAH-4	Rate Class Subsidy Levels at Present and Proposed Rates
KAH-5	Revenues from Gas Sales at Present and Proposed Rates
KAH-6	Bill Impact Schedules
KAH-7	List of Gas Utilities with Approved NTAs

II. OVERVIEW OF RATE SCHEDULES

10. Please provide an overview of the current rate schedules that form the basis for your cost of service study.

A. The current rate schedules are summarized below. Each of these rate schedules, including proposed changes thereto, will be discussed in further detail in later sections of my testimony. It should be noted that the rate schedules for Petitioner's ANR and Texas Gas systems are identical, except for the levels of the rates and charges. For example, Rate 11 for Petitioner's ANR system and Rate 41 for Petitioner's Texas Gas system are identical other than the level of rates and charges. Similarly, Rate 12 for Petitioner's ANR system and Rate 42 for

Petitioner's Texas Gas system are identical other than the level of rates and charges. Therefore, where practical, the ANR system and Texas Gas system rate schedules will be discussed together.

Rates 11/41 - Firm Small Volume Gas Service are firm sales services applicable to all gas sales customers who use less than 15,000 therms per month during ten or more of the twelve billing cycles each calendar year. Rate 11 (ANR) has approximately 9,958 customers, and Rate 14 (Texas Gas) has approximately 14,351 customers.

Rates 12/42 - Firm Large Volume Gas Service are firm sales services applicable to all gas sales customers whose usage exceeds 15,000 therms per month in at least three of the twelve billing cycles each calendar year. Rate 12 (ANR) has 8 customers, and Rate 42 (Texas Gas) has no customers.

Rates 13/43 - Interruptible Large Volume Gas Service are interruptible sales services available to all gas sales customers who desire interruptible gas sales service and whose usage exceeds 15,000 therms per month in at least three of the twelve billing cycles each calendar year. Rate 13 (ANR) has one customer, and Rate 43 (Texas Gas) has no customers.

Rates 14/44 - Interruptible Grain Drying Gas Service are interruptible sales services applicable to customers whose primary load is for grain drying. Rate 14 (ANR) has 16 customers, and Rate 44 (Texas Gas) has 14 customers.

Rates 15/45 Interruptible Gas Transportation Service for Large Volume End-Users are interruptible transportation services available to customers whose annual volume exceeds 540,000 therms per year. Rate 15 (ANR) has 5 customers, and Rate 45 (Texas Gas) has 3 customers.

Rates 16/46 - Interruptible Gas Transportation Service for Small Volume End-Users are interruptible transportation services available to customers whose annual volume exceeds 100,000 therms per year but is less than 540,000 therms per year. Rate 16 (ANR) has 5 customers, and Rate 46 (Texas Gas) has 12 customers.

Rates 18/48 - Public Schools Transportation Service are transportation services available to public education institutions serving students in grades K through 12. There are no customers on this rate schedule.

III. COST OF SERVICE STUDY

11. Please provide an overview of your testimony as it relates to your cost of service study?

A. The purpose of my testimony is to sponsor a fully allocated cost of service study based on Petitioner's embedded cost of providing gas service for the twelve months ended June 30, 2006. Working with Petitioner's management, I prepared an embedded cost of service study based on Petitioner's accounting costs per books, adjusted for known and measurable changes to test year operating results, for the twelve months ended June 30, 2006. The cost of service study corresponds to the proforma financial exhibits included in the exhibits of Mr. S. Mark Kerney, Petitioner's Vice President and Chief Financial Officer. My objective in performing the cost of service study was to determine the rate of return on rate base that Petitioner is earning from each customer class, which provides an indication as to whether its rates reflect the cost of providing service to each customer class.

12. Explain the composition of the cost of service study.

A. The study consists of two parts. First, the investment required to serve each rate schedule was determined. This was done by allocating total original cost utility rate base at September 30, 2006, as adjusted, among the customer rate classes based on various assignment and allocation methods. Second, the operating expenses incurred in providing service

to each customer rate class were determined. This was done by allocating the proforma costs of providing gas service, as determined on a going level basis at present and proposed rates, among the customer rate classes based on various assignment and allocation methods.

13. Where did you obtain the data used to perform the cost of service study?

A. Investment cost data was taken from detailed accounting information which formed the basis of the utility rate base shown in Petitioner's Exhibit SMK-3, Page 25 of 37, sponsored by Petitioner's witness Kerney. The cost of service data was obtained from accounting information which formed the basis of the Proforma Statements of Operating Income shown in Petitioner's Exhibit SMK-3, Pages 31A and 31B of 37, sponsored by Petitioner's witness Kerney. Data used to derive allocation factors in the allocation of rate base and cost of service came from various sources, including Petitioner's books and records and special studies.

14. Please describe in general the assignment and allocation processes used in the cost of service study.

A. The various costs or investments were assigned directly to the customer rate classes in those instances where direct assignment was possible. Direct assignments were based on specific details as recorded in Petitioner's books and records or were based on special studies performed by me. Where direct assignment was not possible, the investment or cost was allocated to the customer rate classes using the

most appropriate method considering the type of investment or cost involved. For example, investment and cost items were identified as being commodity, demand, or customer related. Commodity costs are those that vary with the volume of gas delivered to customers and are allocated based on annual volumes. Demand costs are those incurred to deliver gas to customers at certain levels and are, therefore, dependent on customer demands. These costs are allocated based on peak day demands. Customer costs are those that vary with the number of customers served and are allocated based on number of customers. Other costs are directly related to specific plant investments, and these costs were allocated in the same manner as the plant to which they relate.

15. Please describe Petitioner's Exhibit KAH-2.

A. Petitioner's Exhibit KAH-2, Schedules 1 through 7, present the cost of service study I prepared in this proceeding for the ANR system. Petitioner's Exhibit KAH-2A, Schedules 1 through 7, present the cost of service study I prepared in this proceeding for the Texas Gas system. The schedules are the same for both systems. Schedule 1 presents a table of the rate schedule allocation factors used in the cost allocation process. These cost allocation factors are cross-referenced in the cost allocation schedules that will be subsequently discussed in this section. Schedule 2 presents the results of the allocation of Petitioner's original cost rate base among its various customer rate classes. Schedule 3

presents the results of the allocation of depreciation and amortization expenses among the various customer rate classes. Schedule 4 presents the results of the allocation of operation and maintenance expenses ("O&M") among the various customer rate classes at proforma A and Proforma B revenue levels, respectively. The designation "Proforma A" represents results at present revenue levels. The designation "Proforma B" represents results at proposed revenue levels. Schedule 5 presents the results of the allocation of miscellaneous revenues among the various customer rate classes. Schedule 6 reflects the class-by-class calculation of federal and state income and gross receipts taxes. Schedule 7 reflects the summarized results of the preceding cost of service allocations.

IV. PROPOSED REVENUE DISTRIBUTION AMONG RATE SCHEDULES

16. Have you used the results of the cost of service study in developing your proposed revenue allocations by rate schedule?

A. Yes. My cost of service study served as the foundation for determining the revenue allocations I am proposing. My cost of service study was structured to provide revenue and operating income amounts and associated taxes to compute the rate of return on rate base for each rate schedule at both present and proposed rates.

17. Please identify the rates of return by rate schedule under Petitioner's present rates.

A. Petitioner's Exhibit KAH-3, Schedule 1, contains the Statement of Operating Income at present rates by rate schedule. Line 12 of that schedule reflects the current rate of return for each rate schedule. Line 13 reflects the Earnings Indices comparing the current class rates of return to the current overall Company rate of return.

18. Please identify the total operating revenues by rate schedule that would result from equal rates of return at the present revenue level.

A. Petitioner's Exhibit KAH-3, Schedule 2, contains the Statement of Operating Income at equal rates of return at the present revenue levels.

19. Please identify the total operating revenues by rate schedule that would result from equal rates of return at the proposed revenue requirement.

A. Petitioner's Exhibit KAH-3, Schedule 3, contains the Statement of Operating Income at equal rates of return at the proposed revenue requirement.

20. Please identify the rates of return by rate schedule under Petitioner's proposed rates.

A. Petitioner's Exhibit KAH-3, Schedule 4, contains the Statement of Operating Income at proposed rates by rate schedule.

21. Please identify the subsidy level for each rate schedule at present and proposed rates and the change in each subsidy level reflected in the proposed revenue allocations.

A. Petitioner's Exhibit KAH-4 reflects the current and proposed customer class subsidy levels for each rate schedule at present and proposed rates.

22. Please describe the basis for your proposed subsidy reduction levels.

A. Consistent with long-established Commission policy, Petitioner's objective in its revenue allocation process is to reduce interclass subsidies to the extent practical while mitigating rate shock. Our approach was to propose rates that moved toward equal rates of return and thereby reduce subsidies while producing reasonable percentage increases to each rate schedule. In this case Petitioner concluded that a 10% reduction in subsidies should be proposed. However, for certain rate schedules, the subsidy reduction levels were modified to mitigate potential rate shock to customers in those rate schedules.

23. What effect will the proposed revenue distribution and subsidy reduction levels have on the annual revenues to be collected from each rate schedule?

A. Petitioner's Exhibit KAH-5 contains a summary of present and proposed revenues by rate schedule. It also demonstrates that the proposed rates generate the appropriate level of revenues.

V. PROPOSED RATES AND CHARGES

24. Have you developed rates that produce the results described in the preceding section?

A. Yes. These proposed rates and charges for both the ANR and Texas Gas systems are contained in the respective Tariffs for Gas Service in Petitioner's Exhibit RLL-4, sponsored by Petitioner's witness Ronald L. Loyd, Vice President and General Manager.

25. Please explain how you developed Petitioner's proposed rates for this proceeding.

A. Based upon the desired revenue distribution to each rate class as previously described in my testimony, the primary objective was to design rates that recover the appropriate amount of revenue from each rate class. However, additional considerations also guided my rate design. Petitioner's current Service Charges (which will be renamed Facilities Charges) are significantly below the fixed costs of providing service. Petitioner's fixed costs should be recovered through the fixed monthly Facilities Charges. Similarly, variable costs should be recovered through volumetric charges. To the extent that fixed costs are allowed to be recovered in the rate design as though they were commodity costs, the rate design will result in: (1) an unnecessary degree of bill volatility for customers for those customers not subject to

the NTA, (2) earnings erosion for Petitioner due to declining average usage per customer, and (3) a misalignment in the pricing results with the costs incurred to serve customers. In the instant case, I concluded that a reasonable rate design would provide for Petitioner to structure its rates to recover a greater portion of its costs through the monthly Facilities Charge, and I have applied this reasoning in developing the proposed rates.

For those customers who could elect between sales and transportation alternatives, an important objective was to make those corresponding sales and transportation rate schedules margin neutral. For example, Rates 16/46 are the transportation counterparts to Rates 12/42. Both rate schedules have identical eligibility requirements, such that eligible customers may elect to either purchase Petitioner's gas supply under Rates 12/42, or they may elect to purchase third-party transportation gas under Rates 16/46. It is important for the Company to be margin neutral so that the Company would not be harmed or advantaged by the customers' gas supply decisions. Moreover, it is important to eliminate any margin rate disparities between sales and transportation rates that would artificially encourage the customer to prefer one option over the other.

Where there are no customers currently receiving service under a given

rate schedule, it was not possible to develop cost-based rates. In those instances, the present rates were either increased by the system average or, if necessary and appropriate, adjusted relative to rates in other rate schedules.

26. Please summarize the proposed revisions to the current rate schedules.

A. As will be described below, all of the current rate schedules remain intact, although some have been revised. In addition, the Service Charge has been renamed Facilities Charge, the volumetric rate has been named Commodity Charge, and the Pipeline Safety Adjustment, Appendix D, has been added to all rate schedules.

<u>Rates 11/41 – Firm Small Volume Sales Service</u>

27. Please describe the proposed revisions to Rates 11/41-Firm Small Volume Service.

A. The tariff revisions proposed to Rates 11/41 are as follows:

1. A reference to the Normal Temperature Adjustment, Appendix C, as described below, has been added to this rate schedule;
2. The upper threshold for qualifying for this rate schedule has been revised. The present rate schedule requires that the customer use less than 15,000 therms per month during 10 or more of the 12 billing cycles each calendar year. This is proposed to be changed to a maximum annual usage of

100,000 therms per year, to coincide with the lower threshold on Rates 12/42-Firm Large Volume Sales Service.

28. What changes are proposed to the Rates and Charges for Rates 11/41?

A. The Facilities Charges for Rates 11/41 have been raised to $16.00 from $13.00. This increase is necessary to increase the proportion of allocated fixed costs recovered by the Facilities Charge. The fixed cost per meter for Rate 11 customers is $30.75, while for Rate 41 it is $48.51. The proposed Facilities Charges represents only 52% and 33% of the allocated fixed costs, respectively. The remaining allocated costs will be recovered in the single-block Commodity Charges.

29. Please describe the impact of Petitioner's proposed revenue allocations and rates and charges upon Rate 11/41-Firm Small Volume Sales Service customers.

A. Petitioner's Exhibit KAH-6, Schedule 1, contain tables of monthly bill amounts calculated at various levels of usage for both present and proposed rates for the Rates 11/41 customers. The dollar and percentage increase in monthly bill amounts is identified for each usage level.

1 **Rates 12/42 – Firm Large Volume Sales Service**

2 **30. Please describe the proposed tariff revisions to Rates 12/42-Firm Large**

3 **Volume Sales Service?**

4 A. The tariff revisions proposed to Rates 12/42 are as follows:

5 **1.** Petitioner is proposing to revise the minimum threshold limit for

6 Rates 12/42 to 100,000 therms per year. Currently, customers

7 must exceed 15,000 therms per month in at least 3 of 12 billing

8 cycles each calendar year. However, this minimum threshold

9 requirement is problematic. Compare Customer A using 14,000

10 therms per month for 12 months to Customer B using 15,000

11 therms per month for 3 months. Customer A clearly has a

12 better load factor and should pay a lower rate. However, under

13 the current minimum volume threshold, Customer A must take

14 service on Rates 11/41, paying more than Customer B on Rates

15 12/42. Therefore, Petitioner is proposing to revise the minimum

16 volume threshold on Rate 12/42 to prevent this problem;

17 **2.** An upper threshold limit of 500,000 therms per year is proposed

18 in order to coincide with the lower threshold limit for Rates

19 15/45-Large Volume Gas Transportation Service. Otherwise,

20 very large customers could use Rates 12/42 as a "peaking

21 service" by simply paying the Facilities Charge and then using

22 unlimited gas supply on peak days;

3. The demand charge will be eliminated and replaced with a larger Facilities Charge. As previously described, this rate is being "synchronized" with its transportation counterpart, Rate 16/46-Small Volume Gas Transportation Service in order to make it margin neutral. This change will facilitate that objective.

4. This rate schedule will be renamed Firm Medium Volume Sales Service to more clearly indicate the nature of customers eligible for this service.

31. What changes are proposed to the Rates and Charges for Rates 12/42?

A. The Facilities Charges for Rates 12/42 have been raised to $550.00 from $88.15 and 215.33, respectively. This increase is necessary, in part, to make up for the elimination of the Demand Charge. The remaining allocated costs to this rate schedule are recovered through the remaining single-block Commodity Charge.

32. What impact will Petitioner's proposed revenue allocation and rates and charges have on Rates 12/42 customers?

A. Petitioner's Exhibit KAH-6, Schedule 2, contains a table showing annual bill amounts for both present and proposed rates for each individual non-Rates 11/41 customer.

Rates 13/43 – Interruptible Large Volume Sales Service

33. Please describe the proposed tariff revisions to Rates 13/43-Interruptible Large Volume Sales Service.

A. The tariff revisions proposed to Rate 13/43 are as follows:

1. The minimum volume threshold will be revised to 100,000 therms per year, consistent with the Rates 12/42 minimum volume threshold; This change increases the annual volume threshold, which is desirable to prevent very small customers, who provide no gas supply benefits during curtailments, from utilizing this service.
2. An alternate fuel requirement will be added, as more fully described by Petitioner's witness Loyd:
3. This rate schedule was renamed Interruptible Sales Service.

34. What changes are proposed to the Rates and Charges to Rates 13/43?

A. The Facilities Charges for Rate 13/43 have been raised to $475.00 from $195.52 and $191.19, respectively. The remaining allocated costs will be recovered through the single-block Commodity Charge.

35. What impact will Petitioner's proposed revenue allocation and rates and charges have on the Rates 13/43 customers?

A. Petitioner's Exhibit KAH-6, Schedule 2, contains a table showing annual bill amounts for both present and proposed rates for each individual non-Rates 11/41 customer.

1 **Rates 14/44 – Grain Drying Sales Service**

2 **36. What revisions are proposed for Rates 14/44-Grain Drying Sales Service?**

3 A. Rates 14/44 are currently designated as interruptible services. The
4 interruptible designation is being removed since essentially the entire
5 grain drying load occurs during off-peak periods.

6 **37. What changes are proposed to the Rates and Charges to the Rates 14/44**
7 **customers?**

8 A. The Annual Facilities Charges for Rates 14/44 have been raised to
9 $480.00 from $375.00 for the small meters, and have been raised to
10 $840.00 from $700.00 for the large meters. The remaining allocated
11 costs are recovered from the respective single-block Commodity
12 Charges.

13 **38. What impact will Petitioner's proposed revenue allocation and rates and**
14 **charges have on Rates 14/44 customers?**

15 A. Petitioner's Exhibit KAH-6, Schedule 2, contains a table showing annual
16 bill amounts for both present and proposed rates for each individual
17 non-Rates 11/41 customer.

18

19 **Rates 15/45 – Large Volume Transportation Service**

20 **39. What revisions are proposed for Rates 15/45-Large Volume**
21 **Transportation Service?**

22 A. The tariff revisions proposed to Rates 15/45 are as follows:

1. The minimum volume threshold was lowered from 540,000 to 500,000 therms per year. No current customers were affected by this change.
2. By placing a maximum volume threshold on the sales rate schedules, it requires the Petitioner's largest customers to acquire their gas supplies from third party suppliers. All customers exceeding this threshold currently transport and are unaffected by this change.
3. The designation of this service as "interruptible" is being removed. Rates 15/45 are currently designated as interruptible services. However, because Rates 15/45 are transportation rate schedules, the service for which the interruptible classification applies is delivery service on Petitioner's system. Since Petitioner's delivery system is not capacity-constrained, the classification of customers as interruptible provides no system benefits.

40. What changes are proposed to the Rates and Charges to the Rates 15/45 customers?

A. The Facilities Charges for Rates 15/45 have been raised to $1300.00 from $630.00 and $862.08, respectively. The remaining allocated costs will be recovered from the respective single-block Commodity Charges.

41. What impact will Petitioner's proposed revenue allocation and rates and charges have on the Rates 15/45 customers?

A. Petitioner's Exhibit KAH-6, Schedule 2, contains a table showing annual bill amounts for both present and proposed rates for each individual non-Rates 11/41 customer.

Rates 16/46 – Medium Volume Transportation Service

42. What revisions are proposed for Rates 16/46-Medium Volume Transportation Service?

A. The tariff revisions proposed to Rates 16/46 are as follows:

1. A minimum volume threshold of 100,000 therms per year and a maximum threshold of 500,000 therms per year was added to coincide with Rate 12/42, its sales service counterpart;
2. The designation of this service as "interruptible" is being removed. Rate 16/46 is currently designated as an interruptible service. However, because Rate 16/46 is a transportation rate schedule, the service for which the interruptible classification applies is delivery service on Petitioner's system. Since Petitioner's delivery system is not capacity-constrained, the classification of customers as interruptible provides no system benefits.

43. What changes are proposed to the Rates and Charges to the Rates 16/46 customers?

A. The Facilities Charges for Rates 16/46 have been raised to $550.00 from $500.00. This increase is necessary to coincide with the Facilities Charges on Rate 12/42, the sales service counterpart to these rate schedules. The remaining allocated costs will be recovered from the respective single-block Commodity Charges.

44. What impact will Petitioner's proposed revenue allocation and rates and charges have on the Rates 16/46 customers?

A. Petitioner's Exhibit KAH-6, Schedule 2, contains a table showing annual bill amounts for both present and proposed rates for each individual non-Rates 11/41 customer.

Rates 18/48 – Public Schools Transportation Service

45. What revisions are proposed for Rates 18/48-Public Schools Transportation Service?

A. Because these services were newly created and approved, no customers currently utilize this rate. Therefore, it was not possible to determine cost-based rates. Consequently, revised rates were designed to be margin neutral with Rates 11/41, under which all but one school is served, consistent with the approach utilized in the recent 30-day filing under which this rate schedule was created.

VI. NORMAL TEMPERATURE ADJUSTMENT

46. Petitioner's witness Ron Loyd discusses two types of NTA mechanisms, the real-time (Type 1) NTA mechanism and the deferred (Type 2) NTA mechanism. For which of these approaches is Petitioner requesting approval?

A. Petitioner is proposing the Type 1 NTA mechanism. However, the Type 1 mechanism has two different approaches – one based on individual customer characteristics and one based on customer class characteristics. Petitioner is proposing the Type 1 individual customer NTA.

47. To which rate schedules would the NTA be applicable?

A. The NTA would be applicable to customers in Rate Schedule No. 11-Firm Small Volume Sales Service (ANR) and Rate Schedule No. 41-Firm Small Volume Sales Service (Texas Gas).

48. Are the conceptual and computational underpinnings of the Company's proposed NTA mechanism widely accepted in the gas utility industry?

A. Yes. Petitioner's Exhibit KAH-7 presents a survey conducted with input from a recent American Gas Association survey, which identifies utility companies located in the United States that have Weather Normalization Adjustment ("WNA") clauses in effect. The results of that survey indicate that many local gas distribution companies, across a wide geographic area including Indiana, have implemented NTA-type mechanisms.

49. Please explain how the Petitioner's proposed Type 1 individual customer NTA would operate.

A. The Type 1 individual customer NTA would adjust the dollar amount billed to each heat sensitive residential and general service customer to effectively weather-normalize fixed costs recovered from each of these customers during the heating season. It is a customer-specific calculation applied to bills rendered during the seven billing months of November through May.

50. How will the adjustment to customers' bill be calculated?

A. The NTA would be calculated for each applicable customer at the time of billing. This approach allows the adjustments to be calculated at the conclusion of each customer's meter reading billing cycle and incorporated into the original monthly bill sent to each customer.

Moreover, this approach provides for a more accurate and timely adjustment for the customer. There is no time lag between when the customer experiences the bill variability and when the bill leveling adjustment is made.

51. Please provide a formulaic representation of the Type 1 individual customer NTA that you just described.

A. A formulaic representation of the proposed Type 1 individual customer NTA mechanism is as follows:

NTA amount = NTA Therms x NTA Margin

Where:

$$\text{NTA Therms} = \frac{[\text{Actual Usage} - \text{Base Load Usage}]}{\text{ADD}} \times [\text{NDD} - \text{ADD}]$$

NTA Margin = Specified margin (non-gas cost) component of the Commodity Charge for the applicable Rate Schedule.

NDD = Normal Degree Days

ADD = Actual Heating Degree Days

For colder than normal weather, the NTA Therms and NTA amount would be negative values, thereby adjusting customers' bills downward accordingly. For warmer than normal weather, the NTA Therms and NTA amount would be positive values, with commensurate upward adjustments to customers' bills.

52. Please define the term "Base Load Usage."

A. "Base Load Usage" is the non-weather sensitive component of the monthly gas usage of each customer subject to the proposed NTA mechanism. Dividing each customer's gas usage during the billing months of July, August and September by the number of billing days in those months derives the average daily Base Load Usage for that customer. Those months are used because the Petitioner's historical weather data shows virtually no heating Degree Days during these three months. Each billing month for each applicable customer, the average daily Base Load Usage is multiplied by the number of billing days in the month to derive the Base Load Usage component of the NTA. If the customer's service address has

no prior consumption history, an estimated average daily Base Load Usage will be used.

53. Please explain how the Normal Degree Days for each billing cycle would be derived.

A. The Normal Degree Days for each day of each billing cycle would be the same as used in the rate case weather normalization adjustment. Specifically, Heating Degree Days would be based on Heating Degree Days as reported for Indianapolis, Indiana except for the Tell City district, which will use Evansville Heating Degree Days.

54. Please explain how you will determine the NTA Margin.

A. The NTA Margin will be determined as the margin (non-gas cost) component of the Commodity Charge for Rate 11/41. It will be determined as the Commodity Charge less the Base Rate Cost of Gas, as follows:

	Rate 11	Rate 41
Commodity Charge	$1.3217	$1.5058
Less: Base Rate Cost of Gas	(1.0623)	(1.1307)
NTA Margin	$0.2594	$0.3751

55. Please provide an example to demonstrate the Type 1 individual customer NTA.

A. Assume a residential customer in the ANR system used 125 therms during the billing month of December and that December had a total of 950 actual heating Degree Days. Assume further that for this utility the normal heating Degree Days are 1020 in the customer's December billing cycle, so the current December billing month is 93% of normal. Assume further that this

customer used a total of 48 therms during the previous summer billing months of July, August and September. If July, August and September contained a total of 95 billing days, the customer will have a calculated daily base usage during these three months of 0.5053 therms per day (48 therms/95 billing days). Assuming 30 billing days in the customer's December billing cycle, the customer's Base Load Usage for December would have been calculated as follows:

Base Load Usage=

[Daily Base Usage during July-September] x [No. of Days in Current Billing Period]

=0.5053 therms per day x 30 days

=15 therms

The customer's NTA Therms for December would have been calculated as follows:

NTA Therms =

$$\frac{[\text{Actual Usage} - \text{Base Load Usage}]}{\text{Actual Degree Days}} \times [\text{Normal Degree Days} - \text{Actual Degree Days}]$$

$$= \frac{[125 - 15]}{950} \times [1020 - 950] = 8 \text{ therms}$$

In other words, this customer's weather normalized usage would have been 8 therms greater if Normal Degree Days had been experienced.

Finally, the NTA amount would be determined as follows:

NTA amount = NTA Therms x NTA Margin

NTA amount = 8 therms x $0.2594 per therm = $2.08.

This sample customer's bill would have been increased $2.08 to reverse the impact that warmer-than-normal weather (below-normal heating Degree Days) had on the customer's bill.

56. Has Petitioner prepared a proposed Normal Temperature Adjustment tariff sheet?

A. Yes. Petitioner's proposed Normal Temperature Adjustment tariff sheets are included as Appendix C in the respective Tariffs for Gas Service, sponsored by Petitioner's witness Loyd.

57. Is the Type 1 individual customer NTA mechanism proposed by Petitioner in this proceeding virtually identical to the Type 1 individual customer NTA mechanisms approved for other gas companies in Indiana?

A. Yes. Petitioner's proposed real-time individual Type 1 NTA mechanism is virtually identical to the NTAs approved for Vectren-North and Vectren-South in Cause No. 42890, Citizens Gas & Coke Utility in Cause No. 43202, and for eight of the nine small gas companies in Cause No. 43090 et al.

VII. PIPELINE SAFETY ADJUSTMENT

58. Is Petitioner proposing a tracker to recover the actual operation and maintenance ("O&M") expenses related to complying with the federal pipeline integrity management mandates?

A. Yes. Petitioner is proposing Appendix D, Pipeline Safety Adjustment ("PSA"), to recover the Company's actual operation and maintenance ("O&M") expenses related to complying with the federal pipeline safety integrity mandates, as described by Petitioner's witness Loyd. Because the level of expenses associated with Pipeline Integrity Management may vary from year to year, the PSA is a preferable alternative to base rate inclusion and helps to ensure that only actual costs are recovered from customers, no more and no less.

59. Is Petitioner's proposed Pipeline Safety Adjustment virtually identical to that approved for Vectren North and Vectren South?

A. Yes.

60. Please summarize Petitioner's proposed PSA mechanism.

A. The proposed PSA would have the following features:

(1) No pro forma test year amount of pipeline integrity management costs would be included within base rates. The PSA, then, would reflect 100 percent of the pipeline integrity management costs.

(2) The PSA would be based on actual historical pipeline integrity management costs incurred during a previous twelve month period. To provide for prior Commission scrutiny and approval of each PSA, Petitioner would make an annual filing with the Commission that would consist of testimony and other evidence establishing the appropriateness of the pipeline integrity management costs incurred, as well as the reconciliation of prior period over and under-recoveries.

(3) Actual historical pipeline integrity management costs would be allocated to rate schedules based on the Mains allocation factor as reflected in Petitioner's cost of service study.

(4) A volumetric charge would be determined for each individual rate schedule by dividing the allocated pipeline integrity management costs to be recovered (including previous period over and under-recoveries) by estimated annual sales volumes for each rate schedule.

(5) The PSA would be subject to an annual reconciliation. PSA over- or under-recovery variances will be determined annually in connection with Petitioner's annual PSA proceeding. These variances will be flowed back or recovered over a twelve (12) month period in subsequent PSAs.

61. Has Petitioner prepared a Pipeline Safety Adjustment tariff sheet?

A. Yes. The Pipeline Safety Adjustment tariff sheet is included as Appendix D in the proposed Tariff for Gas Service, Petitioner's Exhibit RLL-4, sponsored by Petitioner's witness Loyd.

VIII. ELIMINATION OF GCA DEMAND ALLOCATORS

62. Is Petitioner proposing to eliminate the use of demand allocators for GCA purposes?

A. Yes.

63. Please explain.

A. In essence, Petitioner is proposing to treat all gas costs, including demand costs, in the GCA proceeding as if they were commodity costs. There are several reasons for doing so. When the GCA process was first created in 1983 in Cause No. 37091, virtually all customers were sales customers, i.e. purchasing their gas supplies from the utility rather than from a third-party supplier. As such, in the past there was a wide disparity in load factors between customer classes subject to the GCA, which necessitated the use of demand allocators to equitably allocate gas supply costs to the various customer classes. However, with the ever-increasing availability of transportation service, the high load factor customers have generally migrated to transportation service. The result has been that there is greater homogeneity in load factors between the remaining sales customers, which makes the use of demand allocators less critical.

Second, as Petitioner continues to experience its sales customers migrating to transportation service (which has been and will be exacerbated by the creation of Petitioner's Rate 16/46-Medium Volume Transportation Service and Rate 18/48-School Transportation Service), its demand allocators will become quickly stale, thus requiring frequent changes in its demand allocators. The use of a commodity-based GCA rate will eliminate this problem.

Third, the use of single commodity GCA rate will simplify the GCA process. While not a driving factor in the proposal to eliminate the GCA demand allocators, it is clearly a desirable by-product.

It should be noted that Petitioner's other operating utility, Ohio Valley Gas, Inc., has a single commodity GCA rate, and thus this proposal will synchronize the GCA methodologies for both companies. [Corp only]

Finally, it should be noted that virtually all of the smaller gas companies in Indiana use the same commodity-based GCA approach.

64. Does this conclude your prepared direct testimony?

A. Yes, at the present time.

KERRY A. HEID, P.E. ***Heid Rate and Regulatory Services***
President

Mr. Heid is an independent rate consultant with 26 years of gas, electric, water and wastewater utility experience in the rate and regulatory areas. Mr. Heid was previously Director of Rates for Vectren Corporation where he directed the rate activities for the Vectren utilities of Indiana Gas Company, Southern Indiana Gas and Electric Company and Vectren Energy Delivery of Ohio. While at Vectren Mr. Heid was responsible for preparation of cost of service studies, development of rate schedules and preparation of Purchased Gas Adjustment ("PGA") filings. Mr. Heid has testified on numerous occasions regarding cost of service studies and rate design.

Prior to his employment with Vectren, Mr. Heid was a senior member of the Indiana Utility Regulatory Commission technical staff. Mr. Heid was also previously employed in the Management Services Division of Black & Veatch Consulting Engineers, where he prepared cost of service studies for utilities throughout the United States.

Since leaving Vectren Mr. Heid has continued consulting with Vectren on gas and electric cost of service and rate design matters. Mr. Heid has also assisted other gas, electric, water and wastewater utility clients in preparing cost of service studies and developing new rate schedules. Mr. Heid has also provided cost of service and rate design assistance to large customers in various regulatory and court proceedings.

Mr. Heid has been actively involved as a member of the following professional industry associations: (i) *American Gas Association ("AGA") Rate and Strategic Planning Committee*, including former Chair of its Revenue Requirements Subcommittee; (ii) *Indiana Gas Association Rate Committee*, Former Chair; (iii) *Edison Electric Institute Economic Regulation and Competition Committee*; (iv) *Indiana Electric Association Rates and Tariffs Committee*; (v) *American Water Works Association Rates and Charges Committee*. Appointed to Subcommittee revising Manual M1, "Principles of Water Rates, Fees, and Charges;" (vi) *Water Subcommittee of the National Association of Regulatory Utility* Commissioners ("NARUC"); and (vii) *Water Environment Federation.*

Mr. Heid has been an instructor at the AGA Gas Rates School, has given presentations to the American Gas Association Rate and Strategic Planning Committee on various topics including PGA mechanisms, and has been invited by the Indiana Utility Regulatory Commission to conduct training for its staff on PGA mechanisms. Mr. Heid has served on the faculty at the NARUC Annual Eastern Utility Water Rate Seminar, and has given presentations to the Annual Meeting of the Indiana Chapter of the American Water Works Association, the Indiana Chapter of the American Society of Civil Engineers, the Indiana Water Association, the Indiana Rural Water Association, the Indiana Association of Conservancy Districts, and the Governor's Drought Advisory Committee.

Mr. Heid has a B.S. degree in Civil Engineering from Purdue University and an MBA degree with a concentration in finance from Indiana University. Mr. Heid is a registered Professional Engineer in the State of Indiana.

ENGAGEMENTS OF KERRY A. HEID, P.E.

Heid Rate and Regulatory Services

Client	Year	Project Emphasis
Vectren North (Indiana Gas Co.)	1990	Gas Cost of Service Study and Rate Design Weather Normalization Clause
Vectren North (Indiana Gas Co.)	1992-1995	Gas Cost of Service Study and Rate Design Weather Normalization Clause Environmental Cost Recovery Tracker
Vectren North (Indiana Gas Co.)	1989-2002	Quarterly Gas Cost Adjustments
Vectren South (SIGECO)-Gas	2000-2002	Quarterly Gas Cost Adjustments
Vectren South (SIGECO)-Electric	2000-2002	Quarterly Electric Fuel Cost Adjustments Demand Side Management Cost Riders
Vectren Energy Delivery of Ohio	2000-2002	Quarterly Gas Cost Adjustments
Vectren Energy Delivery of Ohio	2001	Gas Cost Recovery Audit
Vectren Energy Delivery of Ohio	2001	Senate Bill 287 Implementation Gross Receipts Tax Rider
Vectren South (SIGECO)-Electric	2001	NOx Environmental Cost Recovery Mechanism
Vectren South (SIGECO)-Electric	2002	NOx Environmental Cost Recovery Mechanism
Vectren South (SIGECO)-Electric	2002	Review of Electric Cost of Service Study
Evansville Business Alliance	2002	Wastewater Cost of Service Study and Rate Design
Evansville Business Alliance	2002	Water Cost of Service Study and Rate Design
Mead Johnson (Bristol Myers)	2003	Wastewater Rate Projections
Vectren South (SIGECO)-Electric	2003	NOx Environmental Cost Recovery Mechanism
South Bend Industrial Intervenors	2003	Wastewater Cost of Service and Rate Design
Indiana Utilities Corporation	2003	Gas Cost of Service and Rate Design
Community Natural Gas Co.	2003	Gas Cost of Service Study and Rate Design
Indiana Natural Gas Corp.	2003	Gas Cost of Service Study and Rate Design
Indiana-American Water Company	2003	Water Cost of Service Study and Rate Design Single Tariff Pricing
GPI at Danville Crossing	2003-2005	Wastewater Rate Design

ENGAGEMENTS OF KERRY A. HEID, P.E.

Heid Rate and Regulatory Services

Client	Year	Project Emphasis
Vectren South (SIGECO)–Gas	2003	Gas Cost of Service Study and Rate Design Weather Normalization Clause
Purdue University	2004	Wastewater Cost of Service Study and Rate Design
City of Frankfort , IN	2004	Water Cost of Service Study and Rate Design Large Customer Bypass Negotiations
Evansville Business Alliance	2004	Wastewater Cost of Service Study and Rate Design
Switzerland County Natural Gas	2004	Gas Cost of Service Study and Rate Design
Vectren Energy Delivery of Ohio	2004	Gas Cost of Service Study and Rate Design
Vectren North (Indiana Gas Co.)	2004	Gas Cost of Service Study and Rate Design Weather Normalization Clause
Clay Utilities Customers	2005	Outside City Surcharge
City of East Chicago, IN	2005	Water Cost of Service Study and Rate Design
Indianapolis (Veolia) Department of Waterworks	2006	Water Cost of Service Study and Rate Design
Culver Academies	2005	Wastewater Cost of Service Study and Rate Design
City of Anderson, IN	2005-2006	Water Cost of Service Study and Rate Design
Vectren South (SIGECO)-Electric	2006-2007	Electric Cost of Service Study and Rate Design
Vectren South (SIGECO)-Gas	2006-2007	Gas Cost of Service Study and Rate Design
MasterGuard Corporation	2006	Electric Rate Billing Dispute
City of Anderson, IN	2006	Wastewater Cost of Service Study and Rate Design
Lawrenceburg Gas Corp.	2006-2007	Gas Cost of Service Study and Rate Design Rate Consolidation
Fountaintown Gas Company	2006	Transportation Balancing Provisions
Lawrenceburg Gas Company Midwest Natural Gas Corporation Indiana Utilities Corporation South Eastern Indiana Natural Gas Co. Fountaintown Gas Company, Inc. Community Natural Gas Co. Boonville Natural Gas Corporation Chandler Natural Gas Corporation Indiana Natural Gas Corporation	2006	Weather Normalization Clauses

ENGAGEMENTS OF KERRY A. HEID, P.E.
Heid Rate and Regulatory Services

Indiana-American Water Company	2006-2007	Purchased Power Tracker
Missouri-American Water Company	2006-2007	CWIP Surcharge
Citizens Gas & Coke Steam Utility	2007	Steam Cost of Service Study and Rate Design
Southeastern Indiana REMC	2007	Electric Cost of Service Study and Rate Design
Grandview Municipal Waterworks	2007	Wholesale Rate Litigation
Citizens Gas & Coke Utility Westfield Gas Corporation	2007	Weather Normalization Clause

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
SCHEDULE OF ALLOCATION FACTORS

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 1

NO.	ALLOCATORS	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T	Total
Input Allocators									
	Annual Throughput	11,983,754	1,038,195	137,321	70,417	6,634,977	1,523,031	0	21,387,695
1		56.0311%	4.8542%	0.6421%	0.3292%	31.0224%	7.1211%	0.0000%	100.0000%
	Annual Sales	11,983,754	1,038,195	137,321	70,417	0	0	0	13,229,687
2		90.5823%	7.8475%	1.0380%	0.5323%	0.0000%	0.0000%	0.0000%	100.0000%
	Number of Bills	119,499	96	12	192	60	60	0	119,919
3		99.6498%	0.0801%	0.0100%	0.1601%	0.0500%	0.0500%	0.0000%	100.0000%
	Design Day Throughput	141,660	10,632	376	193	22,395	9,685	0	184,942
4		76.5974%	5.7489%	0.2034%	0.1043%	12.1092%	5.2368%	0.0000%	100.0000%
	Design Day Sales	141,660	10,632	376	193	0	0	0	152,862
5		92.6723%	6.9553%	0.2461%	0.1262%	0.0000%	0.0000%	0.0000%	100.0000%
	P/F A Normal Rev. w/o Misc. Rev.	$16,772,841	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0	$18,584,532
6		90.2516%	7.1292%	0.8827%	0.5007%	0.7124%	0.5234%	0.0000%	100.0000%
	Meters Analysis	1	33	33	33	33	33	0	
	Adjusted Customers	9,958	264	33	528	165	165	0	11,113
7		89.6070%	2.3755%	0.2969%	4.7511%	1.4847%	1.4847%	0.0000%	100.0000%
	Services Analysis	1.0	10.0	10.0	10.0	10.0	10.0	10.0	
	Adjusted Customers	9,958	80	10	160	50	50	0	10,308
8		96.6047%	0.7761%	0.0970%	1.5522%	0.4850%	0.4850%	0.0000%	100.0000%
	Annual Throughput Component (20%)	11.21	0.97	0.13	0.07	6.20	1.42	0.00	20.00
	Design Day Throughput Component (80%)	61.28	4.60	0.16	0.08	9.69	4.19	0.00	80.00
	Total	72.48	5.57	0.29	0.15	15.89	5.61	0.00	100.00
9	Weighted Storage Allocator	72.4841%	5.5699%	0.2912%	0.1493%	15.8918%	5.6136%	0.0000%	100.0000%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
SCHEDULE OF ALLOCATION FACTORS

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 1

NO.	ALLOCATORS	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T	TOTAL
Internally-Generated Allocators									
	Direct to Rate 1	1	0	0	0	0	0	0	1
26		100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
	Total Component of Distribution Mains	$6,426,839	$268,023	$16,943	$13,387	$881,183	$285,016	$0	$7,891,390
103		81.4411%	3.3964%	0.2147%	0.1696%	11.1664%	3.6117%	0.0000%	100.0000%
	Subtotal Distribution Plant	$6,956,238	$290,101	$18,338	$14,489	$953,769	$308,493	$0	$8,541,429
109		81.4411%	3.3964%	0.2147%	0.1696%	11.1664%	3.6117%	0.0000%	100.0000%
	Subtotal Gross Plant	$13,010,931	$440,877	$30,480	$126,018	$1,222,478	$418,133	$0	$15,248,917
110		85.3236%	2.8912%	0.1999%	0.8264%	8.0168%	2.7421%	0.0000%	100.0000%
	Storage Plant - Annual	$0	$0	$0	$0	$0	$0	$0	$0
	Storage Plant - Peak	$0	$0	$0	$0	$0	$0	$0	$0
	Storage Plant - Winter	$0	$0	$0	$0	$0	$0	$0	$0
	Total Storage Plant	$0	$0	$0	$0	$0	$0	$0	$0
111		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	O&M Without Gas Costs (P/F A)	$2,661,459	$38,823	$3,416	$32,441	$85,380	$34,231	$0	$2,855,750
115		93.1965%	1.3595%	0.1196%	1.1360%	2.9898%	1.1987%	0.0000%	100.0000%
	O&M Without Gas Costs (P/F B)	$1,637,438	$24,407	$2,136	$20,037	$54,131	$21,590	$0	$1,759,739
117		93.0501%	1.3870%	0.1214%	1.1386%	3.0761%	1.2269%	0.0000%	100.0000%
	Distribution O&M (P/F B)	$508,295	$11,840	$1,045	$9,960	$26,134	$10,484	$0	$567,759
119		89.5265%	2.0854%	0.1841%	1.7543%	4.6030%	1.8466%	0.0000%	0.0000%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
SCHEDULE OF ALLOCATION FACTORS

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 1

NO.	ALLOCATORS	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T	TOTAL
Internally-Generated Allocators (cont.)									
	Labor Allocator	$2,503	$35	$3	$30	$76	$31	$0	$2,679
125		93.4317%	1.3153%	0.1168%	1.1317%	2.8512%	1.1534%	0.0000%	100.0000%
	Total Component of Transmission Mains	$1,288,113	$53,719	$3,396	$2,683	$176,613	$57,125	$0	$1,581,649
131		81.4411%	3.3964%	0.2147%	0.1696%	11.1664%	3.6117%	0.0000%	100.0000%
	Subtotal Transmission Plant	$1,714,813	$71,514	$4,521	$3,572	$235,118	$76,048	$0	$2,105,586
132		81.4411%	3.3964%	0.2147%	0.1696%	11.1664%	3.6117%	0.0000%	100.0000%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF RATE BASE

IS ENDED JUNE 30, 2006
ING: CASE-IN-CHIEF
NESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 2

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	GROSS PLANT									
(1)	Total Manufactured Gas Production	5	$366,826	$339,946	$25,514	$903	$463	$0	$0	$0
(2)	Total Natural Gas Production Plant	2	$0	$0	$0	$0	$0	$0	$0	$0
(3)	Total Underground Storage Plant									
(4)	Commodity	1	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Demand	5	$0	$0	$0	$0	$0	$0	$0	$0
(6)	Winter	0	$0	$0	$0	$0	$0	$0	$0	$0
(7)	Total Transmission Plant									
(8)	Mains									
(9)	Customer	3	$607,653	$605,525	$486	$61	$973	$304	$304	$0
(10)	Commodity	1	$308,599	$172,911	$14,980	$1,981	$1,016	$95,735	$21,975	$0
(11)	Demand	4	$665,397	$509,677	$38,253	$1,354	$694	$80,574	$34,845	$0
(12)	Land and Land Rights	131	$23,582	$19,205	$801	$51	$40	$2,633	$852	$0
(13)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(14)	Structures and Improvements	131	$4,914	$4,002	$167	$11	$8	$549	$177	$0
(15)	Measuring and Regulating Equipment	131	$495,441	$403,493	$16,827	$1,064	$840	$55,323	$17,894	$0
(16)	Other Transmission Equipment	132	$0	$0	$0	$0	$0	$0	$0	$0
(17)	Total Distribution Plant									
(18)	Mains									
(19)	Customer	3	$3,031,790	$3,021,171	$2,427	$303	$4,854	$1,517	$1,517	$0
(20)	Commodity	1	$1,539,704	$862,713	$74,740	$9,886	$5,069	$477,653	$109,643	$0
(21)	Demand	4	$3,319,896	$2,542,955	$190,857	$6,754	$3,463	$402,013	$173,855	$0
(22)	Land and Land Rights	103	$134,634	$109,647	$4,573	$289	$228	$15,034	$4,863	$0
(23)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(24)	Structures and Improvements	103	$8,903	$7,251	$302	$19	$15	$994	$322	$0
(25)	Measuring and Regulating Equipment	103	$506,502	$412,501	$17,203	$1,087	$859	$56,558	$18,293	$0
(26)	Services	8	$2,929,674	$2,830,202	$22,737	$2,842	$45,473	$14,210	$14,210	$0
(27)	Meters - Account 381 & 385	7	$858,477	$769,255	$20,393	$2,549	$40,787	$12,746	$12,746	$0
(28)	Meter Installations - Account 381 & 385	7	$0	$0	$0	$0	$0	$0	$0	$0
(29)	House Regulators - Account 381 & 385	7	$399,665	$358,128	$9,494	$1,187	$18,988	$5,934	$5,934	$0
(30)	Measuring and Regulating Equipment - Industrial	7	$47,260	$42,348	$1,123	$140	$2,245	$702	$702	$0
(31)	Other Distribution Equipment	109	$0	$0	$0	$0	$0	$0	$0	$0
(32)	Total General and Intangible Plant	110	$4,380,402	$3,737,518	$126,646	$8,756	$36,200	$351,169	$120,113	$0
(3[illegible])	Total Gross Plant		$19,6[illegible]19	$16,748,449	$567,523	$39,236	$162,218	$1,573,647	$538,246	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF RATE BASE

IS ENDED JUNE 30, 2006
ING: CASE-IN-CHIEF
NESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 2
PAGE 2 OF 3

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	DEPRECIATION RESERVE									
(1)	Total Manufactured Gas Production Depr. Reserve	5	$183,679	$170,220	$12,775	$452	$232	$0	$0	$0
(2)	Total Natural Gas Production Plant Depr. Reserve	2	$0	$0	$0	$0	$0	$0	$0	$0
(3)	Total Underground Storage Plant Depr. Reserve	111	$0	$0	$0	$0	$0	$0	$0	$0
(4)	Total Other Storage Plant Deprec. Reserve	0	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Total Transmission Plant Depreciation Reserve									
(6)	Mains	131	$791,971	$644,990	$26,899	$1,700	$1,343	$88,434	$28,604	$0
(7)	Land and Land Rights	131	$11,808	$9,617	$401	$25	$20	$1,319	$426	$0
(8)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(9)	Structures and Improvements	131	$2,461	$2,004	$84	$5	$4	$275	$89	$0
(10)	Measuring and Regulating Equipment	131	$248,080	$202,039	$8,426	$533	$421	$27,702	$8,960	$0
(11)	Other Transmission Equipment	132	$0	$0	$0	$0	$0	$0	$0	$0
(12)	Total Distribution Plant Depreciation Reserve									
(13)	Mains	103	$3,951,415	$3,218,078	$134,206	$8,484	$6,703	$441,230	$142,714	$0
(14)	Land and Land Rights	103	$67,415	$54,903	$2,290	$145	$114	$7,528	$2,435	$0
(15)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(16)	Structures and Improvements	103	$4,458	$3,631	$151	$10	$8	$498	$161	$0
(17)	Measuring and Regulating Equipment	103	$253,618	$206,550	$8,614	$545	$430	$28,320	$9,160	$0
(18)	Services	8	$1,466,961	$1,417,152	$11,385	$1,423	$22,769	$7,115	$7,115	$0
(19)	Meters - Account 381 & 385	7	$429,861	$385,185	$10,212	$1,276	$20,423	$6,382	$6,382	$0
(20)	Meter Installations - Account 381 & 385	7	$0	$0	$0	$0	$0	$0	$0	$0
(21)	House Regulators - Account 381 & 385	7	$200,122	$179,324	$4,754	$594	$9,508	$2,971	$2,971	$0
(22)	Measuring and Regulating Equipment - Industrial	7	$23,664	$21,205	$562	$70	$1,124	$351	$351	$0
(23)	Other Distribution Equipment	109	$0	$0	$0	$0	$0	$0	$0	$0
(24)	General and Intangible Plant Depreciation Reserve	110	$2,193,376	$1,871,468	$63,415	$4,384	$18,126	$175,839	$60,144	$0
(25)	Total Depreciation Reserve		$9,828,888	$8,386,365	$284,173	$19,646	$81,227	$787,964	$269,513	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF RATE BASE

IS ENDED JUNE 30, 2006
ING: CASE-IN-CHIEF
NESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 2

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	OTHER RATE BASE COMPONENTS									
(1)	Materials and Supplies	100	$430,874	$367,637	$12,457	$861	$3,561	$34,542	$11,815	$0
(2)	Cash Working Capital	115	($39,260)	($36,589)	($534)	($47)	($446)	($1,174)	($471)	$0
(3)	LP (Propane) Gas	5	$0	$0	$0	$0	$0	$0	$0	$0
(4)	Gas Stored Underground/Current Recoverable-Peak	5	$1,029,120	$953,710	$71,579	$2,533	$1,299	$0	$0	$0
(5)	Gas Stored Underground/Current Recoverable-Winter	14	$1,029,120	$936,045	$76,783	$10,251	$6,042	$0	$0	$0
(6)	Gas Stored Underground/Current Recoverable-Annual	1	$514,560	$288,314	$24,978	$3,304	$1,694	$159,629	$36,642	$0
(7)	Gas Stored Underground/Non-Current Recoverable	111	$0	$0	$0	$0	$0	$0	$0	$0
(8)	Pre-1971 Investment Tax Credit	111	$0	$0	$0	$0	$0	$0	$0	$0
(9)	Unamortized Acquisition Adjustment (Net of Accum. Depr	100	$0	$0	$0	$0	$0	$0	$0	$0
(10)	Customer Advances For Construction	100	($151,344)	($129,132)	($4,376)	($303)	($1,251)	($12,133)	($4,150)	$0
(11)	Accum. Deferred Income Taxes	100	$0	$0	$0	$0	$0	$0	$0	$0
(12)	Contributions in Aid of Construction	100	($132,906)	($113,400)	($3,843)	($266)	($1,098)	($10,655)	($3,644)	$0
(13)	Total Other Rate Base Component:		$2,680,165	$2,266,584	$177,045	$16,334	$9,801	$170,210	$40,192	$0
(14)	Total Rate Base		$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE

IS ENDED JUNE 30, 2006
NG: CASE-IN-CHIEF
NESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 3

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	DEPRECIATION AND AMORTIZATION EXPENSES									
(1)	Total Manufactured Gas Production	5	$0	$0	$0	$0	$0	$0	$0	$0
(2)	Total Natural Gas Production Plant	2	$0	$0	$0	$0	$0	$0	$0	$0
(3)	Total Underground Storage Plant	111	$0	$0	$0	$0	$0	$0	$0	$0
(4)	Total Local Storage	0	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Total Transmission Plant									
(6)	Mains	131	$46,556	$37,916	$1,581	$100	$79	$5,199	$1,681	$0
(7)	Land and Land Rights	131	$0	$0	$0	$0	$0	$0	$0	$0
(8)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(9)	Structures and Improvements	131	$145	$118	$5	$0	$0	$16	$5	$0
(10)	Measuring and Regulating Equipment	131	$14,583	$11,877	$495	$31	$25	$1,628	$527	$0
(11)	Other Transmission Equipment	132	$0	$0	$0	$0	$0	$0	$0	$0
(12)	Total Distribution									
(13)	Mains	103	$232,285	$189,176	$7,889	$499	$394	$25,938	$8,390	$0
(14)	Land and Land Rights	103	$0	$0	$0	$0	$0	$0	$0	$0
(15)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(16)	Structures and Improvements	103	$262	$213	$9	$1	$0	$29	$9	$0
(17)	Measuring and Regulating Equipment	103	$14,909	$12,142	$506	$32	$25	$1,665	$538	$0
(18)	Services	8	$86,236	$83,308	$669	$84	$1,339	$418	$418	$0
(19)	Meters - Account 381 & 385	7	$25,270	$22,643	$600	$75	$1,201	$375	$375	$0
(20)	Meter Installations - Account 381 & 385	7	$0	$0	$0	$0	$0	$0	$0	$0
(21)	House Regulators - Account 381 & 385	7	$11,764	$10,542	$279	$35	$559	$175	$175	$0
(22)	Measuring and Regulating Equipment - Industrial	7	$1,391	$1,247	$33	$4	$66	$21	$21	$0
(23)	Other Distribution Equipment	109	$0	$0	$0	$0	$0	$0	$0	$0
(24)	General and Intangible Plant	110	$141,508	$120,740	$4,091	$283	$1,169	$11,344	$3,880	$0
(25)	Amortization of Leasehold Improvements	110	$0	$0	$0	$0	$0	$0	$0	$0
(26)	Amortization of Acquisition Adjustment	100	$0	$0	$0	$0	$0	$0	$0	$0
(27)	Total Depreciation and Amortization Expense		$574,910	$489,921	$16,159	$1,143	$4,857	$46,808	16,020	0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE
PROFORMA A (PRESENT REVENUE LEVELS)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 4
PAGE 1 OF 2

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	PROFORMA COST OF GAS									
(1)	Commodity Cost of Purchased Gas	2	$11,915,535	$10,793,365	$935,067	$123,680	$63,422	$0	$0	$0
(2)	Demand Cost of Purchased Gas	5	$2,137,725	$1,981,080	$148,686	$5,261	$2,698	$0	$0	$0
(3)	Unaccounted for Gas Costs (Sales Only)	2	$161,256	$146,069	$12,655	$1,674	$858	$0	$0	$0
(4)	Total Proforma Cost of Gas		$14,214,516	$12,920,514	$1,096,408	$130,616	$66,979	$0	$0	$0
	OPERATING EXPENSES									
(5)	Total Manufactured Gas Production Expenses	5	$932	$863	$65	$2	$1	$0	$0	$0
(6)	Total Transmission Expenses									
(7)	Mains	131	$6,655	$5,420	$226	$14	$11	$743	$240	$0
(8)	Measuring and Regulating Equipment	131	$8,570	$6,979	$291	$18	$15	$957	$310	$0
(9)	Supervision and Engineering	132	$462	$377	$16	$1	$1	$52	$17	$0
(10)	Other Transmission	132	$138	$112	$5	$0	$0	$15	$5	$0
(11)	Total Distribution Expenses									
(12)	Measuring and Regulating Equipment	103	$27,544	$22,432	$936	$59	$47	$3,076	$995	$0
(13)	Mains and Services	107	$241,213	$205,788	$6,578	$445	$1,261	$20,355	$6,786	$0
(14)	Industrial Measuring and Regulating Equipment	7	$12,191	$10,924	$290	$36	$579	$181	$181	$0
(15)	Meter, Meter Installation and House Regulator	108	$165,848	$148,611	$3,940	$492	$7,880	$2,462	$2,462	$0
(16)	Customer Installation Expenses	3	$120,963	$120,539	$97	$12	$194	$61	$61	$0
(17)	Supervision and Engineering	119	$375,237	$335,936	$7,825	$691	$6,583	$17,272	$6,929	$0
(18)	Other Distribution	119	$124,594	$111,545	$2,598	$229	$2,186	$5,735	$2,301	$0
(19)	Total Customer Accounts Expenses (Excl. Uncoll.)	3	$611,753	$609,611	$490	$61	$979	$306	$306	$0
(20)	Uncollectibles	26	$27,260	$27,260	$0	$0	$0	$0	$0	$0
(21)	Administrative and General									
(22)	Plant-Related	100	$36,379	$31,040	$1,052	$73	$301	$2,916	$998	$0
(23)	Salaries-Related	125	$928,477	$867,492	$12,212	$1,084	$10,508	$26,472	$10,709	$0
(24)	Other	125	$167,534	$156,529	$2,204	$196	$1,896	$4,777	$1,932	$0
(25)	Total Proforma A Operation and Maintenance Expenses		$2,855,750	$2,661,459	$38,823	$3,416	$32,441	$85,380	$34,231	$0
(26)	Total Depreciation and Amortization Expense		$574,910	$489,921	$16,159	$1,143	$4,857	$46,808	$16,020	$0
(27)	Total Proforma A Operating Expenses		$17[illegible]176	$16,071,895	$1,151,390	$135,175	$104,276	$132,189	$50,[illegible]	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE
PROFORMA B (PROPOSED REVENUE LEVELS)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 4
PAGE 2 OF 2

		NO.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	PROFORMA COST OF COST									
(1)	Commodity Cost of Purchased Gas	2	$11,915,535	$10,793,365	$935,067	$123,680	$63,422	$0	$0	$0
(2)	Demand Cost of Purchased Gas	2	$2,137,725	$1,936,400	$167,757	$22,189	$11,378	$0	$0	$0
(3)	Leased Storage	9	$0	$0	$0	$0	$0	$0	$0	$0
(4)	Unaccounted for Gas Costs (Sales Only)	2	$161,256	$146,069	$12,655	$1,674	$858	$0	$0	$0
(5)	Total Proforma Cost of Gas		$14,214,516	$12,875,835	$1,115,479	$147,543	$75,659	$0	$0	$0
	OPERATING EXPENSES									
(6)	Total Manufactured Gas Production Expenses	5	$932	$863	$65	$2	$1	$0	$0	$0
(7)	Total Transmission Expenses									
(8)	Mains	131	$6,655	$5,420	$226	$14	$11	$743	$240	$0
(9)	Measuring and Regulating Equipment	131	$8,570	$6,979	$291	$18	$15	$957	$310	$0
(10)	Supervision and Engineering	132	$462	$377	$16	$1	$1	$52	$17	$0
(11)	Other Transmission	132	$138	$112	$5	$0	$0	$15	$5	$0
(12)	Total Distribution Expenses									
(13)	Measuring and Regulating Equipment	103	$27,544	$22,432	$936	$59	$47	$3,076	$995	$0
(14)	Mains and Services	107	$241,213	$205,788	$6,578	$445	$1,261	$20,355	$6,786	$0
(15)	Industrial Measuring and Regulating Equipment	7	$12,191	$10,924	$290	$36	$579	$181	$181	$0
(16)	Meter, Meter Installation and House Regulator	108	$165,848	$148,611	$3,940	$492	$7,880	$2,462	$2,462	$0
(17)	Customer Installation Expenses	3	$120,963	$120,539	$97	$12	$194	$61	$61	$0
(18)	Supervision and Engineering	119	$375,237	$335,936	$7,825	$691	$6,583	$17,272	$6,929	$0
(19)	Other Distribution	119	$124,594	$111,545	$2,598	$229	$2,186	$5,735	$2,301	$0
(20)	Total Customer Accounts Expenses (Excl. Uncoll.)	3	$611,753	$609,611	$490	$61	$979	$306	$306	$0
(21)	Uncollectibles	26	$27,260	$27,260	$0	$0	$0	$0	$0	$0
(24)	Administrative and General									
(25)	Plant-Related	100	$36,379	$31,040	$1,052	$73	$301	$2,916	$998	$0
(26)	Salaries-Related	125	$928,477	$867,492	$12,212	$1,084	$10,508	$26,472	$10,709	$0
(27)	Other	125	$167,534	$156,529	$2,204	$196	$1,896	$4,777	$1,932	$0
(28)	Total Proforma B Operation and Maintenance Expenses		$2,855,750	$2,661,459	$38,823	$3,416	$32,441	$85,380	$34,231	$0
(29)	Total Depreciation and Amortization Expense		$574,910	$489,921	$16,159	$1,143	$4,857	$46,808	$16,020	$0
(30)	Total Proforma B Operating Expenses		$17,645,176	$16,027,216	$1,170,461	$152,102	$112,957	$132,189	$50,251	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF MISCELLANEOUS REVENUES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 5
PAGE 1 OF 1

			Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	PROFORMA A MISCELLANEOUS REVENUES									
	Miscellaneous Revenue									
(1)	Reconnect fees	26	$39,211	$39,211	$0	$0	$0	$0	$0	$0
(2)	Diversion Fees	26	$0	$0	$0	$0	$0	$0	$0	$0
(3)	Forfeited discounts	26	$61,471	$61,471	$0	$0	$0	$0	$0	$0
(4)	After Hours Charges	0	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Total Miscellaneous Revenues		$100,682	$100,682	$0	$0	$0	$0	$0	$0
	PROFORMA B MISCELLANEOUS REVENUES									
(6)	Miscellaneous Revenue									
(7)	Reconnect fees	26	$46,319	$46,319	$0	$0	$0	$0	$0	$0
(8)	Diversion Fees	26	$0	$0	$0	$0	$0	$0	$0	$0
(9)	Forfeited discounts	26	$61,471	$61,471	$0	$0	$0	$0	$0	$0
(10)	After Hours Charges	0	$0	$0	$0	$0	$0	$0	$0	$0
(11)	Total Miscellaneous Revenues		$107,790	$107,790	$0	$0	$0	$0	$0	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A NORMALIZED TAXES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Proforma A Normalized Revenues. w/o Misc. Rev.	$18,584,532	$16,772,841	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Proforma A Normalized Miscellaneous Revenues	100,682	100,682	0	0	0	0	0	0
Proforma A Normalized Rev. w/Misc. Revenues	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Indiana Utility Receipts Taxes								
Total Proforma A Normalized Revenues w/ Misc. Rev.	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Less: Uncollectible Expense	(27,260)	(27,260)	0	0	0	0	0	0
Less: Statutory Exemption	(1,000)	(903)	(71)	(9)	(5)	(7)	(5)	0
Income for Utility Receipts Tax	$18,656,954	$16,845,360	$1,324,850	$164,032	$93,053	$132,392	$97,266	$0
Utility Receipts Tax Rate	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Utility Receipts Tax	$261,197	$235,835	$18,548	$2,296	$1,303	$1,853	$1,362	$0
Prorated Utility Receipts Tax	$269,882	$243,676	$19,165	$2,373	$1,346	$1,915	$1,407	$0
State Income Taxes								
Total Proforma A Normalized Revenues	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Less: Operation and Maintenance Expenses	(2,855,750)	(2,661,459)	(38,823)	(3,416)	(32,441)	(85,380)	(34,231)	0
Less: Gas Costs	(14,214,516)	(12,920,514)	(1,096,408)	(130,616)	(66,979)	0	0	0
Less: Depreciation	(574,910)	(489,921)	(16,159)	(1,143)	(4,857)	(46,808)	(16,020)	0
Less: Property Taxes	(186,968)	(159,528)	(5,406)	(374)	(1,545)	(14,989)	(5,127)	0
Less: Other Taxes	(192,059)	(178,992)	(2,611)	(230)	(2,182)	(5,742)	(2,302)	0
Less: Utility Receipts Tax	0	0	0	0	0	0	0	0
Less: Interest Expense	(57,298)	(48,796)	(2,114)	(165)	(417)	(4,388)	(1,418)	0
Plus: Non-Deductible Expenses	6,417	5,465	237	18	47	491	159	0
Income for State Income Taxes	$610,130	$419,777	$163,637	$28,117	($15,316)	($24,417)	$38,332	$0
State Income Tax Rate	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
State Income Taxes	$51,861	$35,681	$13,909	$2,390	($1,302)	($2,075)	$3,258	$0
Less: Deferred State Tax Flowback	0	0	0	0	0	0	0	0
Total State Tax Liability	$51,861	$35,681	$13,909	$2,390	($1,302)	($2,075)	$3,258	$0
Prorated State Tax Liability	$57,694	$39,694	$15,474	$2,659	($1,448)	($2,309)	$3,625	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A NORMALIZED TAXES (Cont.)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 6
PAGE 2 OF 9

	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Federal Income Taxes								
Total Proforma A Normalized Revenues	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Less: Operation and Maintenance Expenses	(2,855,750)	(2,661,459)	(38,823)	(3,416)	(32,441)	(85,380)	(34,231)	0
Less: Gas Costs	(14,214,516)	(12,920,514)	(1,096,408)	(130,616)	(66,979)	0	0	0
Less: Depreciation	(574,910)	(489,921)	(16,159)	(1,143)	(4,857)	(46,808)	(16,020)	0
Less: Property Taxes	(186,968)	(159,528)	(5,406)	(374)	(1,545)	(14,989)	(5,127)	0
Less: Other Taxes	(192,059)	(178,992)	(2,611)	(230)	(2,182)	(5,742)	(2,302)	0
Less: Utility Receipts Tax	(261,197)	(235,835)	(18,548)	(2,296)	(1,303)	(1,853)	(1,362)	0
Less: Interest Expense	(57,298)	(48,796)	(2,114)	(165)	(417)	(4,388)	(1,418)	0
Plus: Non-Deductible Expenses	6,417	5,465	237	18	47	491	159	0
Less: State Income taxes	(51,861)	(35,681)	(13,909)	(2,390)	1,302	2,075	(3,258)	(0)
Income for Federal Income Taxes	$297,072	$148,261	$131,180	$23,430	($15,317)	($24,196)	$33,712	($0)
Federal Income Tax Rate	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
Federal Income Taxes	$101,004	$50,409	$44,601	$7,966	($5,208)	($8,226)	$11,462	($0)
Less: Investment Tax Credit	0	0	0	0	0	0	0	0
Less: Deferred Federal Tax Flowback	0	0	0	0	0	0	0	0
Total Federal Tax Liability	$101,004	$50,409	$44,601	$7,966	($5,208)	($8,226)	$11,462	($0)
Prorated Federal Tax Liability	$102,969	$51,389	$45,469	$8,121	($5,309)	($8,386)	$11,685	($0)
Net Operating Income								
Total Proforma A Normalized Margins	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Less: Operation and Maintenance Expenses	(2,855,750)	(2,661,459)	(38,823)	(3,416)	(32,441)	(85,380)	(34,231)	0
Less: Gas Costs	(14,214,516)	(12,920,514)	(1,096,408)	(130,616)	(66,979)	0	0	0
Less: Depreciation	(574,910)	(489,921)	(16,159)	(1,143)	(4,857)	(46,808)	(16,020)	0
Less: Other Taxes	(192,059)	(178,992)	(2,611)	(230)	(2,182)	(5,742)	(2,302)	0
Less: Utility Receipts Tax	(269,882)	(235,835)	(18,548)	(2,296)	(1,303)	(1,853)	(1,362)	0
Less: Property Taxes	(186,968)	(159,528)	(5,406)	(374)	(1,545)	(14,989)	(5,127)	0
Less: State Income Taxes	(57,694)	(35,681)	(13,909)	(2,390)	1,302	2,075	(3,258)	(0)
Less: Total Federal Income Tax Liability	(102,969)	(50,409)	(44,601)	(7,966)	5,208	8,226	(11,462)	0
Net Operating Income	$230,466	$141,183	$88,456	$15,610	($9,739)	($12,072)	$23,509	($0)
Total Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
Rate of Return	1.85%	1.33%	19.21%	43.45%	-10.73%	-1.26%	7.61%	0.00%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A EQUALIZED TAXES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
Allowed Rate of Return	1.8466%	1.8466%	1.8466%	1.8466%	1.8466%	1.8466%	1.8466%	1.8466%
Allowed Net Operating Income	$230,467	$196,269	$8,502	$663	$1,677	$17,652	$5,705	$0
Federal Income Taxes								
Net Operating Income	$230,467	$196,269	$8,502	$663	$1,677	$17,652	$5,705	$0
Less: Interest Expense	(57,298)	(48,796)	(2,114)	(165)	(417)	(4,388)	(1,418)	0
Plus: Non-Deductible Expenses	6,417	5,465	237	18	47	491	159	0
Plus: Investment Tax Credit	0	0	0	0	0	0	0	0
Less: Deferred Federal Tax Flowback	0	0	0	0	0	0	0	0
Total Amount to Calculate Federal Taxes	$179,586	$152,938	$6,625	$517	$1,306	$13,755	$4,445	$0
Federal Tax Factor (Tax Rate/(1-Tax Rate))	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%
Federal Income Taxes Before Flowback	$92,514	$78,786	$3,413	$266	$673	$7,086	$2,290	$0
Less: Deferred Federal Tax Flowback	0	0	0	0	0	0	0	0
Less: Investment Tax Credit	0	0	0	0	0	0	0	0
Federal Income taxes After Flowback	$92,514	$78,786	$3,413	$266	$673	$7,086	$2,290	$0
Prorated Federal Income Taxes	$102,969	$87,690	$3,798	$296	$749	$7,886	$2,549	$0
State Income Taxes								
Net Operating Income	$230,467	$196,269	$8,502	$663	$1,677	$17,652	$5,705	$0
Less: Interest Expense	(57,298)	(48,796)	(2,114)	(165)	(417)	(4,388)	(1,418)	0
Plus: Non-Deductible Expenses	6,417	5,465	237	18	47	491	159	0
Plus: Utility Receipts Taxes	$260,809	$237,132	$16,666	$1,945	$1,571	$2,553	$943	$0
Plus: Investment Tax Credit	0	0	0	0	0	0	0	0
Plus: Federal Income Taxes	92,514	78,786	3,413	266	673	7,086	2,290	0
Plus: Property taxes	$0	0	0	0	0	0	0	0
Less: Deferred State Tax Flowback	$0	0	0	0	0	0	0	0
Total Amount to Calculate State Taxes	$532,909	$468,856	$26,703	$2,728	$3,551	$23,393	$7,678	$0
State Tax Factor (Tax Rate/(1-Tax Rate))	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%
State Income Taxes-Current and Deferred	$49,505	$43,555	$2,481	$253	$330	$2,173	$713	$0
Less: Deferred State Tax Flowback	$0	0	0	0	0	0	0	0
State Income Tax After Flowback	$49,505	$43,555	$2,481	$253	$330	$2,173	$713	$0
Prorated State Income Taxes	$57,694	$50,759	$2,891	$295	$384	$2,533	$831	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A EQUALIZED TAXES (Cont.)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Utility Receipts Taxes								
Net Operating Income	230,467	196,269	8,502	663	1,677	17,652	5,705	0
Plus: Operating & Maintenance Expenses	$2,855,750	$2,661,459	$38,823	$3,416	$32,441	$85,380	$34,231	$0
Plus: Gas Costs (Rate 70 + UAFG)	$14,214,516	$12,920,514	$1,096,408	$130,616	$66,979	$0	$0	$0
Plus: Depreciation and Amortization Expenses	$574,910	$489,921	$16,159	$1,143	$4,857	$46,808	$16,020	$0
Plus: Investment Tax Credit	0	0	0	0	0	0	0	0
Plus: Federal Income Taxes	92,514	78,786	3,413	266	673	7,086	2,290	0
Plus: State Income Taxes	49,505	43,555	2,481	253	330	2,173	713	0
Plus: Property taxes	186,968	159,528	5,406	374	1,545	14,989	5,127	0
Plus: Other Taxes	192,059	178,992	2,611	230	2,182	5,742	2,302	0
Less: Uncollectible Expense	(27,260)	(27,260)	0	0	0	0	0	0
Less: Statutory Exemption	(1,000)	(903)	(71)	(9)	(5)	(7)	(5)	0
Total Amount to Calculate Utility Receipts Taxes	$18,368,429	$16,700,863	$1,173,731	$136,952	$110,678	$179,823	$66,382	$0
Utility Receipts Tax Factor (Tax Rate/(1-Tax Rate))	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%
Utility Receipts Taxes	$260,809	$237,132	$16,666	$1,945	$1,571	$2,553	$943	$0
Prorated Utility Receipts Taxes	$269,882	$245,381	$17,245	$2,012	$1,626	$2,642	$975	$0
Derivation of Proforma A Equalized Revenues								
Net Operating Income	230,467	196,269	8,502	663	1,677	17,652	5,705	0
Plus: Operating & Maintenance Expenses	$2,855,750	$2,661,459	$38,823	$3,416	$32,441	$85,380	$34,231	$0
Plus: Gas Costs	14,214,516	12,920,514	1,096,408	130,616	66,979	0	0	0
Plus: Depreciation and Amortization Expenses	$574,910	$489,921	$16,159	$1,143	$4,857	$46,808	$16,020	$0
Plus: Federal Income Taxes	102,969	87,690	3,798	296	749	7,886	2,549	0
Plus: State Income taxes	57,694	50,759	2,891	295	384	2,533	831	0
Plus: Utility Receipts Taxes	269,882	245,381	17,245	2,012	1,626	2,642	975	0
Plus: Property taxes	186,968	159,528	5,406	374	1,545	14,989	5,127	0
Plus: Other Taxes	192,059	178,992	2,611	230	2,182	5,742	2,302	0
Plus: Investment Tax Credit	0	0	0	0	0	0	0	0
Proforma A Equalized Revenues w/Misc. Rev	$18,685,215	$16,990,515	$1,191,843	$139,045	$112,439	$183,632	$67,740	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B EQUALIZED TAXES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 6

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
Allowed Rate of Return	9.7399%	9.7399%	9.7399%	9.7399%	9.7399%	9.7399%	9.7399%	9.7399%
Allowed Net Operating Income	$1,215,596	$1,035,220	$44,842	$3,499	$8,843	$93,103	$30,089	$0
Federal Income Taxes								
Net Operating Income	$1,215,596	$1,035,220	$44,842	$3,499	$8,843	$93,103	$30,089	$0
Less: Interest Expense	(57,298)	(48,796)	(2,114)	(165)	(417)	(4,388)	(1,418)	0
Plus: Non-Deductible Expenses	6,417	5,465	237	18	47	491	159	0
Plus: Investment Tax Credit	0	0	0	0	0	0	0	0
Less: Deferred Federal Tax Flowback	0	0	0	0	0	0	0	0
Total Amount to Calculate Federal Taxes	$1,164,715	$991,889	$42,965	$3,352	$8,473	$89,206	$28,830	$0
Federal Tax Factor (Tax Rate/(1-Tax Rate))	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%
Federal Income Taxes Before Flowback and ITC	$600,005	$510,973	$22,133	$1,727	$4,365	$45,955	$14,852	$0
Less: Deferred Federal Tax Flowback	0	0	0	0	0	0	0	0
Less: Investment Tax Credit	0	0	0	0	0	0	0	0
Federal Income Tax Liability	$600,005	$510,973	$22,133	$1,727	$4,365	$45,955	$14,852	$0
Prorated Federal Income Taxes	$610,459	$519,876	$22,519	$1,757	$4,441	$46,755	$15,110	$0
State Income Taxes								
Net Operating Income	$1,215,596	$1,035,220	$44,842	$3,499	$8,843	$93,103	$30,089	$0
Less: Interest Expense	(57,298)	(48,796)	(2,114)	(165)	(417)	(4,388)	(1,418)	0
Plus: Non-Deductible Expenses	6,417	5,465	237	18	47	491	159	0
Plus: Utility Receipts Tax	$284,027	$256,267	$17,793	$2,252	$1,864	$4,333	$1,518	$0
Plus: Investment Tax Credit	0	0	0	0	0	0	0	0
Plus: Federal Income Taxes	600,005	510,973	22,133	1,727	4,365	45,955	14,852	0
Plus: Property Taxes	$0	0	0	0	0	0	0	0
Less: Deferred State Tax Flowback	$0	$0	$0	$0	$0	$0	$0	$0
Total Amount to Calculate State Taxes	$2,048,747	$1,759,130	$82,892	$7,332	$14,702	$139,493	$45,199	$0
State Tax Factor (Tax Rate/(1-Tax Rate)	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%
State Income Taxes-Current and Deferre	$190,321	$163,416	$7,700	$681	$1,366	$12,958	$4,199	$0
Less: Deferred State Tax Flowbac	$0	$0	$0	$0	$0	$0	$0	$0
State Income Tax Liability	$190,321	$163,416	$7,700	$681	$1,366	$12,958	$4,199	$0
Prorated State Income Taxes	$196,353	$168,596	$7,944	$703	$1,409	$13,369	$4,332	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B EQUALIZED TAXES (Cont.)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 6

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Utility Receipts Tax								
Net Operating Income	1,215,596	1,035,220	44,842	3,499	8,843	93,103	30,089	0
Plus: Operating & Maintenance Expense:	$2,855,750	$2,661,459	$38,823	$3,416	$32,441	$85,380	$34,231	$0
Plus: Gas Costs (Rate 70 + UAFG)	$14,214,516	$12,875,835	$1,115,479	$147,543	$75,659	$0	$0	$0
Plus: Depreciation and Amortization Expense:	$574,910	$489,921	$16,159	$1,143	$4,857	$46,808	$16,020	$0
Plus: Investment Tax Credit	0	0	0	0	0	0	0	0
Plus: Federal Income Taxes	600,005	510,973	22,133	1,727	4,365	45,955	14,852	0
Plus: Property Taxes	186,968	159,528	5,406	374	1,545	14,989	5,127	0
Plus: State Income Taxes	190,321	163,416	7,700	681	1,366	12,958	4,199	0
Plus: Other Taxes	193,818	180,348	2,688	235	2,207	5,962	2,378	0
Less: Uncollectible Expense	(27,260)	(27,260)	0	0	0	0	0	0
Less: Statutory Exemption	(1,000)	(909)	(64)	(7)	(6)	(10)	(4)	0
Total Amount to Calculate Utility Receipts Tax	$20,003,623	$18,048,532	$1,253,167	$158,611	$131,276	$305,145	$106,891	$0
Utility Receipts Tax Factor (Tax Rate/(1-Tax Rate))	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%
Utility Receipts Taxes	$284,027	$256,267	$17,793	$2,252	$1,864	$4,333	$1,518	$0
Prorated Utility Receipts Taxes	$293,069	$264,425	$18,360	$2,324	$1,923	$4,471	$1,566	$0
DERIVATION OF PROFORMA B EQUALIZED REVENUES								
Net Operating Income	1,215,596	1,035,220	44,842	3,499	8,843	93,103	30,089	0
Plus: Operating & Maintenance Expenses	$2,855,750	$2,661,459	$38,823	$3,416	$32,441	$85,380	$34,231	$0
Plus: Gas Costs	14,214,516	12,875,835	1,115,479	147,543	75,659	0	0	0
Plus: Depreciation and Amortization Expenses	$574,910	$489,921	$16,159	$1,143	$4,857	$46,808	$16,020	$0
Plus: Federal Income Taxes	610,459	519,876	22,519	1,757	4,441	46,755	15,110	0
Plus: State Income Taxes	196,353	168,596	7,944	703	1,409	13,369	4,332	0
Plus: Utility Receipts Taxes	293,069	264,425	18,360	2,324	1,923	4,471	1,566	0
Plus: Property Taxes	186,968	159,528	5,406	374	1,545	14,989	5,127	0
Plus Other Taxes	193,818	180,348	2,688	235	2,207	5,962	2,378	0
Plus: Investment Tax Credit	0	0	0	0	0	0	0	0
Proforma B Equalized Revenues w/Misc. Rev	$20,341,439	$18,355,209	$1,272,221	$160,994	$133,325	$310,837	$108,853	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B NORMALIZED TAXES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
SUBSIDY REDUCTION								
Proforma A Normalized Revenues w/Misc. Rev.	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Less: Proforma A Equalized Revenues w/Misc. Rev.	18,685,215	16,990,515	1,191,843	139,045	112,439	183,632	67,740	0
Proforma A Subsidy	($1)	($116,991)	$133,078	$24,996	($19,382)	($51,233)	$29,532	$0
Proposed Subsidy Reduction Percentage		31.74%	10.00%	111.77%	10.00%	10.00%	10.00%	10.00%
Proforma B Subsidy	($1)	($79,854)	$119,770	($2,942)	($17,444)	($46,110)	$26,579	$0
Proforma B Equalized Revenues w/Misc. Rev.	$20,341,439	$18,355,209	$1,272,221	$160,994	$133,325	$310,837	$108,853	$0
Proforma B Normalized Revenues w/Misc. Rev	$20,341,438	$18,275,355	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
TAX CALCULATIONS								
Utility Receipts Taxes								
Total Proforma B Normal Revenues	$20,341,438	$18,275,355	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
Less: Uncollectible Expense	(27,260)	(27,260)	0	0	0	0	0	0
Less: Statutory Exemption	(1,000)	(898)	(68)	(8)	(6)	(13)	(7)	0
Income for Utility Receipts Taxes	$20,313,178	$18,247,197	$1,391,922	$158,044	$115,876	$264,714	$135,425	$0
Utility Receipts Tax Rate	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Utility Receipts Taxes	$284,384	$255,461	$19,487	$2,213	$1,622	$3,706	$1,896	$0
Prorated Utility Receipts Taxes	$293,069	$263,262	$20,082	$2,280	$1,672	$3,819	$1,954	$0
State Income Taxes								
Total Proforma B Normal Revenues	$20,341,438	$18,275,355	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
Less: Operation and Maintenance Expenses	(2,855,750)	(2,661,459)	(38,823)	(3,416)	(32,441)	(85,380)	(34,231)	0
Less: Gas Costs	(14,214,516)	(12,875,835)	(1,115,479)	(147,543)	(75,659)	0	0	0
Less: Depreciation Expense	(574,910)	(489,921)	(16,159)	(1,143)	(4,857)	(46,808)	(16,020)	0
Less: Property Taxes	(186,968)	(159,528)	(5,406)	(374)	(1,545)	(14,989)	(5,127)	0
Less: Other Taxes	(193,818)	(180,348)	(2,688)	(235)	(2,207)	(5,962)	(2,378)	0
Less: Utility Receipts Tax	0	0	0	0	0	0	0	0
Less: Interest Expense	(57,298)	(48,796)	(2,114)	(165)	(417)	(4,388)	(1,418)	0
Less: Non-Deductible Expenses	6,417	5,465	237	18	47	491	159	0
Income for State Income Taxes	$2,264,595	$1,864,933	$211,559	$5,194	($1,198)	$107,691	$76,416	$0
State Income Tax Rate	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
State Income Taxes Before Flowback	$192,491	$158,519	$17,982	$442	($102)	$9,154	$6,495	$0
Less: Deferred State Tax Flowback	$0	$0	$0	$0	$0	$0	$0	$0
Total State Income Tax Liability	$192,491	$158,519	$17,982	$442	($102)	$9,154	$6,495	$0
Prorated State Income Taxes	$196,353	$161,700	$18,343	$450	($104)	$9,337	$6,626	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B NORMALIZED TAXES (Cont.)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 6

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Federal Income taxes								
Total Proforma B Normal Revenues	$20,341,438	$18,275,355	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
Less: Operation and Maintenance Expenses	(2,855,750)	(2,661,459)	(38,823)	(3,416)	(32,441)	(85,380)	(34,231)	0
Less: Gas Costs	(14,214,516)	(12,875,835)	(1,115,479)	(147,543)	(75,659)	0	0	0
Less: Depreciation Expense	(574,910)	(489,921)	(16,159)	(1,143)	(4,857)	(46,808)	(16,020)	0
Less: Other Taxes	(193,818)	(180,348)	(2,688)	(235)	(2,207)	(5,962)	(2,378)	0
Less: Property Taxes	(186,968)	(159,528)	(5,406)	(374)	(1,545)	(14,989)	(5,127)	0
Less: Utility Receipts Taxes	(284,384)	(255,461)	(19,487)	(2,213)	(1,622)	(3,706)	(1,896)	0
Less: Interest Expense	(57,298)	(48,796)	(2,114)	(165)	(417)	(4,388)	(1,418)	0
Less: Non-Deductible Expenses	(6,417)	(5,465)	(237)	(18)	(47)	(491)	(159)	0
Less: State Income taxes	(192,491)	(158,519)	(17,982)	(442)	102	(9,154)	(6,495)	0
Income for Federal Income Taxes	$1,774,886	$1,440,023	$173,616	$2,503	($2,811)	$93,848	$67,707	$0
Federal Income Tax Rate	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
Federal Income Taxes	$603,461	$489,608	$59,029	$851	($956)	$31,908	$23,020	$0
Less: Investment Tax Credit	0	0	0	0	0	0	0	0
Less Deferred Federal Tax Flowback	0	0	0	0	0	0	0	0
Total Federal Income Tax Liability	$603,461	$489,608	$59,029	$851	($956)	$31,908	$23,020	$0
Prorated Federal Income Taxes	$610,459	$495,285	$59,714	$861	($967)	$32,278	$23,287	$0
Net Operating Income								
Total Proforma B Normal Revenues w/Misc. Rev.	$20,341,438	$18,275,355	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
Less: Operation and Maintenance Expenses	(2,855,750)	(2,661,459)	(38,823)	(3,416)	(32,441)	(85,380)	(34,231)	0
Less: Gas Costs	(14,214,516)	(12,875,835)	(1,115,479)	(147,543)	(75,659)	0	0	0
Less: Depreciation Expense	(574,910)	(489,921)	(16,159)	(1,143)	(4,857)	(46,808)	(16,020)	0
Less: Other Taxes	(193,818)	(180,348)	(2,688)	(235)	(2,207)	(5,962)	(2,378)	0
Less: Utility Receipts Taxes	(293,069)	(263,262)	(20,082)	(2,280)	(1,672)	(3,819)	(1,954)	0
Less: Property Taxes	(186,968)	(159,528)	(5,406)	(374)	(1,545)	(14,989)	(5,127)	0
Less: State Income Taxes	(196,353)	(161,700)	(18,343)	(450)	104	(9,337)	(6,626)	0
Less: Total Federal Income Tax Liability	(610,459)	(495,285)	(59,714)	(861)	967	(32,278)	(23,287)	0
Net Operating Income	$1,215,595	$988,016	$115,296	$1,749	($1,428)	$66,153	$45,809	$0
Total Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
Rate of Return	9.74%	9.30%	25.04%	4.87%	-1.57%	6.92%	14.83%	0.00%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
SUMMARY OF PROFORMA REVENUES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Proforma A Normalized Revenues								
Proforma A Normalized Revenues w/o Misc. Rev.	$18,584,532	$16,772,841	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Proforma A Normalized Miscellaneous Revenues	100,682	100,682	0	0	0	0	0	0
Total Proforma A Normalized Revenues w/Misc. Rev	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Proforma A Equalized Revenues								
Proforma A Equalized Revenues w/o Misc. Rev.	$18,584,533	$16,889,833	$1,191,843	$139,045	$112,439	$183,632	$67,740	$0
Proforma A Equalized Miscellaneous Revenues	100,682	100,682	0	0	0	0	0	0
Total Proforma A Equalized Revenues w/Misc. Rev	$18,685,215	$16,990,515	$1,191,843	$139,045	$112,439	$183,632	$67,740	$0
Proforma B Equalized Revenues								
Proforma B Equalized Revenues w/o Misc. Rev.	$20,233,649	$18,247,419	$1,272,221	$160,994	$133,325	$310,837	$108,853	$0
Proforma B Equalized Miscellaneous Revenues	107,790	107,790	0	0	0	0	0	0
Total Proforma B Equalized Revenues w/Misc. Rev	$20,341,439	$18,355,209	$1,272,221	$160,994	$133,325	$310,837	$108,853	$0
Proforma B Normalized Revenues								
Proforma B Normalized Revenues w/o Misc. Rev.	$20,233,648	$18,167,565	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
Proforma B Normalized Miscellaneous Revenues	107,790	107,790	0	0	0	0	0	0
Total Proforma B Normalized Revenues w/Misc. Rev	$20,341,438	$18,275,355	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
EQUALIZED COST OF SERVICE AT PRESENT RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 7

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
OPERATING REVENUES:								
Revenue from Gas Sales	$18,584,533	$16,889,833	$1,191,843	$139,045	$112,439	$183,632	$67,740	$0
Miscellaneous Revenues	100,682	100,682	0	0	0	0	0	0
Total Operating Revenues	$18,685,215	$16,990,515	$1,191,843	$139,045	$112,439	$183,632	$67,740	$0
OPERATING EXPENSES								
Cost of Gas								
Commodity Cost of Purchased Gas	$11,915,535	$10,793,365	$935,067	$123,680	$63,422	$0	$0	$0
Demand Cost of Purchased Gas	$2,137,725	$1,981,080	$148,686	$5,261	$2,698	$0	$0	$0
Unaccounted for Gas Costs (Sales Only)	$161,256	$146,069	$12,655	$1,674	$858	$0	$0	$0
Total Underground Storage Expense	$0	$0	$0	$0	$0	$0	$0	$0
Total Transmission Expenses								
Mains	$6,655	$5,420	$226	$14	$11	$743	$240	$0
Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
Measuring and Regulating Equipment	$8,570	$6,979	$291	$18	$15	$957	$310	$0
Supervision and Engineering	$462	$377	$16	$1	$1	$52	$17	$0
Other Transmission	$138	$112	$5	$0	$0	$15	$5	$0
Total Distribution Expenses								
Measuring and Regulating Equipment	$27,544	$22,432	$936	$59	$47	$3,076	$995	$0
Mains and Services	$241,213	$205,788	$6,578	$445	$1,261	$20,355	$6,786	$0
Meter, Meter Installation and House Regulator	$165,848	$148,611	$3,940	$492	$7,880	$2,462	$2,462	$0
Customer Installation Expenses	$120,963	$120,539	$97	$12	$194	$61	$61	$0
Structures and Improvements Maintenance	$0	$0	$0	$0	$0	$0	$0	$0
Supervision and Engineering	$375,237	$335,936	$7,825	$691	$6,583	$17,272	$6,929	$0
Other Distribution	$124,594	$111,545	$2,598	$229	$2,186	$5,735	$2,301	$0
Total Customer Accounts Expenses (Excl. Uncoll.)	$611,753	$609,611	$490	$61	$979	$306	$306	$0
Uncollectibles	$27,260	$27,260	$0	$0	$0	$0	$0	$0
Total Customer Service Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$1,132,390	$1,055,061	$15,467	$1,353	$12,705	$34,166	$13,639	$0
Total Depreciation and Amortization Expense	$574,910	489,921	16,159	1,143	4,857	46,808	16,020	0
Other Taxes	192,059	178,992	2,611	230	2,182	5,742	2,302	0
Property Taxes	186,968	159,528	5,406	374	1,545	14,989	5,127	0
Utility Receipts Taxes	269,882	245,381	17,245	2,012	1,626	2,642	975	0
State Income Taxes	57,694	50,759	2,891	295	384	2,533	831	0
Federal Income Taxes	102,969	87,690	3,798	296	749	7,886	2,549	0
Total Operating Expenses	$18,454,748	$16,794,245	$1,183,342	$138,382	$110,763	$165,981	$62,035	$0
Net Operating Income	$230,467	$196,269	$8,502	$663	$1,677	$17,652	$5,705	$0
Total Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
Rate of Return	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	0.00%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
NORMALIZED COST OF SERVICE AT PRESENT RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 7
PAGE 2 OF 4

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
OPERATING REVENUES:								
Revenue from Gas Sales	$18,584,532	$16,772,841	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
Miscellaneous Revenues	100,682	100,682	0	0	0	0	0	0
Total Operating Revenues	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
OPERATING EXPENSES								
Cost of Gas								
Commodity Cost of Purchased Gas	$11,915,535	$10,793,365	$935,067	$123,680	$63,422	$0	$0	$0
Demand Cost of Purchased Gas	$2,137,725	$1,981,080	$148,686	$5,261	$2,698	$0	$0	$0
Unaccounted for Gas Costs (Sales Only)	$161,256	$146,069	$12,655	$1,674	$858	$0	$0	$0
Total Underground Storage Expense	$0	$0	$0	$0	$0	$0	$0	$0
Total Transmission Expenses								
Mains	$6,655	$5,420	$226	$14	$11	$743	$240	$0
Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
Measuring and Regulating Equipment	$8,570	$6,979	$291	$18	$15	$957	$310	$0
Supervision and Engineering	$462	$377	$16	$1	$1	$52	$17	$0
Other Transmission	$138	$112	$5	$0	$0	$15	$5	$0
Total Distribution Expenses								
Measuring and Regulating Equipment	$27,544	$22,432	$936	$59	$47	$3,076	$995	$0
Mains and Services	$241,213	$205,788	$6,578	$445	$1,261	$20,355	$6,786	$0
Meter, Meter Installation and House Regulator	$165,848	$148,611	$3,940	$492	$7,880	$2,462	$2,462	$0
Customer Installation Expenses	$120,963	$120,539	$97	$12	$194	$61	$61	$0
Structures and Improvements Maintenance	$0	$0	$0	$0	$0	$0	$0	$0
Supervision and Engineering	$375,237	$335,936	$7,825	$691	$6,583	$17,272	$6,929	$0
Other Distribution	$124,594	$111,545	$2,598	$229	$2,186	$5,735	$2,301	$0
Total Customer Accounts Expenses (Excl. Uncoll.)	$611,753	$609,611	$490	$61	$979	$306	$306	$0
Uncollectibles	$27,260	$27,260	$0	$0	$0	$0	$0	$0
Total Customer Service Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$1,132,390	$1,055,061	$15,467	$1,353	$12,705	$34,166	$13,639	$0
Total Depreciation and Amortization Expense	$574,910	489,921	16,159	1,143	4,857	46,808	16,020	0
Other Taxes	192,059	178,992	2,611	230	2,182	5,742	2,302	0
Property Taxes	186,968	159,528	5,406	374	1,545	14,989	5,127	0
Utility Receipts Taxes	269,882	243,676	19,165	2,373	1,346	1,915	1,407	0
State Income Taxes	57,694	39,694	15,474	2,659	(1,448)	(2,309)	3,625	0
Federal Income Taxes	102,969	51,389	45,469	8,121	(5,309)	(8,386)	11,685	(0)
Total Operating Expenses	$18,454,748	$16,745,175	$1,239,514	$148,931	$102,592	$144,139	$74,397	$0
Net Operating Income	$230,466	$128,348	$85,407	$15,110	($9,535)	($11,740)	$22,875	($0)
Total Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
Rate of Return	1.85%	1.21%	18.55%	42.06%	-10.50%	-1.23%	7.40%	0.00%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
EQUALIZED COST OF SERVICE AT PROPOSED RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 7
PAGE 3 OF 4

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
OPERATING REVENUES:								
Revenue from Gas Sales	$20,233,649	$18,247,419	$1,272,221	$160,994	$133,325	$310,837	$108,853	$0
Miscellaneous Revenues	107,790	107,790	0	0	0	0	0	0
Total Operating Revenues	$20,341,439	$18,355,209	$1,272,221	$160,994	$133,325	$310,837	$108,853	$0
OPERATING EXPENSES								
Cost of Gas								
Commodity Cost of Purchased Gas	$11,915,535	$10,793,365	$935,067	$123,680	$63,422	$0	$0	$0
Demand Cost of Purchased Gas	$2,137,725	$1,936,400	$167,757	$22,189	$11,378	$0	$0	$0
Unaccounted for Gas Costs (Sales Only)	$161,256	$146,069	$12,655	$1,674	$858	$0	$0	$0
Total Underground Storage Expense	$0	$0	$0	$0	$0	$0	$0	$0
Total Transmission Expenses								
Mains	$6,655	$5,420	$226	$14	$11	$743	$240	$0
Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
Measuring and Regulating Equipment	$8,570	$6,979	$291	$18	$15	$957	$310	$0
Supervision and Engineering	$462	$377	$16	$1	$1	$52	$17	$0
Other Transmission	$138	$112	$5	$0	$0	$15	$5	$0
Total Distribution Expenses								
Measuring and Regulating Equipment	$27,544	$22,432	$936	$59	$47	$3,076	$995	$0
Mains and Services	$241,213	$205,788	$6,578	$445	$1,261	$20,355	$6,786	$0
Meter, Meter Installation and House Regulator	$165,848	$148,611	$3,940	$492	$7,880	$2,462	$2,462	$0
Customer Installation Expenses	$120,963	$120,539	$97	$12	$194	$61	$61	$0
Structures and Improvements Maintenance	$0	$0	$0	$0	$0	$0	$0	$0
Supervision and Engineering	$375,237	$335,936	$7,825	$691	$6,583	$17,272	$6,929	$0
Other Distribution	$124,594	$111,545	$2,598	$229	$2,186	$5,735	$2,301	$0
Total Customer Accounts Expenses (Excl. Uncoll.)	$611,753	$609,611	$490	$61	$979	$306	$306	$0
Uncollectibles	$27,260	$27,260	$0	$0	$0	$0	$0	$0
Total Customer Service Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$1,132,390	$1,055,061	$15,467	$1,353	$12,705	$34,166	$13,639	$0
Total Depreciation and Amortization Expense	$574,910	$489,921	$16,159	$1,143	$4,857	$46,808	$16,020	$0
Other Taxes	193,818	180,348	2,688	235	2,207	5,962	2,378	0
Property Taxes	186,968	159,528	5,406	374	1,545	14,989	5,127	0
Utility Receipts Taxes	293,069	264,425	18,360	2,324	1,923	4,471	1,566	0
State Income Taxes	196,353	168,596	7,944	703	1,409	13,369	4,332	0
Federal Income Taxes	610,459	519,876	22,519	1,757	4,441	46,755	15,110	0
Total Operating Expenses	$19,125,843	$17,319,989	$1,227,379	$157,495	$124,482	$217,734	$78,764	$0
Net Operating Income	$1,215,596	$1,035,220	$44,842	$3,499	$8,843	$93,103	$30,089	$0
Total Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
Rate of Return	9.74%	9.74%	9.74%	9.74%	9.74%	9.74%	9.74%	0.00%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
NORMALIZED COST OF SERVICE AT PROPOSED RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 7
PAGE 4 OF 4

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
OPERATING REVENUES:								
Revenue from Gas Sales	$20,233,648	$18,167,565	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
Miscellaneous Revenues	107,790	107,790	0	0	0	0	0	0
Total Operating Revenues	$20,341,438	$18,275,355	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
					1.6456			
OPERATING EXPENSES								
Cost of Gas								
Commodity Cost of Purchased Gas	$11,915,535	$10,793,365	$935,067	$123,680	$63,422	$0	$0	$0
Demand Cost of Purchased Gas	$2,137,725	$1,936,400	$167,757	$22,189	$11,378	$0	$0	$0
Unaccounted for Gas Costs (Sales Only)	$161,256	$146,069	$12,655	$1,674	$858	$0	$0	$0
Total Underground Storage Expense	$0	$0	$0	$0	$0	$0	$0	$0
Total Transmission Expenses								
Mains	$6,655	$5,420	$226	$14	$11	$743	$240	$0
Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
Measuring and Regulating Equipment	$8,570	$6,979	$291	$18	$15	$957	$310	$0
Supervision and Engineering	$462	$377	$16	$1	$1	$52	$17	$0
Other Transmission	$138	$112	$5	$0	$0	$15	$5	$0
Total Distribution Expenses								
Measuring and Regulating Equipment	$27,544	$22,432	$936	$59	$47	$3,076	$995	$0
Mains and Services	$241,213	$205,788	$6,578	$445	$1,261	$20,355	$6,786	$0
Industrial Measuring and Regulating Equipment	$12,191	$10,924	$290	$36	$579	$181	$181	$0
Meter, Meter Installation and House Regulator	$165,848	$148,611	$3,940	$492	$7,880	$2,462	$2,462	$0
Customer Installation Expenses	$120,963	$120,539	$97	$12	$194	$61	$61	$0
Structures and Improvements Maintenance	$0	$0	$0	$0	$0	$0	$0	$0
Supervision and Engineering	$375,237	$335,936	$7,825	$691	$6,583	$17,272	$6,929	$0
Other Distribution	$124,594	$111,545	$2,598	$229	$2,186	$5,735	$2,301	$0
Total Customer Accounts Expenses (Excl. Uncoll.)	$611,753	$609,611	$490	$61	$979	$306	$306	$0
Uncollectibles	$27,260	$27,260	$0	$0	$0	$0	$0	$0
Total Customer Service Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$1,132,390	$1,055,061	$15,467	$1,353	$12,705	$34,166	$13,639	$0
Total Depreciation and Amortization Expense	574,910	489,921	16,159	1,143	4,857	46,808	16,020	0
Other Taxes	193,818	180,348	2,688	235	2,207	5,962	2,378	0
Property Taxes	186,968	159,528	5,406	374	1,545	14,989	5,127	0
Utility Receipts Taxes	293,069	263,262	20,082	2,280	1,672	3,819	1,954	0
State Income Taxes	196,353	161,700	18,343	450	(104)	9,337	6,626	0
Federal Income Taxes	610,459	495,285	59,714	861	(967)	32,278	23,287	0
Total Operating Expenses	$19,125,843	$17,287,339	$1,276,694	$156,303	$117,310	$198,574	$89,623	$0
Net Operating Income	$1,215,595	$988,016	$115,296	$1,749	($1,428)	$66,153	$45,809	$0
Total Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
Rate of Return	9.74%	9.30%	25.04%	4.87%	-1.57%	6.92%	14.83%	0.00%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
SCHEDULE OF ALLOCATION FACTORS

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 1A

NO.	ALLOCATORS	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T	Total
Input Allocators									
	Annual Throughput	14,930,674	0	0	30,799	4,509,620	2,371,064	0	21,842,157
1		68.3571%	0.0000%	0.0000%	0.1410%	20.6464%	10.8554%	0.0000%	100.0000%
	Annual Sales	14,930,674	0	0	30,799	0	0	0	14,961,473
2		99.7941%	0.0000%	0.0000%	0.2059%	0.0000%	0.0000%	0.0000%	100.0000%
	Number of Bills	172,215	0	0	168	36	144	0	172,563
3		99.7983%	0.0000%	0.0000%	0.0974%	0.0209%	0.0834%	0.0000%	100.0000%
	Design Day Throughput	168,964	0	0	84	33,312	13,902	0	216,263
4		78.1291%	0.0000%	0.0000%	0.0390%	15.4035%	6.4283%	0.0000%	100.0000%
	Design Day Sales	168,964	0	0	84	0	0	0	169,048
5		99.9501%	0.0000%	0.0000%	0.0499%	0.0000%	0.0000%	0.0000%	100.0000%
	P/F A Normal Rev. w/o Misc. Rev.	$21,616,854	$0	$0	$49,514	$179,985	$177,938	$0	$22,024,291
6		98.1501%	0.0000%	0.0000%	0.2248%	0.8172%	0.8079%	0.0000%	100.0000%
	Meters Analysis	1	33	33	33	33	33	0	
		14,351	0	0	462	99	396	0	15,308
7		93.7485%	0.0000%	0.0000%	3.0180%	0.6467%	2.5868%	0.0000%	100.0000%
	Services Analysis	1.0	10.0	10.0	10.0	10.0	10.0	10.0	
	Weighted Customers	14,351	0	0	140	30	120	0	14,641
8		98.0193%	0.0000%	0.0000%	0.9562%	0.2049%	0.8196%	0.0000%	100.0000%
	Annual Throughput Component (20%)	13.67	0.00	0.00	0.03	4.13	2.17	0.00	20.00
	Design Day Throughput Component (80%)	62.50	0.00	0.00	0.03	12.32	5.14	0.00	80.00
	Total	76.17	0.00	0.00	0.06	16.45	7.31	0.00	100.00
9	Weighted Storage Allocator	76.1747%	0.0000%	0.0000%	0.0594%	16.4521%	7.3138%	0.0000%	100.0000%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
SCHEDULE OF ALLOCATION FACTORS

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 1A

NO.	ALLOCATORS	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T	TOTAL
Internally-Generated Allocators									
	Direct to Rate 1	1	0	0	0	0	0	0	1
26		100.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	100.0000%
	Gross Plant	$28,241,817	$0	$0	$132,010	$3,082,248	$1,490,420	$0	$32,946,495
100		85.7202%	0.0000%	0.0000%	0.4007%	9.3553%	4.5238%	0.0000%	100.0000%
	Total Component of Distribution Mains	$10,330,253	$0	$0	$9,507	$1,515,921	$690,996	$0	$12,546,677
103		82.3346%	0.0000%	0.0000%	0.0758%	12.0823%	5.5074%	0.0000%	100.0000%
	Subtotal Distribution Plant	$11,056,723	$0	$0	$10,176	$1,622,528	$739,590	$0	$13,429,016
109		82.3346%	0.0000%	0.0000%	0.0758%	12.0823%	5.5074%	0.0000%	100.0000%
	Subtotal Gross Plant	$22,969,141	$0	$0	$107,364	$2,506,800	$1,212,163	$0	$26,795,467
110		85.7202%	0.0000%	0.0000%	0.4007%	9.3553%	4.5238%	0.0000%	100.0000%
	Storage Plant - Annual	$0	$0	$0	$0	$0	$0	$0	$0
	Storage Plant - Peak	$0	$0	$0	$0	$0	$0	$0	$0
	Storage Plant - Winter	$0	$0	$0	$0	$0	$0	$0	$0
	Total Storage Plant	$0	$0	$0	$0	$0	$0	$0	$0
111		0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
	O&M Without Gas Costs (P/F A)	$3,586,767	$0	$0	$35,660	$141,286	$90,844	$0	$3,854,558
115		93.0526%	0.0000%	0.0000%	0.9251%	3.6654%	2.3568%	0.0000%	100.0000%
	O&M Without Gas Costs (P/F B)	$2,165,803	$0	$0	$21,456	$88,780	$56,360	$0	$2,332,399
117		92.8573%	0.0000%	0.0000%	0.9199%	3.8064%	2.4164%	0.0000%	100.0000%
	Distribution O&M (P/F B)	$658,304	$0	$0	$10,474	$34,307	$23,439	$0	$726,524
119		90.6101%	0.0000%	0.0000%	1.4416%	4.7220%	3.2262%	0.0000%	0.0000%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
SCHEDULE OF ALLOCATION FACTORS

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 1A

NO.	ALLOCATORS	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T	TOTAL
Internally-Generated Allocators (cont.)									
	Labor Allocator	$3,129	$0	$0	$31	$116	$76	$0	$3,352
125		93.3519%	0.0000%	0.0000%	0.9331%	3.4495%	2.2655%	0.0000%	100.0000%
	Total Component of Transmission Mains	$5,339,374	$0	$0	$4,914	$783,531	$357,153	$0	$6,484,972
131		82.3346%	0.0000%	0.0000%	0.0758%	12.0823%	5.5074%	0.0000%	100.0000%
	Subtotal Transmission Plant	$5,892,246	$0	$0	$5,423	$864,662	$394,135	$0	$7,156,467
132		82.3346%	0.0000%	0.0000%	0.0758%	12.0823%	5.5074%	0.0000%	100.0000%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF RATE BASE

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 2A

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	GROSS PLANT									
(1)	Total Manufactured Gas Production	5	$508,991	$508,737	$0	$0	$254	$0	$0	$0
(2)	Total Natural Gas Production Plant	2	$0	$0	$0	$0	$0	$0	$0	$0
(3)	Total Underground Storage Plant									
(4)	Commodity	1	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Demand	5	$0	$0	$0	$0	$0	$0	$0	$0
(6)	Winter	0	$0	$0	$0	$0	$0	$0	$0	$0
(7)	Total Transmission Plant									
(8)	Mains									
(9)	Customer	3	$1,838,392	$1,834,685	$0	$0	$1,790	$384	$1,534	$0
(10)	Commodity	1	$1,285,745	$878,899	$0	$0	$1,813	$265,460	$139,573	$0
(11)	Demand	4	$3,360,835	$2,625,791	$0	$0	$1,311	$517,687	$216,046	$0
(12)	Land and Land Rights	131	$364,551	$300,151	$0	$0	$276	$44,046	$20,077	$0
(13)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(14)	Structures and Improvements	131	$7,276	$5,991	$0	$0	$6	$879	$401	$0
(15)	Measuring and Regulating Equipment	131	$299,668	$246,730	$0	$0	$227	$36,207	$16,504	$0
(16)	Other Transmission Equipment	132	$0	$0	$0	$0	$0	$0	$0	$0
(17)	Total Distribution Plant									
(18)	Mains									
(19)	Customer	3	$3,556,794	$3,549,621	$0	$0	$3,463	$742	$2,968	$0
(20)	Commodity	1	$2,487,571	$1,700,432	$0	$0	$3,508	$513,594	$270,037	$0
(21)	Demand	4	$6,502,312	$5,080,199	$0	$0	$2,537	$1,001,585	$417,991	$0
(22)	Land and Land Rights	103	$441,958	$363,884	$0	$0	$335	$53,398	$24,340	$0
(23)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(24)	Structures and Improvements	103	$19,559	$16,104	$0	$0	$15	$2,363	$1,077	$0
(25)	Measuring and Regulating Equipment	103	$420,822	$346,482	$0	$0	$319	$50,845	$23,176	$0
(26)	Services	8	$3,906,535	$3,829,158	$0	$0	$37,354	$8,005	$32,018	$0
(27)	Meters - Account 381 & 385	7	$1,201,704	$1,126,579	$0	$0	$36,267	$7,772	$31,086	$0
(28)	Meter Installations - Account 381 & 385	7	$0	$0	$0	$0	$0	$0	$0	$0
(29)	House Regulators - Account 381 & 385	7	$559,454	$524,480	$0	$0	$16,884	$3,618	$14,472	$0
(30)	Measuring and Regulating Equipment - Industrial	7	$33,300	$31,218	$0	$0	$1,005	$215	$861	$0
(31)	Other Distribution Equipment	109	$0	$0	$0	$0	$0	$0	$0	$0
(32)	Total General and Intangible Plant	110	$6,151,028	$5,272,676	$0	$0	$24,646	$575,448	$278,258	$0
(33)	Total Gross Plant		$32,946,495	$28,241,817	$0	$0	$132,010	$3,082,248	$1,490,420	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF RATE BASE

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 2A

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	DEPRECIATION RESERVE									
(1)	Total Manufactured Gas Production Depr. Reserve	5	$208,889	$208,785	$0	$0	$104	$0	$0	$0
(2)	Total Natural Gas Production Plant Depr. Reserve	2	$0	$0	$0	$0	$0	$0	$0	$0
(3)	Total Underground Storage Plant Depr. Reserve	111	$0	$0	$0	$0	$0	$0	$0	$0
(4)	Total Other Storage Plant Deprec. Reserve	0	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Total Transmission Plant Depreciation Reserve									
(6)	Mains	131	$2,661,425	$2,191,272	$0	$0	$2,017	$321,560	$146,575	$0
(7)	Land and Land Rights	131	$149,611	$123,182	$0	$0	$113	$18,076	$8,240	$0
(8)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(9)	Structures and Improvements	131	$2,986	$2,459	$0	$0	$2	$361	$164	$0
(10)	Measuring and Regulating Equipment	131	$122,983	$101,258	$0	$0	$93	$14,859	$6,773	$0
(11)	Other Transmission Equipment	132	$0	$0	$0	$0	$0	$0	$0	$0
(12)	Total Distribution Plant Depreciation Reserve									
(13)	Mains	103	$5,149,141	$4,239,523	$0	$0	$3,902	$622,132	$283,584	$0
(14)	Land and Land Rights	103	$181,379	$149,338	$0	$0	$137	$21,915	$9,989	$0
(15)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(16)	Structures and Improvements	103	$8,027	$6,609	$0	$0	$6	$970	$442	$0
(17)	Measuring and Regulating Equipment	103	$172,705	$142,196	$0	$0	$131	$20,867	$9,512	$0
(18)	Services	8	$1,603,237	$1,571,482	$0	$0	$15,330	$3,285	$13,140	$0
(19)	Meters - Account 381 & 385	7	$493,178	$462,347	$0	$0	$14,884	$3,189	$12,758	$0
(20)	Meter Installations - Account 381 & 385	7	$0	$0	$0	$0	$0	$0	$0	$0
(21)	House Regulators - Account 381 & 385	7	$229,599	$215,246	$0	$0	$6,929	$1,485	$5,939	$0
(22)	Measuring and Regulating Equipment - Industrial	7	$13,666	$12,812	$0	$0	$412	$88	$354	$0
(23)	Other Distribution Equipment	109	$0	$0	$0	$0	$0	$0	$0	$0
(24)	General and Intangible Plant Depreciation Reserve	110	$2,524,374	$2,163,900	$0	$0	$10,115	$236,163	$114,197	$0
(25)	Total Depreciation Reserve		$13,521,201	$11,590,407	$0	$0	$54,177	$1,264,951	$611,667	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF RATE BASE

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 2A

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	OTHER RATE BASE COMPONENTS									
(1)	Materials and Supplies	100	$637,702	$546,640	$0	$0	$2,555	$59,659	$28,848	$0
(2)	Cash Working Capital	115	($57,368)	($53,382)	$0	$0	($531)	($2,103)	($1,352)	$0
(3)	LP (Propane) Gas	5	$0	$0	$0	$0	$0	$0	$0	$0
(4)	Gas Stored Underground/Current Recoverable	2	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Gas Stored Underground/Non-Current Recoverable	111	$0	$0	$0	$0	$0	$0	$0	$0
(6)	Gas Stored Underground/Non-Current Recoverable	111	$0	$0	$0	$0	$0	$0	$0	$0
(7)	Unamortized Acquisition Adjustment (Net of Accum. Depr	100	$0	$0	$0	$0	$0	$0	$0	$0
(8)	Customer Advances For Construction	100	($111,238)	($95,353)	$0	$0	($446)	($10,407)	($5,032)	$0
(9)	Accum. Deferred Income Taxes	100	$0	$0	$0	$0	$0	$0	$0	$0
(10)	Contributions in Aid of Construction	100	($125,761)	($107,803)	$0	$0	($504)	($11,765)	($5,689)	$0
(11)	Total Other Rate Base Components		$343,335	$290,101	$0	$0	$1,075	$35,384	$16,775	$0
(12)	Total Rate Base		$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF DEPRECIATION AND AMORTIZATION EXPENSE

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 3A
PAGE 1 OF 1

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	DEPRECIATION AND AMORTIZATION EXPENSES									
(1)	Total Manufactured Gas Production	5	$0	$0	$0	$0	$0	$0	$0	$0
(2)	Total Natural Gas Production Plant	2	$0	$0	$0	$0	$0	$0	$0	$0
(3)	Total Underground Storage Plant	111	$0	$0	$0	$0	$0	$0	$0	$0
(4)	Total Local Storage	0	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Total Transmission Plant									
(6)	Mains	131	$189,471	$156,000	$0	$0	$144	$22,892	$10,435	$0
(7)	Land and Land Rights	131	$0	$0	$0	$0	$0	$0	$0	$0
(8)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(9)	Structures and Improvements	131	$213	$175	$0	$0	$0	$26	$12	$0
(10)	Measuring and Regulating Equipment	131	$8,755	$7,209	$0	$0	$7	$1,058	$482	$0
(11)	Other Transmission Equipment	132	$0	$0	$0	$0	$0	$0	$0	$0
(12)	Total Distribution									
(13)	Mains	103	$366,575	$301,818	$0	$0	$278	$44,290	$20,189	$0
(14)	Land and Land Rights	103	$0	$0	$0	$0	$0	$0	$0	$0
(15)	Compressor Station Equipment	1	$0	$0	$0	$0	$0	$0	$0	$0
(16)	Structures and Improvements	103	$571	$471	$0	$0	$0	$69	$31	$0
(17)	Measuring and Regulating Equipment	103	$12,295	$10,123	$0	$0	$9	$1,486	$677	$0
(18)	Services	8	$114,137	$111,876	$0	$0	$1,091	$234	$935	$0
(19)	Meters - Account 381 & 385	7	$35,110	$32,915	$0	$0	$1,060	$227	$908	$0
(20)	Meter Installations - Account 381 & 385	7	$0	$0	$0	$0	$0	$0	$0	$0
(21)	House Regulators - Account 381 & 385	7	$16,346	$15,324	$0	$0	$493	$106	$423	$0
(22)	Measuring and Regulating Equipment - Industrial	7	$973	$912	$0	$0	$29	$6	$25	$0
(23)	Other Distribution Equipment	109	$0	$0	$0	$0	$0	$0	$0	$0
(24)	General and Intangible Plant	110	$196,794	$168,692	$0	$0	$789	$18,411	$8,902	$0
(25)	Amortization of Leasehold Improvements	110	$0	$0	$0	$0	$0	$0	$0	$0
(26)	Amortization of Acquisition Adjustment	100	$0	$0	$0	$0	$0	$0	$0	$0
(27)	Total Depreciation and Amortization Expense		$941,239	$805,514	$0	$0	$3,900	$88,805	43,020	0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE
PROFORMA A (PRESENT REVENUE LEVELS)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 4A
PAGE 1 OF 2

		No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	PROFORMA COST OF GAS									
(1)	Commodity Cost of Purchased Gas	2	$15,288,933	$15,257,460	$0	$0	$31,473	$0	$0	$0
(2)	Demand Cost of Purchased Gas	5	$1,628,188	$1,627,375	$0	$0	$813	$0	$0	$0
(3)	Unaccounted for Gas Costs (Sales Only)	2	$258,742	$258,209	$0	$0	$533	$0	$0	$0
(4)	Total Proforma Cost of Gas		$17,175,863	$17,143,045	$0	$0	$32,818	$0	$0	$0
	OPERATING EXPENSES									
(5)	Total Underground Storage Expense	111	$0	$0	$0	$0	$0	$0	$0	$0
(6)	Total Transmission Expenses									
(7)	Mains	131	$53,787	$44,286	$0	$0	$41	$6,499	$2,962	$0
(8)	Measuring and Regulating Equipment	131	$9,586	$7,893	$0	$0	$7	$1,158	$528	$0
(9)	Supervision and Engineering	132	$32,900	$27,088	$0	$0	$25	$3,975	$1,812	$0
(10)	Other Transmission	132	$35,332	$29,090	$0	$0	$27	$4,269	$1,946	$0
(11)	Total Distribution Expenses									
(12)	Measuring and Regulating Equipment	103	$45,487	$37,452	$0	$0	$34	$5,496	$2,505	$0
(13)	Mains and Services	107	$284,175	$244,019	$0	$0	$779	$26,729	$12,649	$0
(14)	Meter, Meter Installation and House Regulator	108	$303,854	$284,858	$0	$0	$9,170	$1,965	$7,860	$0
(15)	Customer Installation Expenses	3	$79,239	$79,079	$0	$0	$77	$17	$66	$0
(16)	Structures and Improvements Maintenance	103	$100	$82	$0	$0	$0	$12	$6	$0
(17)	Supervision and Engineering	119	$527,771	$478,214	$0	$0	$7,608	$24,922	$17,027	$0
(18)	Other Distribution	119	$165,254	$149,737	$0	$0	$2,382	$7,803	$5,331	$0
(19)	Total Customer Accounts Expenses (Excl. Uncoll.)	3	$663,478	$662,140	$0	$0	$646	$138	$554	$0
(20)	Uncollectibles	26	$52,949	$52,949	$0	$0	$0	$0	$0	$0
(21)	Administrative and General									
(22)	Plant-Related	100	$61,024	$52,310	$0	$0	$245	$5,709	$2,761	$0
(23)	Salaries-Related	125	$1,279,192	$1,194,150	$0	$0	$11,937	$44,125	$28,980	$0
(24)	Other	125	$242,967	$226,815	$0	$0	$2,267	$8,381	$5,504	$0
(25)	Total Proforma A Operation and Maintenance Expense		$3,854,558	$3,586,767	$0	$0	$35,660	$141,286	$90,844	$0
(26)	Total Depreciation and Amortization Expense		$941,239	$805,514	$0	$0	$3,900	$88,805	$43,020	$0
(27)	Total Proforma A Operating Expense		$21,971,660	$21,535,326	$0	$0	$72,379	$230,091	$133,865	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF OPERATION AND MAINTENANCE EXPENSE
PROFORMA B (PROPOSED REVENUE LEVELS)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 4A
PAGE 2 OF 2

		NO.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	PROFORMA COST OF COST									
(1)	Commodity Cost of Purchased Gas	2	$15,288,933	$15,257,460	$0	$0	$31,473	$0	$0	$0
(2)	Demand Cost of Purchased Gas	2	$1,628,188	$1,624,836	$0	$0	$3,352	$0	$0	$0
(3)	Unaccounted for Gas Costs (Sales Only	2	$258,742	$258,209	$0	$0	$533	$0	$0	$0
(4)	Total Proforma Cost of Gas		$17,175,863	$17,140,506	$0	$0	$35,357	$0	$0	$0
	OPERATING EXPENSES									
(5)	Total Underground Storage Expense	111	$0	$0	$0	$0	$0	$0	$0	$0
(6)	Total Transmission Expenses									
(7)	Mains	131	$53,787	$44,286	$0	$0	$41	$6,499	$2,962	$0
(8)	Measuring and Regulating Equipment	131	$9,586	$7,893	$0	$0	$7	$1,158	$528	$0
(9)	Supervision and Engineering	132	$32,900	$27,088	$0	$0	$25	$3,975	$1,812	$0
(10)	Other Transmission	132	$35,332	$29,090	$0	$0	$27	$4,269	$1,946	$0
(11)	Total Distribution Expenses									
(12)	Measuring and Regulating Equipment	103	$45,487	$37,452	$0	$0	$34	$5,496	$2,505	$0
(13)	Mains and Services	107	$284,175	$244,019	$0	$0	$779	$26,729	$12,649	$0
(14)	Meter, Meter Installation and House Regulator	108	$303,854	$284,858	$0	$0	$9,170	$1,965	$7,860	$0
(15)	Customer Installation Expenses	3	$79,239	$79,079	$0	$0	$77	$17	$66	$0
(16)	Structures and Improvements Maintenance	103	$100	$82	$0	$0	$0	$12	$6	$0
(17)	Supervision and Engineering	119	$527,771	$478,214	$0	$0	$7,608	$24,922	$17,027	$0
(18)	Other Distribution	119	$165,254	$149,737	$0	$0	$2,382	$7,803	$5,331	$0
(19)	Total Customer Accounts Expenses (Excl. Uncoll.)	3	$663,478	$662,140	$0	$0	$646	$138	$554	$0
(20)	Uncollectibles	26	$52,949	$52,949	$0	$0	$0	$0	$0	$0
(21)	Administrative and General									
(22)	Plant-Related	100	$61,024	$52,310	$0	$0	$245	$5,709	$2,761	$0
(23)	Salaries-Related	125	$1,279,192	$1,194,150	$0	$0	$11,937	$44,125	$28,980	$0
(24)	Other	125	$242,967	$226,815	$0	$0	$2,267	$8,381	$5,504	$0
(25)	Total Proforma B Operation and Maintenance Expenses		$3,854,558	$3,586,767	$0	$0	$35,660	$141,286	$90,844	$0
(26)	Total Depreciation and Amortization Expense		$941,239	$805,514	$0	$0	$3,900	$88,805	$43,020	$0
(27)	Total Proforma B Operating Expense		$21,971,660	$21,532,787	$0	$0	$74,918	$230,091	$133,865	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
ALLOCATION OF MISCELLANEOUS REVENUES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 5A
PAGE 1 OF 1

			Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
	PROFORMA A MISCELLANEOUS REVENUES									
	Miscellaneous Revenue									
(1)	Reconnect fees	26	$72,997	$72,997	$0	$0	$0	$0	$0	$0
(2)	Diversion Fees	26	$0	$0	$0	$0	$0	$0	$0	$0
(3)	Forfeited discounts	26	$77,167	$77,167	$0	$0	$0	$0	$0	$0
(4)	After Hours Charges	0	$0	$0	$0	$0	$0	$0	$0	$0
(5)	Total Miscellaneous Revenue:		$150,164	$150,164	$0	$0	$0	$0	$0	$0
	PROFORMA B MISCELLANEOUS REVENUES									
(6)	Miscellaneous Revenue									
(7)	Reconnect fees	26	$88,523	$88,523	$0	$0	$0	$0	$0	$0
(8)	Diversion Fees	26	$0	$0	$0	$0	$0	$0	$0	$0
(9)	Forfeited discounts	26	$77,167	$77,167	$0	$0	$0	$0	$0	$0
(10)	After Hours Charges	0	$0	$0	$0	$0	$0	$0	$0	$0
(11)	Total Miscellaneous Revenue:		$165,690	$165,690	$0	$0	$0	$0	$0	$0
			0							

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A NORMALIZED TAXES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-;
SCHEDULE 6A

	No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Proforma A Normalized Revenues. w/o Misc. Rev.		$22,024,291	$21,616,854	$0	$0	$49,514	$179,985	$177,938	$0
Proforma A Normalized Miscellaneous Revenues		150,164	150,164	0	0	0	0	0	0
Proforma A Normalized Rev. w/Misc. Revenues		$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
Indiana Utility Receipts Taxes									
Total Proforma A Normalized Revenues w/ Misc. Rev.		$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
Less: Uncollectible Expense	26	(52,949)	(52,949)	0	0	0	0	0	0
Less: Statutory Exemption	121	(1,000)	(982)	0	0	(2)	(8)	(8)	0
Income for Utility Receipts Tax		$22,120,506	$21,713,087	$0	$0	$49,512	$179,977	$177,930	$0
Utility Receipts Tax Rate		1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Utility Receipts Tax		$309,687	$303,983	$0	$0	$693	$2,520	$2,491	$0
Prorated Utility Receipts Tax		$318,149	$312,289	$0	$0	$712	$2,589	$2,559	$0
State Income Taxes									
Total Proforma A Normalized Revenues		$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
Less: Operation and Maintenance Expenses		(3,854,558)	(3,586,767)	0	0	(35,660)	(141,286)	(90,844)	0
Less: Gas Costs		(17,175,863)	(17,143,045)	0	0	(32,818)	0	0	0
Less: Depreciation		(941,239)	(805,514)	0	0	(3,900)	(88,805)	(43,020)	0
Less: Property Taxes	100	(298,407)	(255,795)	0	0	(1,196)	(27,917)	(13,499)	0
Less: Other Taxes	115	(214,017)	(199,148)	0	0	(1,980)	(7,845)	(5,044)	0
Less: Utility Receipts Tax		0	0	0	0	0	0	0	0
Less: Interest Expense	102	(57,091)	(48,926)	0	0	(228)	(5,350)	(2,586)	0
Plus: Non-Deductible Expenses	102	12,439	10,660	0	0	50	1,166	563	0
Income for State Income Taxes		($354,281)	($261,518)	$0	$0	($26,218)	($90,052)	$23,507	$0
State Income Tax Rate		8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
State Income Taxes		($30,114)	($22,229)	$0	$0	($2,229)	($7,654)	$1,998	$0
Less: Deferred State Tax Flowback	120	0	0	0	0	0	0	0	0
Total State Tax Liability		($30,114)	($22,229)	$0	$0	($2,228)	($7,654)	$1,998	$0
Prorated State Tax Liability		($28,436)	($20,990)	$0	$0	($2,104)	($7,228)	$1,887	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A NORMALIZED TAXES (Cont.)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-:
SCHEDULE 6A
PAGE 2 OF 9

	No.	Total	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Federal Income Taxes									
Total Proforma A Normalized Revenues		$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
Less: Operation and Maintenance Expenses		(3,854,558)	(3,586,767)	0	0	(35,660)	(141,286)	(90,844)	0
Less: Gas Costs		(17,175,863)	(17,143,045)	0	0	(32,818)	0	0	0
Less: Depreciation		(941,239)	(805,514)	0	0	(3,900)	(88,805)	(43,020)	0
Less: Property Taxes		(298,407)	(255,795)	0	0	(1,196)	(27,917)	(13,499)	0
Less: Other Taxes		(214,017)	(199,148)	0	0	(1,980)	(7,845)	(5,044)	0
Less: Utility Receipts Tax		(309,687)	(303,983)	0	0	(693)	(2,520)	(2,491)	0
Less: Interest Expense		(57,091)	(48,926)	0	0	(228)	(5,350)	(2,586)	0
Plus: Non-Deductible Expenses	102	12,439	10,660	0	0	50	1,166	563	0
Less: State Income taxes		30,114	22,229	(0)	(0)	2,228	7,654	(1,998)	(0)
Income for Federal Income Taxes		($633,854)	($543,273)	($0)	($0)	($24,683)	($84,917)	$19,018	($0)
Federal Income Tax Rate		34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
Federal Income Taxes		($215,510)	($184,713)	($0)	($0)	($8,392)	($28,872)	$6,466	($0)
Less: Investment Tax Credit	100	0	0	0	0	0	0	0	0
Less: Deferred Federal Tax Flowback	120	0	0	0	0	0	0	0	0
Total Federal Tax Liability		($215,510)	($184,713)	($0)	($0)	($8,392)	($28,872)	$6,466	($0)
Prorated Federal Tax Liability		(214,808)	($184,111)	($0)	($0)	($8,365)	($28,778)	$6,445	($0)
Net Operating Income									
Total Proforma A Normalized Margins		$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
Less: Operation and Maintenance Expenses		(3,854,558)	(3,586,767)	0	0	(35,660)	(141,286)	(90,844)	0
Less: Gas Costs		(17,175,863)	(17,143,045)	0	0	(32,818)	0	0	0
Less: Depreciation		(941,239)	(805,514)	0	0	(3,900)	(88,805)	(43,020)	0
Less: Other Taxes		(214,017)	(199,148)	0	0	(1,980)	(7,845)	(5,044)	0
Less: Utility Receipts Tax		(318,149)	(303,983)	0	0	(693)	(2,520)	(2,491)	0
Less: Property Taxes		(298,407)	(255,795)	0	0	(1,196)	(27,917)	(13,499)	0
Less: State Income Taxes		28,436	22,229	(0)	(0)	2,228	7,654	(1,998)	(0)
Less: Total Federal Income Tax Liability		214,808	184,713	0	0	8,392	28,872	(6,466)	0
Net Operating Income		($384,534)	($320,294)	($0)	($0)	($16,113)	($51,861)	$14,575	($0)
Total Rate Base		$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
Rate of Return		-1.95%	-1.89%	0.00%	0.00%	-20.42%	-2.80%	1.63%	0.00%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A EQUALIZED TAXES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

	NO.	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Rate Base		$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
Allowed Rate of Return		-1.9452%	-1.9452%	-1.9452%	-1.9452%	-1.9452%	-1.9452%	-1.9452%	-1.9452%
Allowed Net Operating Income		($384,534)	($329,542)	$0	$0	($1,535)	($36,038)	($17,420)	$0
Federal Income Taxes									
Net Operating Income		($384,534)	($329,542)	$0	$0	($1,535)	($36,038)	($17,420)	$0
Less: Interest Expense	102	(57,091)	(48,926)	0	0	(228)	(5,350)	(2,586)	0
Plus: Non-Deductible Expenses		12,439	10,660	0	0	50	1,166	563	0
Plus: Investment Tax Credit	100	0	0	0	0	0	0	0	0
Less: Deferred Federal Tax Flowback	120	0	0	0	0	0	0	0	0
Total Amount to Calculate Federal Taxes		($429,186)	($367,808)	$0	$0	($1,713)	($40,223)	($19,442)	$0
Federal Tax Factor (Tax Rate/(1-Tax Rate))		51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%
Federal Income Taxes Before Flowback		($221,096)	($189,477)	$0	$0	($883)	($20,721)	($10,016)	$0
Less: Deferred Federal Tax Flowback	120	0	0	0	0	0	0	0	0
Less: Investment Tax Credit		0	0	0	0	0	0	0	0
Federal Income taxes After Flowback		($221,096)	($189,477)	$0	$0	($883)	($20,721)	($10,016)	$0
Prorated Federal Income Taxes		(214,808)	($184,088)	$0	$0	($857)	($20,131)	($9,731)	$0
State Income Taxes									
Net Operating Income		($384,534)	($329,542)	$0	$0	($1,535)	($36,038)	($17,420)	$0
Less: Interest Expense		(57,091)	(48,926)	0	0	(228)	(5,350)	(2,586)	0
Plus: Non-Deductible Expenses		12,439	10,660	0	0	50	1,166	563	0
Plus: Utility Receipts Taxes		$309,432	$303,765	$0	$0	$1,036	$2,892	$1,738	$0
Plus: Investment Tax Credit		0	0	0	0	0	0	0	0
Plus: Federal Income Taxes		(221,096)	(189,477)	0	0	(883)	(20,721)	(10,016)	0
Plus: Property taxes	100	$0	0	0	0	0	0	0	0
Less: Deferred State Tax Flowback	102	$0	0	0	0	0	0	0	0
Total Amount to Calculate State Taxes		($340,850)	($253,519)	$0	$0	($1,559)	($58,051)	($27,720)	$0
State Tax Factor (Tax Rate/(1-Tax Rate))		9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%
State Income Taxes-Current and Deferred		($31,664)	($23,551)	$0	$0	($145)	($5,393)	($2,575)	$0
Less: Deferred State Tax Flowback	102	$0	0	0	0	0	0	0	0
State Income Tax After Flowback		($31,664)	($23,551)	$0	$0	($145)	($5,393)	($2,575)	$0
Prorated State Income Taxes		($28,436)	($21,150)	$0	$0	($130)	($4,843)	($2,313)	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA A EQUALIZED TAXES (Cont.)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

	NO.	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Utility Receipts Taxes									
Net Operating Income		(384,534)	(329,542)	0	0	(1,535)	(36,038)	(17,420)	0
Plus: Operating & Maintenance Expenses		$3,854,558	$3,586,767	$0	$0	$35,660	$141,286	$90,844	$0
Plus: Gas Costs (Rate 70 + UAFG)		$17,175,863	$17,143,045	$0	$0	$32,818	$0	$0	$0
Plus: Depreciation and Amortization Expenses		$941,239	$805,514	$0	$0	$3,900	$88,805	$43,020	$0
Plus: Investment Tax Credit		0	0	0	0	0	0	0	0
Plus: Federal Income Taxes		(221,096)	(189,477)	0	0	(883)	(20,721)	(10,016)	0
Plus: State Income Taxes		(31,664)	(23,551)	0	0	(145)	(5,393)	(2,575)	0
Plus: Property taxes		298,407	255,795	0	0	1,196	27,917	13,499	0
Plus: Other Taxes		214,017	199,148	0	0	1,980	7,845	5,044	0
Less: Uncollectible Expense	26	(52,949)	(52,949)	0	0	0	0	0	0
Less: Statutory Exemption	121	(1,000)	(982)	0	0	(2)	(8)	(8)	0
Total Amount to Calculate Utility Receipts Taxes		$21,792,841	$21,393,769	$0	$0	$72,990	$203,693	$122,389	$0
Utility Receipts Tax Factor (Tax Rate/(1-Tax Rate))		1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%
Utility Receipts Taxes		$309,432	$303,765	$0	$0	$1,036	$2,892	$1,738	$0
Prorated Utility Receipts Taxes		$318,149	$312,323	$0	$0	$1,066	$2,974	$1,787	$0
Derivation of Proforma A Equalized Revenues									
Net Operating Income		(384,534)	(329,542)	0	0	(1,535)	(36,038)	(17,420)	0
Plus: Operating & Maintenance Expenses		$3,854,558	$3,586,767	$0	$0	$35,660	$141,286	$90,844	$0
Plus: Gas Costs		17,175,863	17,143,045	0	0	32,818	0	0	0
Plus: Depreciation and Amortization Expenses		$941,239	$805,514	$0	$0	$3,900	$88,805	$43,020	$0
Plus: Federal Income Taxes		(214,808)	(184,088)	0	0	(857)	(20,131)	(9,731)	0
Plus: State Income Taxes		(28,436)	(21,150)	0	0	(130)	(4,843)	(2,313)	0
Plus: Utility Receipts Taxes		318,149	312,323	0	0	1,066	2,974	1,787	0
Plus: Property taxes		298,407	255,795	0	0	1,196	27,917	13,499	0
Plus: Other Taxes		214,017	199,148	0	0	1,980	7,845	5,044	0
Plus: Investment Tax Credit		0	0	0	0	0	0	0	0
Proforma A Equalized Revenues w/Misc. Rev		$22,174,455	$21,767,813	$0	$0	$74,097	$207,814	$124,731	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B EQUALIZED TAXES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-:
SCHEDULE 6A
PAGE 5 OF 9

	NO.	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Rate Base		$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
Allowed Rate of Return		9.7398%	9.7398%	9.7398%	9.7398%	9.7398%	9.7398%	9.7398%	9.7398%
Allowed Net Operating Income		$1,925,429	$1,650,073	$0	$0	$7,685	$180,448	$87,223	$0
Federal Income Taxes									
Net Operating Income		$1,925,429	$1,650,073	$0	$0	$7,685	$180,448	$87,223	$0
Less: Interest Expense	102	(57,091)	(48,926)	0	0	(228)	(5,350)	(2,586)	0
Plus: Non-Deductible Expenses		12,439	10,660	0	0	50	1,166	563	0
Plus: Investment Tax Credit	100	0	0	0	0	0	0	0	0
Less: Deferred Federal Tax Flowback	120	0	0	0	0	0	0	0	0
Total Amount to Calculate Federal Taxes		$1,880,777	$1,611,807	$0	$0	$7,507	$176,263	$85,200	$0
Federal Tax Factor (Tax Rate/(1-Tax Rate))		51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%	51.5152%
Federal Income Taxes Before Flowback and ITC		$968,885	$830,325	$0	$0	$3,867	$90,802	$43,891	$0
Less: Deferred Federal Tax Flowback	120	0	0	0	0	0	0	0	0
Less: Investment Tax Credit		0	0	0	0	0	0	0	0
Federal Income Tax Liability		$968,885	$830,325	$0	$0	$3,867	$90,802	$43,891	$0
Prorated Federal Income Taxes		$975,173	$835,713	$0	$0	$3,892	$91,391	$44,176	$0
State Income Taxes									
Net Operating Income		$1,925,429	$1,650,073	$0	$0	$7,685	$180,448	$87,223	$0
Less: Interest Expense		(57,091)	(48,926)	0	0	(228)	(5,350)	(2,586)	0
Plus: Non-Deductible Expenses		12,439	10,660	0	0	50	1,166	563	0
Plus: Utility Receipts Tax		$363,874	$350,384	$0	$0	$1,290	$7,995	$4,205	$0
Plus: Investment Tax Credit		0	0	0	0	0	0	0	0
Plus: Federal Income Taxes		968,885	830,325	0	0	3,867	90,802	43,891	0
Plus: Property Taxes	100	$0	0	0	0	0	0	0	0
Less: Deferred State Tax Flowback		$0	$0	$0	$0	$0	$0	$0	$0
Total Amount to Calculate State Taxes		$3,213,536	$2,792,515	$0	$0	$12,665	$275,061	$133,296	$0
State Tax Factor (Tax Rate/(1-Tax Rate)		9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%	9.2896%
State Income Taxes-Current and Deferrec		$298,525	$259,414	$0	$0	$1,176	$25,552	$12,383	$0
Less: Deferred State Tax Flowback		$0	$0	$0	$0	$0	$0	$0	$0
State Income Tax Liability		$298,525	$259,414	$0	$0	$1,176	$25,552	$12,383	$0
Prorated State Income Taxes		$296,695	$257,824	$0	$0	$1,169	$25,395	$12,307	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B EQUALIZED TAXES (Cont.)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-:
SCHEDULE 6A

	NO.	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Utility Receipts Tax									
Net Operating Income		1,925,429	1,650,073	0	0	7,685	180,448	87,223	0
Plus: Operating & Maintenance Expenses		$3,854,558	$3,586,767	$0	$0	$35,660	$141,286	$90,844	$0
Plus: Gas Costs (Rate 70 + UAFG)		$17,175,863	$17,140,506	$0	$0	$35,357	$0	$0	$0
Plus: Depreciation and Amortization Expense:		$941,239	$805,514	$0	$0	$3,900	$88,805	$43,020	$0
Plus: Investment Tax Credit	100	0	0	0	0	0	0	0	0
Plus: Federal Income Taxes		968,885	830,325	0	0	3,867	90,802	43,891	0
Plus: Property Taxes		298,407	255,795	0	0	1,196	27,917	13,499	0
Plus: State Income Taxes		298,525	259,414	0	0	1,176	25,552	12,383	0
Plus: Other Taxes	117	218,142	202,561	0	0	2,007	8,303	5,271	0
Less: Uncollectible Expense	26	(52,949)	(52,949)	0	0	0	0	0	0
Less: Statutory Exemption	122	(1,000)	(982)	0	0	(3)	(9)	(6)	0
Total Amount to Calculate Utility Receipts Tax		$25,627,099	$24,677,023	$0	$0	$90,846	$563,104	$296,126	$0
Utility Receipts Tax Factor (Tax Rate/(1-Tax Rate))		1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%	1.4199%
Utility Receipts Taxes		$363,874	$350,384	$0	$0	$1,290	$7,995	$4,205	$0
Prorated Utility Receipts Taxes		$372,519	$358,709	$0	$0	$1,321	$8,185	$4,305	$0
DERIVATION OF PROFORMA B EQUALIZED REVENUE:									
Net Operating Income		1,925,429	1,650,073	0	0	7,685	180,448	87,223	0
Plus: Operating & Maintenance Expenses		$3,854,558	$3,586,767	$0	$0	$35,660	$141,286	$90,844	$0
Plus: Gas Costs		17,175,863	17,140,506	0	0	35,357	0	0	0
Plus: Depreciation and Amortization Expenses		$941,239	$805,514	$0	$0	$3,900	$88,805	$43,020	$0
Plus: Federal Income Taxes		975,173	835,713	0	0	3,892	91,391	44,176	0
Plus: State Income Taxes		296,695	257,824	0	0	1,169	25,395	12,307	0
Plus: Utility Receipts Taxes		372,519	358,709	0	0	1,321	8,185	4,305	0
Plus: Property Taxes		298,407	255,795	0	0	1,196	27,917	13,499	0
Plus Other Taxes		218,142	202,561	0	0	2,007	8,303	5,271	0
Plus: Investment Tax Credit		0	0	0	0	0	0	0	0
Proforma B Equalized Revenues w/Misc. Rev		$26,058,025	$25,093,461	$0	$0	$92,188	$571,731	$300,645	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B NORMALIZED TAXES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

	NO.	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
SUBSIDY REDUCTION									
Proforma A Normalized Revenues w/Misc. Rev.		$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
Less: Proforma A Equalized Revenues w/Misc. Rev.		22,174,455	21,767,813	0	0	74,097	207,814	124,731	0
Proforma A Subsidy		($0)	($795)	$0	$0	($24,583)	($27,828)	$53,206	$0
Proposed Subsidy Reduction Percentage			25640%	10.00%	10.00%	-15.00%	-700.00%	10.00%	10.00%
						29.09%			
Proforma B Subsidy		($0)	$203,011	$0	$0	($28,271)	($222,627)	$47,886	$0
Proforma B Equalized Revenues w/Misc. Rev.		$26,058,025	$25,093,461	$0	$0	$92,188	$571,731	$300,645	$0
Proforma B Normalized Revenues w/Misc. Rev		$26,058,025	$25,296,473	$0	$0	$63,917	$349,105	$348,531	$0
TAX CALCULATIONS									
Utility Receipts Taxes									
Total Proforma B Normal Revenues		$26,058,025	$25,296,473	$0	$0	$63,917	$349,105	$348,531	$0
Less: Uncollectible Expense	26	(52,949)	(52,949)	0	0	0	0	0	0
Less: Statutory Exemption	124	(1,000)	(971)	0	0	(2)	(13)	(13)	0
Income for Utility Receipts Taxes		$26,004,076	$25,242,553	$0	$0	$63,915	$349,091	$348,517	$0
Utility Receipts Tax Rate		1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%	1.40%
Utility Receipts Taxes		$364,057	$353,396	$0	$0	$895	$4,887	$4,879	$0
Prorated Utility Receipts Taxes		$372,519	$361,610	$0	$0	$916	$5,001	$4,993	$0
State Income Taxes									
Total Proforma B Normal Revenues		$26,058,025	$25,296,473	$0	$0	$63,917	$349,105	$348,531	$0
Less: Operation and Maintenance Expenses		(3,854,558)	(3,586,767)	0	0	(35,660)	(141,286)	(90,844)	0
Less: Gas Costs		(17,175,863)	(17,140,506)	0	0	(35,357)	0	0	0
Less: Depreciation Expense		(941,239)	(805,514)	0	0	(3,900)	(88,805)	(43,020)	0
Less: Property Taxes		(298,407)	(255,795)	0	0	(1,196)	(27,917)	(13,499)	0
Less: Other Taxes	117	(218,142)	(202,561)	0	0	(2,007)	(8,303)	(5,271)	0
Less: Utility Receipts Tax		0	0	0	0	0	0	0	0
Less: Interest Expense	102	(57,091)	(48,926)	0	0	(228)	(5,350)	(2,586)	0
Less: Non-Deductible Expenses		12,439	10,660	0	0	50	1,166	563	0
Income for State Income Taxes		$3,525,164	$3,267,063	$0	$0	($14,381)	$78,609	$193,873	$0
State Income Tax Rate		8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
State Income Taxes Before Flowback		$299,639	$277,700	$0	$0	($1,222)	$6,682	$16,479	$0
Less: Deferred State Tax Flowback		$0	$0	$0	$0	$0	$0	$0	$0
Total State Income Tax Liability		$299,639	$277,700	$0	$0	($1,222)	$6,682	$16,479	$0
Prorated State Income Taxes		$296,695	$274,972	$0	$0	($1,210)	$6,616	$16,317	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
CALCULATION OF TAXES, NET OPERATING INCOME AND REVENUES
PROFORMA B NORMALIZED TAXES (Cont.)

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-:
SCHEDULE 6A
PAGE 8 OF 9

	NO.	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Federal Income taxes									
Total Proforma B Normal Revenues		$26,058,025	$25,296,473	$0	$0	$63,917	$349,105	$348,531	$0
Less: Operation and Maintenance Expenses		(3,854,558)	(3,586,767)	0	0	(35,660)	(141,286)	(90,844)	0
Less: Gas Costs		(17,175,863)	(17,140,506)	0	0	(35,357)	0	0	0
Less: Depreciation Expense		(941,239)	(805,514)	0	0	(3,900)	(88,805)	(43,020)	0
Less: Other Taxes		(218,142)	(202,561)	0	0	(2,007)	(8,303)	(5,271)	0
Less: Property Taxes	100	(298,407)	(255,795)	0	0	(1,196)	(27,917)	(13,499)	0
Less: Utility Receipts Taxes		(364,057)	(353,396)	0	0	(895)	(4,887)	(4,879)	0
Less: Interest Expense	102	(57,091)	(48,926)	0	0	(228)	(5,350)	(2,586)	0
Less: Non-Deductible Expenses		(12,439)	(10,660)	0	0	(50)	(1,166)	(563)	0
Less: State Income taxes		(299,639)	(277,700)	0	0	1,222	(6,682)	(16,479)	0
Income for Federal Income Taxes		$2,836,590	$2,614,647	$0	$0	($14,153)	$64,708	$171,388	$0
Federal Income Tax Rate		34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%	34.00%
Federal Income Taxes		$964,441	$888,980	$0	$0	($4,812)	$22,001	$58,272	$0
Less: Investment Tax Credit	100	0	0	0	0	0	0	0	0
Less Deferred Federal Tax Flowback	120	0	0	0	0	0	0	0	0
Total Federal Income Tax Liability		$964,441	$888,980	$0	$0	($4,812)	$22,001	$58,272	$0
Prorated Federal Income Taxes		$975,173	$898,873	$0	$0	($4,866)	$22,246	$58,920	$0
Net Operating Income									
Total Proforma B Normal Revenues w/Misc. Rev.		$26,058,025	$25,296,473	$0	$0	$63,917	$349,105	$348,531	$0
Less: Operation and Maintenance Expenses		(3,854,558)	(3,586,767)	0	0	(35,660)	(141,286)	(90,844)	0
Less: Gas Costs		(17,175,863)	(17,140,506)	0	0	(35,357)	0	0	0
Less: Depreciation Expense		(941,239)	(805,514)	0	0	(3,900)	(88,805)	(43,020)	0
Less: Other Taxes		(218,142)	(202,561)	0	0	(2,007)	(8,303)	(5,271)	0
Less: Utility Receipts Taxes		(372,519)	(361,610)	0	0	(916)	(5,001)	(4,993)	0
Less: Property Taxes		(298,407)	(255,795)	0	0	(1,196)	(27,917)	(13,499)	0
Less: State Income Taxes		(296,695)	(274,972)	0	0	1,210	(6,616)	(16,317)	0
Less: Total Federal Income Tax Liability		(975,173)	(898,873)	0	0	4,866	(22,246)	(58,920)	0
Net Operating Income		$1,925,429	$1,769,875	$0	$0	($9,043)	$48,931	$115,666	$0
Total Rate Base		$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
Rate of Return		9.74%	10.45%	0.00%	0.00%	-11.46%	2.64%	12.92%	0.00%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
SUMMARY OF PROFORMA REVENUES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-:
SCHEDULE 6A

	NO.	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
Proforma A Normalized Revenues									
Proforma A Normalized Revenues w/o Misc. Rev.		$22,024,291	$21,616,854	$0	$0	$49,514	$179,985	$177,938	$0
Proforma A Normalized Miscellaneous Revenues		150,164	150,164	0	0	0	0	0	0
Total Proforma A Normalized Revenues w/Misc. Rev		$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
Proforma A Equalized Revenues									
Proforma A Equalized Revenues w/o Misc. Rev.		$22,024,291	$21,617,649	$0	$0	$74,097	$207,814	$124,731	$0
Proforma A Equalized Miscellaneous Revenues		150,164	150,164	0	0	0	0	0	0
Total Proforma A Equalized Revenues w/Misc. Rev		$22,174,455	$21,767,813	$0	$0	$74,097	$207,814	$124,731	$0
Proforma B Equalized Revenues									
Proforma B Equalized Revenues w/o Misc. Rev.		$25,892,335	$24,927,771	$0	$0	$92,188	$571,731	$300,645	$0
Proforma B Equalized Miscellaneous Revenues		165,690	165,690	0	0	0	0	0	0
Total Proforma B Equalized Revenues w/Misc. Rev		$26,058,025	$25,093,461	$0	$0	$92,188	$571,731	$300,645	$0
Proforma B Normalized Revenues									
Proforma B Normalized Revenues w/o Misc. Rev.		$25,892,335	$25,130,783	$0	$0	$63,917	$349,105	$348,531	$0
Proforma B Normalized Miscellaneous Revenues		165,690	165,690	0	0	0	0	0	0
Total Proforma B Normalized Revenues w/Misc. Rev		$26,058,025	$25,296,473	$0	$0	$63,917	$349,105	$348,531	$0

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
EQUALIZED COST OF SERVICE AT PRESENT RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 7A
PAGE 1 OF 4

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
OPERATING REVENUES:								
Revenue from Gas Sales	$22,024,291	$21,617,649	$0	$0	$74,097	$207,814	$124,731	$0
Miscellaneous Revenues	150,164	150,164	0	0	0	0	0	0
Total Operating Revenues	$22,174,455	$21,767,813	$0	$0	$74,097	$207,814	$124,731	$0
OPERATING EXPENSES								
Cost of Gas								
Commodity Cost of Purchased Gas	$15,288,933	$15,257,460	$0	$0	$31,473	$0	$0	$0
Demand Cost of Purchased Gas	$1,628,188	$1,627,375	$0	$0	$813	$0	$0	$0
Unaccounted for Gas Costs (Sales Only)	$258,742	$258,209	$0	$0	$533	$0	$0	$0
Total Underground Storage Expense	$0	$0	$0	$0	$0	$0	$0	$0
Total Transmission Expenses								
Mains	$53,787	$44,286	$0	$0	$41	$6,499	$2,962	$0
Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
Measuring and Regulating Equipment	$9,586	$7,893	$0	$0	$7	$1,158	$528	$0
Supervision and Engineering	$32,900	$27,088	$0	$0	$25	$3,975	$1,812	$0
Other Transmission	$35,332	$29,090	$0	$0	$27	$4,269	$1,946	$0
Total Distribution Expenses								
Measuring and Regulating Equipment	$45,487	$37,452	$0	$0	$34	$5,496	$2,505	$0
Mains and Services	$284,175	$244,019	$0	$0	$779	$26,729	$12,649	$0
Meter, Meter Installation and House Regulator	$303,854	$284,858	$0	$0	$9,170	$1,965	$7,860	$0
Customer Installation Expenses	$79,239	$79,079	$0	$0	$77	$17	$66	$0
Structures and Improvements Maintenance	$100	$82	$0	$0	$0	$12	$6	$0
Supervision and Engineering	$527,771	$478,214	$0	$0	$7,608	$24,922	$17,027	$0
Other Distribution	$165,254	$149,737	$0	$0	$2,382	$7,803	$5,331	$0
Total Customer Accounts Expenses (Excl. Uncoll.)	$663,478	$662,140	$0	$0	$646	$138	$554	$0
Uncollectibles	$52,949	$52,949	$0	$0	$0	$0	$0	$0
Total Customer Service Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$1,583,183	$1,473,274	$0	$0	$14,448	$58,215	$37,245	$0
Total Depreciation and Amortization Expense	$941,239	805,514	0	0	3,900	88,805	43,020	0
Other Taxes	214,017	199,148	0	0	1,980	7,845	5,044	0
Property Taxes	298,407	255,795	0	0	1,196	27,917	13,499	0
Utility Receipts Taxes	318,149	312,323	0	0	1,066	2,974	1,787	0
State Income Taxes	(28,436)	(21,150)	0	0	(130)	(4,843)	(2,313)	0
Federal Income Taxes	(214,808)	(184,088)	0	0	(857)	(20,131)	(9,731)	0
Total Operating Expenses	$22,558,989	$22,097,354	$0	$0	$75,632	$243,852	$142,151	$0
Net Operating Income	($384,534)	($329,542)	$0	$0	($1,535)	($36,038)	($17,420)	$0
Total Rate Base	$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
Rate of Return	-1.95%	-1.95%	0.00%	0.00%	-1.95%	-1.95%	-1.95%	0.00%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
NORMALIZED COST OF SERVICE AT PRESENT RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 7A

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
OPERATING REVENUES:								
Revenue from Gas Sales	$22,024,291	$21,616,854	$0	$0	$49,514	$179,985	$177,938	$0
Miscellaneous Revenues	150,164	150,164	0	0	0	0	0	0
Total Operating Revenues	$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
OPERATING EXPENSES								
Cost of Gas								
Commodity Cost of Purchased Gas	$15,288,933	$15,257,460	$0	$0	$31,473	$0	$0	$0
Demand Cost of Purchased Gas	$1,628,188	$1,627,375	$0	$0	$813	$0	$0	$0
Unaccounted for Gas Costs (Sales Only)	$258,742	$258,209	$0	$0	$533	$0	$0	$0
Total Underground Storage Expense	$0	$0	$0	$0	$0	$0	$0	$0
Total Transmission Expenses								
Mains	$53,787	$44,286	$0	$0	$41	$6,499	$2,962	$0
Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
Measuring and Regulating Equipment	$9,586	$7,893	$0	$0	$7	$1,158	$528	$0
Supervision and Engineering	$32,900	$27,088	$0	$0	$25	$3,975	$1,812	$0
Other Transmission	$35,332	$29,090	$0	$0	$27	$4,269	$1,946	$0
Total Distribution Expenses								
Measuring and Regulating Equipment	$45,487	$37,452	$0	$0	$34	$5,496	$2,505	$0
Mains and Services	$284,175	$244,019	$0	$0	$779	$26,729	$12,649	$0
Meter, Meter Installation and House Regulator	$303,854	$284,858	$0	$0	$9,170	$1,965	$7,860	$0
Customer Installation Expenses	$79,239	$79,079	$0	$0	$77	$17	$66	$0
Structures and Improvements Maintenance	$100	$82	$0	$0	$0	$12	$6	$0
Supervision and Engineering	$527,771	$478,214	$0	$0	$7,608	$24,922	$17,027	$0
Other Distribution	$165,254	$149,737	$0	$0	$2,382	$7,803	$5,331	$0
Total Customer Accounts Expenses (Excl. Uncoll.)	$663,478	$662,140	$0	$0	$646	$138	$554	$0
Uncollectibles	$52,949	$52,949	$0	$0	$0	$0	$0	$0
Total Customer Service Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$1,583,183	$1,473,274	$0	$0	$14,448	$58,215	$37,245	$0
Total Depreciation and Amortization Expense	$941,239	805,514	0	0	3,900	88,805	43,020	0
Other Taxes	214,017	199,148	0	0	1,980	7,845	5,044	0
Property Taxes	298,407	255,795	0	0	1,196	27,917	13,499	0
Utility Receipts Taxes	318,149	312,289	0	0	712	2,589	2,559	0
State Income Taxes	(28,436)	(20,990)	0	0	(2,104)	(7,228)	1,887	0
Federal Income Taxes	(214,808)	(184,111)	(0)	(0)	(8,365)	(28,778)	6,445	(0)
Total Operating Expenses	$22,558,989	$22,097,458	$0	$0	$65,797	$232,435	$163,299	$0
Net Operating Income	($384,534)	($330,440)	($0)	($0)	($16,283)	($52,450)	$14,639	($0)
Total Rate Base	$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
Rate of Return	-1.95%	-1.95%	0.00%	0.00%	-20.64%	-2.83%	1.63%	0.00%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
EQUALIZED COST OF SERVICE AT PROPOSED RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 7A
PAGE 3 OF 4

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
OPERATING REVENUES:								
Revenue from Gas Sales	$25,892,335	$24,927,771	$0	$0	$92,188	$571,731	$300,645	$0
Miscellaneous Revenues	165,690	165,690	0	0	0	0	0	0
Total Operating Revenues	$26,058,025	$25,093,461	$0	$0	$92,188	$571,731	$300,645	$0
OPERATING EXPENSES								
Cost of Gas								
Commodity Cost of Purchased Gas	$15,288,933	$15,257,460	$0	$0	$31,473	$0	$0	$0
Demand Cost of Purchased Gas	$1,628,188	$1,624,836	$0	$0	$3,352	$0	$0	$0
Unaccounted for Gas Costs (Sales Only)	$258,742	$258,209	$0	$0	$533	$0	$0	$0
Total Underground Storage Expense	$0	$0	$0	$0	$0	$0	$0	$0
Total Transmission Expenses								
Mains	$53,787	$44,286	$0	$0	$41	$6,499	$2,962	$0
Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
Measuring and Regulating Equipment	$9,586	$7,893	$0	$0	$7	$1,158	$528	$0
Supervision and Engineering	$32,900	$27,088	$0	$0	$25	$3,975	$1,812	$0
Other Transmission	$35,332	$29,090	$0	$0	$27	$4,269	$1,946	$0
Total Distribution Expenses								
Measuring and Regulating Equipment	$45,487	$37,452	$0	$0	$34	$5,496	$2,505	$0
Mains and Services	$284,175	$244,019	$0	$0	$779	$26,729	$12,649	$0
Meter, Meter Installation and House Regulator	$303,854	$284,858	$0	$0	$9,170	$1,965	$7,860	$0
Customer Installation Expenses	$79,239	$79,079	$0	$0	$77	$17	$66	$0
Structures and Improvements Maintenance	$100	$82	$0	$0	$0	$12	$6	$0
Supervision and Engineering	$527,771	$478,214	$0	$0	$7,608	$24,922	$17,027	$0
Other Distribution	$165,254	$149,737	$0	$0	$2,382	$7,803	$5,331	$0
Total Customer Accounts Expenses (Excl. Uncoll.)	$663,478	$662,140	$0	$0	$646	$138	$554	$0
Uncollectibles	$52,949	$52,949	$0	$0	$0	$0	$0	$0
Total Customer Service Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$1,583,183	$1,473,274	$0	$0	$14,448	$58,215	$37,245	$0
Total Depreciation and Amortization Expense	$941,239	$805,514	$0	$0	$3,900	$88,805	$43,020	$0
Other Taxes	218,142	202,561	0	0	2,007	8,303	5,271	0
Property Taxes	298,407	255,795	0	0	1,196	27,917	13,499	0
Utility Receipts Taxes	372,519	358,709	0	0	1,321	8,185	4,305	0
State Income Taxes	296,695	257,824	0	0	1,169	25,395	12,307	0
Federal Income Taxes	975,173	835,713	0	0	3,892	91,391	44,176	0
Total Operating Expenses	$24,132,596	$23,443,388	$0	$0	$84,502	$391,283	$213,422	$0
Net Operating Income	$1,925,429	$1,650,073	$0	$0	$7,685	$180,448	$87,223	$0
Total Rate Base	$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
Rate of Return	9.74%	9.74%	0.00%	0.00%	9.74%	9.74%	9.74%	0.00%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
NORMALIZED COST OF SERVICE AT PROPOSED RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-2
SCHEDULE 7A
PAGE 4 OF 4

	TOTAL	Rate 1S	Rate 2S	Rate 3IS	Rate 4S	Rate 5T	Rate 6T	Rate 8T
OPERATING REVENUES:								
Revenue from Gas Sales	$25,892,335	$25,130,783	$0	$0	$63,917	$349,105	$348,531	$0
Miscellaneous Revenues	165,690	165,690	0	0	0	0	0	0
Total Operating Revenues	$26,058,025	$25,296,473	$0	$0	$63,917	$349,105	$348,531	$0
					2.0753			
OPERATING EXPENSES								
Cost of Gas								
Commodity Cost of Purchased Gas	$15,288,933	$15,257,460	$0	$0	$31,473	$0	$0	$0
Demand Cost of Purchased Gas	$1,628,188	$1,624,836	$0	$0	$3,352	$0	$0	$0
Unaccounted for Gas Costs (Sales Only)	$258,742	$258,209	$0	$0	$533	$0	$0	$0
Total Underground Storage Expense	$0	$0	$0	$0	$0	$0	$0	$0
Total Transmission Expenses								
Mains	$53,787	$44,286	$0	$0	$41	$6,499	$2,962	$0
Structures and Improvements	$0	$0	$0	$0	$0	$0	$0	$0
Measuring and Regulating Equipment	$9,586	$7,893	$0	$0	$7	$1,158	$528	$0
Supervision and Engineering	$32,900	$27,088	$0	$0	$25	$3,975	$1,812	$0
Other Transmission	$35,332	$29,090	$0	$0	$27	$4,269	$1,946	$0
Total Distribution Expenses								
Measuring and Regulating Equipment	$45,487	$37,452	$0	$0	$34	$5,496	$2,505	$0
Mains and Services	$284,175	$244,019	$0	$0	$779	$26,729	$12,649	$0
Industrial Measuring and Regulating Equipment	$13,669	$12,814	$0	$0	$413	$88	$354	$0
Meter, Meter Installation and House Regulator	$303,854	$284,858	$0	$0	$9,170	$1,965	$7,860	$0
Customer Installation Expenses	$79,239	$79,079	$0	$0	$77	$17	$66	$0
Structures and Improvements Maintenance	$100	$82	$0	$0	$0	$12	$6	$0
Supervision and Engineering	$527,771	$478,214	$0	$0	$7,608	$24,922	$17,027	$0
Other Distribution	$165,254	$149,737	$0	$0	$2,382	$7,803	$5,331	$0
Total Customer Accounts Expenses (Excl. Uncoll.)	$663,478	$662,140	$0	$0	$646	$138	$554	$0
Uncollectibles	$52,949	$52,949	$0	$0	$0	$0	$0	$0
Total Customer Service Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Total Sales Expenses	$0	$0	$0	$0	$0	$0	$0	$0
Administrative and General	$1,583,183	$1,473,274	$0	$0	$14,448	$58,215	$37,245	$0
Total Depreciation and Amortization Expense	941,239	805,514	0	0	3,900	88,805	43,020	0
Other Taxes	218,142	202,561	0	0	2,007	8,303	5,271	0
Property Taxes	298,407	255,795	0	0	1,196	27,917	13,499	0
Utility Receipts Taxes	372,519	361,610	0	0	916	5,001	4,993	0
State Income Taxes	296,695	274,972	0	0	(1,210)	6,616	16,317	0
Federal Income Taxes	975,173	898,873	0	0	(4,866)	22,246	58,920	0
Total Operating Expenses	$24,132,596	$23,526,598	$0	$0	$72,960	$300,174	$232,865	$0
Net Operating Income	$1,925,429	$1,769,875	$0	$0	($9,043)	$48,931	$115,666	$0
Total Rate Base	$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
Rate of Return	9.74%	10.45%	0.00%	0.00%	-11.46%	2.64%	12.92%	0.00%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA A REVENUES
AT PRESENT RATES OF RETURN

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-3
SCHEDULE 1

Line No.	Description (Column A)	Total (B)	Rate 1S (C)	Rate 2S (D)	Rate 3IS (E)	Rate 4S (F)	Rate 5T (G)	Rate 6T (G)	Rate 8T (G)
	Operating Revenues								
1	Revenues From Gas Sales	$18,584,532	$16,772,841	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
2	Miscellaneous Revenues	$100,682	$100,682	$0	$0	$0	$0	$0	$0
3	Total	$18,685,214	$16,873,523	$1,324,921	$164,041	$93,058	$132,399	$97,272	$0
	Operating Expenses								
4	Operation and Maintenance	$17,070,266	$15,581,973	$1,135,231	$134,031	$99,419	$85,380	$34,231	$0
5	Depreciation and Amortization	574,910	489,921	16,159	1,143	4,857	46,808	16,020	0
6	Federal Income Taxes	102,969	51,389	45,469	8,121	(5,309)	(8,386)	11,685	(0)
7	State Income Taxes	57,694	39,694	15,474	2,659	(1,448)	(2,309)	3,625	0
8	Taxes Other Than Income Taxes	648,909	582,197	27,181	2,976	5,073	22,646	8,836	0
9	Total	$18,454,748	$16,745,175	$1,239,514	$148,931	$102,592	$144,139	$74,397	$0
10	Net Operating Income	$230,466	$128,348	$85,407	$15,110	($9,535)	($11,740)	$22,875	($0)
11	Original Cost Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
12	Rate Of Return On Original Cost Rate Base	1.85%	1.21%	18.55%	42.06%	-10.50%	-1.23%	7.41%	N/A
13	Earnings Index	100%	65%	1004%	2277%	-569%	-66%	401%	N/A

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA A REVENUES
AT EQUALIZED RATES OF RETURN

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-3
SCHEDULE 2

Line No.	Description (Column A)	Total (B)	Rate 1S (C)	Rate 2S (D)	Rate 3IS (E)	Rate 4S (F)	Rate 5T (G)	Rate 6T (G)	Rate 8T (G)
	Operating Revenues								
1	Revenues From Gas Sales	$18,584,533	$16,889,833	$1,191,843	$139,045	$112,439	$183,632	$67,740	$0
2	Miscellaneous Revenues	$100,682	$100,682	$0	$0	$0	$0	$0	$0
3	Total	$18,685,215	$16,990,515	$1,191,843	$139,045	$112,439	$183,632	$67,740	$0
	Operating Expenses								
4	Operation and Maintenanc	$17,070,266	$15,581,973	$1,135,231	$134,031	$99,419	$85,380	$34,231	$0
5	Depreciation and Amortization	574,910	489,921	16,159	1,143	4,857	46,808	16,020	0
6	Federal Income Taxes	102,969	87,690	3,798	296	749	7,886	2,549	0
7	State Income Taxes	57,694	50,759	2,891	295	384	2,533	831	0
8	Taxes Other Than Income Taxes	648,909	583,901	25,262	2,616	5,353	23,373	8,404	0
9	Total	$18,454,748	$16,794,245	$1,183,342	$138,382	$110,763	$165,981	$62,035	$0
10	Net Operating Income	$230,467	$196,269	$8,502	$663	$1,677	$17,652	$5,705	$0
11	Original Cost Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
12	Rate Of Return On Original Cost Rate Base	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%	N/A
13	Earnings Index	100%	100%	100%	100%	100%	100%	100%	N/A

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA B REVENUES
AT EQUALIZED RATES OF RETURN

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-3
SCHEDULE 3

Line No.	Description (Column A)	Total (B)	Rate 1S (C)	Rate 2S (D)	Rate 3IS (E)	Rate 4S (F)	Rate 5T (G)	Rate 6T (G)	Rate 8T (G)
	Operating Revenues								
1	Revenues From Gas Sales	$20,233,649	$18,247,419	$1,272,221	$160,994	$133,325	$310,837	$108,853	$0
2	Miscellaneous Revenues	$107,790	$107,790	$0	$0	$0	$0	$0	$0
3	Total	$20,341,439	$18,355,209	$1,272,221	$160,994	$133,325	$310,837	$108,853	$0
	Operating Expenses								
4	Operation and Maintenance	$17,070,266	$15,537,294	$1,154,302	$150,959	$108,099	$85,380	$34,231	$0
5	Depreciation and Amortization	574,910	489,921	16,159	1,143	4,857	46,808	16,020	0
6	Federal Income Taxes	610,459	519,876	22,519	1,757	4,441	46,755	15,110	0
7	State Income Taxes	196,353	168,596	7,944	703	1,409	13,369	4,332	0
8	Taxes Other Than Income Taxes	673,855	604,301	26,454	2,933	5,675	25,422	9,071	0
9	Total	$19,125,843	$17,319,989	$1,227,379	$157,495	$124,482	$217,734	$78,764	$0
10	Net Operating Income	$1,215,596	$1,035,220	$44,842	$3,499	$8,843	$93,103	$30,089	$0
11	Original Cost Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
12	Rate Of Return On Original Cost Rate Base	9.74%	9.74%	9.74%	9.74%	9.74%	9.74%	9.74%	N/A
13	Earnings Index	100%	100%	100%	100%	100%	100%	100%	N/A

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA B REVENUES
AT PROPOSED RATES OF RETURN

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-3
SCHEDULE 4

Line No.	Description (Column A)	Total (B)	Rate 1S (C)	Rate 2S (D)	Rate 3IS (E)	Rate 4S (F)	Rate 5T (G)	Rate 6T (G)	Rate 8T (G)
	Operating Revenues								
1	Revenues From Gas Sales	$20,233,648	$18,167,565	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
2	Miscellaneous Revenues	$107,790	$107,790	$0	$0	$0	$0	$0	$0
3	Total	$20,341,438	$18,275,355	$1,391,991	$158,052	$115,881	$264,727	$135,431	$0
	Operating Expenses								
4	Operation and Maintenance	$17,070,266	$15,537,294	$1,154,302	$150,959	$108,099	$85,380	$34,231	$0
5	Depreciation and Amortization	574,910	489,921	16,159	1,143	4,857	46,808	16,020	0
6	Federal Income Taxes	610,459	495,285	59,714	861	(967)	32,278	23,287	0
7	State Income Taxes	196,353	161,700	18,343	450	(104)	9,337	6,626	0
8	Taxes Other Than Income Taxes	673,855	603,138	28,176	2,889	5,424	24,770	9,459	0
9	Total	$19,125,843	$17,287,339	$1,276,694	$156,303	$117,310	$198,574	$89,623	$0
10	Net Operating Income	$1,215,595	$988,016	$115,296	$1,749	($1,428)	$66,153	$45,809	$0
11	Original Cost Rate Base	$12,480,596	$10,628,668	$460,395	$35,923	$90,792	$955,893	$308,925	$0
12	Rate Of Return On Original Cost Rate Base	9.74%	9.30%	25.04%	4.87%	-1.57%	6.92%	14.83%	N/A
13	Earnings Index	100%	95%	257%	50%	-16%	71%	152%	N/A

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA A REVENUES
AT PRESENT RATES OF RETURN

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-3
SCHEDULE 1A

Line No.	Description (Column A)	Total (B)	Rate 1S (C)	Rate 2S (D)	Rate 3IS (E)	Rate 4S (F)	Rate 5T (G)	Rate 6T (G)	Rate 8T (G)
	Operating Revenues								
1	Revenues From Gas Sales	$22,024,291	$21,616,854	$0	$0	$49,514	$179,985	$177,938	$0
2	Miscellaneous Revenues	$150,164	$150,164	$0	$0	$0	$0	$0	$0
3	Total	$22,174,455	$21,767,018	$0	$0	$49,514	$179,985	$177,938	$0
	Operating Expenses								
4	Operation and Maintenance	$21,030,421	$20,729,812	$0	$0	$68,479	$141,286	$90,844	$0
5	Depreciation and Amortization	941,239	805,514	0	0	3,900	88,805	43,020	0
6	Federal Income Taxes	(214,808)	(184,111)	(0)	(0)	(8,365)	(28,778)	6,445	(0)
7	State Income Taxes	(28,436)	(20,990)	0	0	(2,104)	(7,228)	1,887	0
8	Taxes Other Than Income Taxes	830,573	767,233	0	0	3,888	38,350	21,102	0
9	Total	$22,558,989	$22,097,458	$0	$0	$65,797	$232,435	$163,299	$0
10	Net Operating Income	($384,534)	($330,440)	($0)	($0)	($16,283)	($52,450)	$14,639	($0)
11	Original Cost Rate Base	$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
12	Rate Of Return On Original Cost Rate Base	-1.95%	-1.95%	N/A	N/A	-20.64%	-2.83%	1.64%	N/A
13	Earnings Index	100%	100%	N/A	N/A	1061%	146%	-84%	N/A

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA A REVENUES
AT EQUALIZED RATES OF RETURN

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-3
SCHEDULE 2A

Line No.	Description (Column A)	Total (B)	Rate 1S (C)	Rate 2S (D)	Rate 3IS (E)	Rate 4S (F)	Rate 5T (G)	Rate 6T (G)	Rate 8T (G)
	Operating Revenues								
1	Revenues From Gas Sales	$22,024,291	$21,617,649	$0	$0	$74,097	$207,814	$124,731	$0
2	Miscellaneous Revenues	$150,164	$150,164	$0	$0	$0	$0	$0	$0
3	Total	$22,174,455	$21,767,813	$0	$0	$74,097	$207,814	$124,731	$0
	Operating Expenses								
4	Operation and Maintenanc	$21,030,421	$20,729,812	$0	$0	$68,479	$141,286	$90,844	$0
5	Depreciation and Amortization	941,239	805,514	0	0	3,900	88,805	43,020	0
6	Federal Income Taxes	(214,808)	(184,088)	0	0	(857)	(20,131)	(9,731)	0
7	State Income Taxes	(28,436)	(21,150)	0	0	(130)	(4,843)	(2,313)	0
8	Taxes Other Than Income Taxes	830,573	767,267	0	0	4,241	38,735	20,330	0
9	Total	$22,558,989	$22,097,354	$0	$0	$75,632	$243,852	$142,151	$0
10	Net Operating Income	($384,534)	($329,542)	$0	$0	($1,535)	($36,038)	($17,420)	$0
11	Original Cost Rate Base	$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
12	Rate Of Return On Original Cost Rate Base	-1.95%	-1.95%	N/A	N/A	-1.95%	-1.95%	-1.95%	N/A
13	Earnings Index	100%	100%	N/A	N/A	100%	100%	100%	N/A

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA B REVENUES
AT EQUALIZED RATES OF RETURN

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-3
SCHEDULE 3A

Line No.	Description (Column A)	Total (B)	Rate 1S (C)	Rate 2S (D)	Rate 3IS (E)	Rate 4S (F)	Rate 5T (G)	Rate 6T (G)	Rate 8T (G)
	Operating Revenues								
1	Revenues From Gas Sales	$25,892,335	$24,927,771	$0	$0	$92,188	$571,731	$300,645	$0
2	Miscellaneous Revenues	$165,690	$165,690	$0	$0	$0	$0	$0	$0
3	Total	$26,058,025	$25,093,461	$0	$0	$92,188	$571,731	$300,645	$0
	Operating Expenses								
4	Operation and Maintenance	$21,030,421	$20,727,273	$0	$0	$71,018	$141,286	$90,844	$0
5	Depreciation and Amortization	941,239	805,514	0	0	3,900	88,805	43,020	0
6	Federal Income Taxes	975,173	835,713	0	0	3,892	91,391	44,176	0
7	State Income Taxes	296,695	257,824	0	0	1,169	25,395	12,307	0
8	Taxes Other Than Income Taxes	889,068	817,065	0	0	4,523	44,406	23,075	0
9	Total	$24,132,596	$23,443,388	$0	$0	$84,502	$391,283	$213,422	$0
10	Net Operating Income	$1,925,429	$1,650,073	$0	$0	$7,685	$180,448	$87,223	$0
11	Original Cost Rate Base	$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
12	Rate Of Return On Original Cost Rate Base	9.74%	9.74%	N/A	N/A	9.74%	9.74%	9.74%	N/A
13	Earnings Index	100%	100%	N/A	N/A	100%	100%	100%	N/A

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
STATEMENT OF OPERATING INCOME BASED UPON PROFORMA B REVENUES
AT PROPOSED RATES OF RETURN

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-3
SCHEDULE 4A

Line No.	Description (Column A)	Total (B)	Rate 1S (C)	Rate 2S (D)	Rate 3IS (E)	Rate 4S (F)	Rate 5T (G)	Rate 6T (G)	Rate 8T (G)
	Operating Revenues								
1	Revenues From Gas Sales	$25,892,335	$25,130,783	$0	$0	$63,917	$349,105	$348,531	$0
2	Miscellaneous Revenues	$165,690	$165,690	$0	$0	$0	$0	$0	$0
3	Total	$26,058,025	$25,296,473	$0	$0	$63,917	$349,105	$348,531	$0
	Operating Expenses								
4	Operation and Maintenance	$21,030,421	$20,727,273	$0	$0	$71,018	$141,286	$90,844	$0
5	Depreciation and Amortization	941,239	805,514	0	0	3,900	88,805	43,020	0
6	Federal Income Taxes	975,173	898,873	0	0	(4,866)	22,246	58,920	0
7	State Income Taxes	296,695	274,972	0	0	(1,210)	6,616	16,317	0
8	Taxes Other Than Income Taxes	889,068	819,966	0	0	4,118	41,221	23,763	0
9	Total	$24,132,596	$23,526,598	$0	$0	$72,960	$300,174	$232,865	$0
10	Net Operating Income	$1,925,429	$1,769,875	$0	$0	($9,043)	$48,931	$115,666	$0
11	Original Cost Rate Base	$19,768,629	$16,941,511	$0	$0	$78,908	$1,852,681	$895,529	$0
12	Rate Of Return On Original Cost Rate Base	9.74%	10.45%	N/A	N/A	-11.46%	2.64%	12.92%	N/A
13	Earnings Index	100%	107%	N/A	N/A	-118%	27%	133%	N/A

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
COMPARISON OF PROFORMA OPERATING REVENUES AND RESULTING DOLLAR SUBSIDY LEVELS AT PRESENT AND PROPOSED RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-4
SCHEDULE 1

		PROFORMA REVENUES - PRESENT RATES			PROFORMA REVENUES - PROPOSED RATES				
								Subsidy Reduction	
Line No.	Rate Schedule (A)	Revenues At Present Rates (B)	Revenues Required For Equalized Returns (C)	Present Subsidy (D)	Revenues Required For Equalized Returns (E)	Revenues At Proposed Rates (F)	Proposed Subsidy (G)	Amount (H)	Percentage (I)
1	Rate 1S	$16,873,523	$16,990,515	($116,991)	$18,355,209	$18,275,355	($79,854)	($37,137)	31.74%
2	Rate 2S	$1,324,921	$1,191,843	$133,078	$1,272,221	$1,391,991	$119,770	$13,308	10.00%
3	Rate 3IS	$164,041	$139,045	$24,996	$160,994	$158,052	($2,942)	$27,938	111.77%
4	Rate 4S	$93,058	$112,439	($19,382)	$133,325	$115,881	($17,444)	($1,938)	10.00%
5	Rate 5T	$132,399	$183,632	($51,233)	$310,837	$264,727	($46,110)	($5,123)	10.00%
6	Rate 6T	$97,272	$67,740	$29,532	$108,853	$135,431	$26,579	$2,953	10.00%
7	Rate 8T	$0	$0	$0	$0	$0	$0	$0	N/A
8	Total	$18,685,214	$18,685,215	($1)	$20,341,439	$20,341,438	($1)	$0	

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
COMPARISON OF PROFORMA OPERATING REVENUES AND RESULTING DOLLAR SUBSIDY LEVELS AT PRESENT AND PROPOSED RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-4
SCHEDULE 1A

		PROFORMA REVENUES - PRESENT RATES			PROFORMA REVENUES - PROPOSED RATES				
								Subsidy Reduction	
Line No.	Rate Schedule (A)	Revenues At Present Rates (B)	Revenues Required For Equalized Returns (C)	Present Subsidy (D)	Revenues Required For Equalized Returns (E)	Revenues At Proposed Rates (F)	Proposed Subsidy (G)	Amount (H)	Percentage (I)
1	Rate 1S	$21,767,018	$21,767,813	($795)	$25,093,461	$25,296,473	$203,011	($203,806)	25640.31%
2	Rate 2S	$0	$0	$0	$0	$0	$0	$0	N/A
3	Rate 3IS	$0	$0	$0	$0	$0	$0	$0	N/A
4	Rate 4S	$49,514	$74,097	($24,583)	$92,188	$63,917	($28,271)	$3,687	-15.00%
5	Rate 5T	$179,985	$207,814	($27,828)	$571,731	$349,105	($222,627)	$194,798	-700.00%
6	Rate 6T	$177,938	$124,731	$53,206	$300,645	$348,531	$47,886	$5,321	10.00%
7	Rate 8T	$0	$0	$0	$0	$0	$0	$0	N/A
8	Total	$22,174,455	$22,174,455	($0)	$26,058,025	$26,058,025	($0)	($0)	

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
COMPARISON OF GAS SALES REVENUES AT PRESENT AND PROPOSED RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-5
SCHEDULE 1

		GAS SALES REVENUES			
Line No.	Rate Schedule (A)	Revenues At Present Rates (B)	Revenues At Proposed Rates (C)	Increase or (Decrease) Amount (D)	Increase or (Decrease) Percentage (E)
1	Rate 1S	$16,772,841	$18,167,565	$1,394,724	8.32%
2	Rate 2S	$1,324,921	$1,391,991	$67,070	5.06%
3	Rate 3IS	$164,041	$158,052	($5,989)	-3.65%
4	Rate 4S	$93,058	$115,881	$22,824	24.53%
5	Rate 5T	$132,399	$264,727	$132,328	99.95%
6	Rate 6T	$97,272	$135,431	$38,160	39.23%
7	Rate 8T	$0	$0	$0	N/A
8	Total	$18,584,532	$20,233,648	$1,649,116	8.87%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
COMPARISON OF GAS SALES REVENUES AT PRESENT AND PROPOSED RATES

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT NO. KAH-5
SCHEDULE 1A

		GAS SALES REVENUES			
				Increase or (Decrease)	
Line No.	Rate Schedule (A)	Revenues At Present Rates (B)	Revenues At Proposed Rates (C)	Amount (D)	Percentage (E)
1	Rate 1S	$21,616,854	$25,130,783	$3,513,929	16.26%
2	Rate 2S	$0	$0	$0	N/A
3	Rate 3IS	$0	$0	$0	N/A
4	Rate 4S	$49,514	$63,917	$14,403	29.09%
5	Rate 5T	$179,985	$349,105	$169,119	93.96%
6	Rate 6T	$177,938	$348,531	$170,593	95.87%
7	Rate 8T	$0	$0	$0	N/A
8	Total	$22,024,291	$25,892,335	$3,868,044	17.56%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
TYPICAL BILL COMPARISON
RATE 1S-SMALL GENERAL SALES SERVICE

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-6
SCHEDULE 1

LINE NO.	LEVEL OF USAGE (A)	CURRENT BILL (B)	PROPOSED BILL (C)	DOLLAR INCREASE (C - B) (D)	PERCENT INCREASE (D / B) (E)
	(therms)	($)	($)	($)	(%)
1	0	$13.00	$16.00	$3.00	23.08%
2	10	$25.38	$29.22	$3.84	15.12%
3	20	$37.76	$42.43	$4.68	12.38%
4	30	$50.14	$55.65	$5.51	11.00%
5	40	$62.52	$68.87	$6.35	10.16%
6	50	$74.90	$82.09	$7.19	9.60%
7	100	$136.79	$148.17	$11.38	8.32%
8	150	$198.69	$214.26	$15.57	7.84%
9	200	$260.58	$280.34	$19.76	7.58%
10	250	$322.48	$346.43	$23.95	7.43%
11	300	$384.37	$412.51	$28.14	7.32%
12	350	$446.27	$478.60	$32.33	7.25%
13	400	$508.16	$544.68	$36.52	7.19%
14	450	$570.06	$610.77	$40.71	7.14%
15	500	$631.95	$676.85	$44.90	7.11%
16	600	$755.74	$809.02	$53.28	7.05%
17	700	$879.53	$941.19	$61.66	7.01%
18	800	$1,003.32	$1,073.36	$70.04	6.98%
19	900	$1,127.11	$1,205.53	$78.42	6.96%
20	1,000	$1,250.90	$1,337.70	$86.80	6.94%
21	1,200	$1,498.48	$1,602.04	$103.56	6.91%
22	1,400	$1,746.06	$1,866.38	$120.32	6.89%
23	1,600	$1,993.64	$2,130.72	$137.08	6.88%
24	1,800	$2,241.22	$2,395.06	$153.84	6.86%
25	2,000	$2,488.80	$2,659.40	$170.60	6.86%
26	2,200	$2,736.38	$2,923.74	$187.36	6.85%
27	2,400	$2,983.96	$3,188.08	$204.12	6.84%
28	2,600	$3,231.54	$3,452.42	$220.88	6.84%

OHIO VALLEY GAS CORP. - ANR SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
COMPARISON OF PRESENT AND PROPOSED RATES
LARGE VOLUME (NON-RATE 1) CUSTOMERS

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-6
SCHEDULE 2

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Annual			Increase	
Customer Account	Rate Schedule	Usage (therms)	Present Rate	Proposed Rate	Amount	Percent
1-51-0142-0	Rate 2	106,114	$135,180	$131,878	($3,302)	-2.44%
1-51-0178-0	Rate 2	261,602	$301,189	$315,447	$14,259	4.73%
2-51-0405-1	Rate 2	237,509	$306,097	$287,003	($19,094)	-6.24%
2-51-0950-0	Rate 2	113,845	$139,161	$141,005	$1,844	1.33%
3-51-0443-1	Rate 2	72,141	$105,753	$91,770	($13,983)	-13.22%
3-51-0450-2	Rate 2	158,661	$193,907	$193,915	$9	0.00%
3-52-0030-1	Rate 2	88,323	$112,191	$110,874	($1,317)	-1.17%
1-51-0105-0	Rate 3	137,321	$160,279	$154,432	($5,847)	-3.65%
1-51-0191-0	Rate 5	3,420,632	$54,765	$108,641	$53,876	98.38%
1-51-0173-0	Rate 5	484,546	$14,247	$28,780	$14,533	102.01%
1-51-0156-0	Rate 5	669,819	$16,804	$33,819	$17,016	101.26%
1-51-0098-0	Rate 5	677,453	$16,909	$34,027	$17,118	101.24%
1-51-0102-0	Rate 5	1,382,527	$26,639	$53,205	$26,566	99.73%
1-51-0168-0	Rate 6	124,127	$11,586	$20,813	$9,227	79.64%
2-51-1580-1	Rate 6	329,291	$20,818	$44,304	$23,486	112.81%
5-54-0096-0	Rate 6	267,452	$18,035	$37,223	$19,188	106.39%
5-55-0305-0	Rate 6	341,756	$21,379	$45,731	$24,352	113.91%
5-55-0295-0	Rate 6	106,057	$10,773	$18,744	$7,971	73.99%
2-51-0300-1	Rate 6	354,348	$12,450	$47,173	$34,723	278.90%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
TYPICAL BILL COMPARISON
RATE 1S-SMALL GENERAL SALES SERVICE

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-6A
SCHEDULE 1

LINE NO.	LEVEL OF USAGE (A)	CURRENT BILL (B)	PROPOSED BILL (C)	DOLLAR INCREASE (C - B) (D)	PERCENT INCREASE (D / B) (E)
	(therms)	($)	($)	($)	(%)
1	0	$13.00	$16.00	$3.00	23.08%
2	10	$25.98	$31.06	$5.08	19.55%
3	20	$38.96	$46.12	$7.16	18.37%
4	30	$51.94	$61.17	$9.23	17.78%
5	40	$64.92	$76.23	$11.31	17.43%
6	50	$77.90	$91.29	$13.39	17.19%
7	100	$142.80	$166.58	$23.78	16.65%
8	150	$207.70	$241.87	$34.17	16.45%
9	200	$272.60	$317.16	$44.56	16.35%
10	250	$337.50	$392.45	$54.95	16.28%
11	300	$402.40	$467.74	$65.34	16.24%
12	350	$467.30	$543.03	$75.73	16.21%
13	400	$532.20	$618.32	$86.12	16.18%
14	450	$597.10	$693.61	$96.51	16.16%
15	500	$662.00	$768.90	$106.90	16.15%
16	600	$791.80	$919.48	$127.68	16.13%
17	700	$921.60	$1,070.06	$148.46	16.11%
18	800	$1,051.40	$1,220.64	$169.24	16.10%
19	900	$1,181.20	$1,371.22	$190.02	16.09%
20	1,000	$1,311.00	$1,521.80	$210.80	16.08%
21	1,200	$1,570.60	$1,822.96	$252.36	16.07%
22	1,400	$1,830.20	$2,124.12	$293.92	16.06%
23	1,600	$2,089.80	$2,425.28	$335.48	16.05%
24	1,800	$2,349.40	$2,726.44	$377.04	16.05%
25	2,000	$2,609.00	$3,027.60	$418.60	16.04%
26	2,200	$2,868.60	$3,328.76	$460.16	16.04%
27	2,400	$3,128.20	$3,629.92	$501.72	16.04%
28	2,600	$3,387.80	$3,931.08	$543.28	16.04%

OHIO VALLEY GAS CORP. - TEXAS GAS SERVICE AREA
IURC CAUSE NO. 43209
COST OF SERVICE STUDY
COMPARISON OF PRESENT AND PROPOSED RATES
LARGE VOLUME (NON-RATE 1) CUSTOMERS

DATA: 12 MONTHS ENDED JUNE 30, 2006
TYPE OF FILING: CASE-IN-CHIEF
WITNESS: HEID

PETITIONER'S EXHIBIT KAH-6A
SCHEDULE 2

(1)	(2)	(3)	(4)	(5)	(6)	(7)
		Annual			Increase	
Customer Account	Rate Schedule	Usage (therms)	Present Rate	Proposed Rate	Amount	Percent
5-51-4005-0	Rate 3	55,448	$98,136	$83,686	($14,451)	-14.73%
4-51-0342-0	Rate 3	61,076	$107,864	$92,160	($15,704)	-14.56%
4-51-0340-0	Rate 3	77,438	$136,146	$116,798	($19,348)	-14.21%
4-51-0491-0	Rate 5	950,000	$41,885	$79,630	$37,745	90.12%
5-51-0101-0	Rate 5	1,214,910	$50,680	$97,485	$46,805	92.35%
5-51-8350-0	Rate 5	2,344,710	$88,189	$173,633	$85,444	96.89%
4-51-0350-0	Rate 6	109,502	$10,928	$19,105	$8,178	74.83%
4-51-0464-0	Rate 6	196,811	$14,856	$29,076	$14,219	95.71%
4-51-0312-0	Rate 6	408,668	$24,390	$53,270	$28,880	118.41%
4-51-0941-0	Rate 6	187,919	$14,456	$28,060	$13,604	94.10%
4-51-0031-1	Rate 6	331,107	$20,900	$44,412	$23,513	112.50%
4-51-0307-0	Rate 6	321,226	$20,455	$43,284	$22,829	111.60%
5-51-3801-0	Rate 6	129,421	$11,824	$21,380	$9,556	80.82%
5-51-8330-0	Rate 6	128,055	$11,762	$21,224	$9,461	80.44%
5-52-9005-0	Rate 6	149,641	$12,734	$23,689	$10,955	86.03%
5-53-0155-0	Rate 6	110,326	$10,965	$19,199	$8,235	75.10%
5-51-3905-0	Rate 6	176,003	$13,920	$26,700	$12,779	91.81%
5-53-0030-0	Rate 6	122,395	$11,508	$20,578	$9,070	78.81%

Weather Normalization Adjustment Clauses Approved in the United States as of March 2007

	Company	State	Mechanism Type 1 or 2	Year Approved	Rate Class or Customer Specific	Applicable Rate Classes	Effective Billing Month
1	Alagasco	Alabama	1	1990	Customer Specific	Residential & Small Commercial & Small Industrial	All 12 months
2	Centerpoint Energy Arkla (AR)	Arkansas	2	1995	Rate Class Specific	Residential & Small Commercial	November through April
3	Arkansas Oklahoma Gas Corporation	Arkansas	1	2000	Rate Class Specific	Residential, Small Business & Federal Housing Authority	November through April
4	Southern Connecticut Gas	Connecticut	1	1994	Customer Specific	Residential & General Service	September through June
5	Atmos - United Cities Gas (GA)	Georgia	1	1990	Rate Class Specific	Residential & Commercial & Public Authority	October through May
6	Vectren Energy Delivery of Indiana-North	Indiana	1	2005	Customer Specific	Residential & General Service	October through April
7	Vectren Energy Delivery of Indiana-Soutl	Indiana	1	2005	Customer Specific	Residential & General Service	October through April
8	Lawrenceburg Gas Company	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
9	Midwest Natural Gas Corporation	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
10	Indiana Utilities Corporation	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
11	South Eastern Indiana Natural Gas Co.	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
12	Fountaintown Gas Company, Inc.	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
13	Community Natural Gas Co.	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
14	Boonville Natural Gas Corporation	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
15	Chandler Natural Gas Corporation	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
16	Indiana Natural Gas Corporation	Indiana	1	2006	Customer Specific	Residential & General Service	October through April
17	Citizens Gas & Coke Utility	Indiana	1	2007	Customer Specific	Residential & General Service	November through May
18	Atmos (Kansas)	Kansas	1	2003	Rate Class Specific	Residential & Commercial & Public Authority	October through May
19	Kansas Gas Service (ONEOK)	Kansas	2	2000	Rate Class Specific	Residential & Commercial	All 12 Months
20	Atmos (Western Kentucky)	Kentucky	1	2002	Rate Class Specific	Residential & Commercial & Public Authority	November through April

Weather Normalization Adjustment Clauses Approved in the United States as of March 2007

	Company	State	Mechanism Type 1 or 2	Year Approved	Rate Class or Customer Specific	Applicable Rate Classes	Effective Billing Month
21	Columbia Gas of Kentucky	Kentucky	1	1997	Customer Specific	Residential & Commercial	December through April
22	Delta Natural Gas Co.	Kentucky	1	2000	Rate Class Specific	Residential & Commercial	December through April
23	Louisville Gas & Electric Co.	Kentucky	1	2000	Customer Specific	Residential & Commercial	May through November
24	Columbia Gas of Maryland	Maryland	1	1993	Rate Class Specific	Residential & Commercial	November through March
25	Baltimore Gas & Electric ("BG&E")	Maryland	2	1998	Rate Class Specific	Residential & General Service	All 12 Months
26	Elizabethtown Gas Co.	New Jersey	2	1992	Rate Class Specific	Residential & Commercial	October through May
27	New Jersey Natural Gas	New Jersey	2	1992	Rate Class Specific	Residential & General Service & Small Commercial	October through May
28	South Jersey Gas Co.	New Jersey	1	1992	Customer Specific	Residential, General Service, Commercial & Industrial	October through May
29	Brooklyn Union (Keyspan)	New York	1	1980	Customer Specific	All heating Customers	Mid October through Mid May
30	Consolidated Edison Co. of NY	New York	1	1989	Customer Specific	All heating Customers	October through May
31	Keyspan d/b/a Brooklyn Union of Long Island (LILCO)	New York	1	1992	Customer Specific	All heating Customers	October through May
32	National Fuel Gas	New York	1	1998	Customer Specific	Residential & General Service & Residential Transportation	October through May
33	Niagara Mohawk Power	New York	1	1994	Customer Specific	All heating Customers	October through May
34	Orange & Rockland Utilities	New York	1	1993	Customer Specific	Space Heating & Commercial & Industrial	October through May
35	New York State Electric & Gas Corp.	New York	1	2002	Customer Specific	Space Heating & Commercial & Industrial	October through May
36	Rochester Gas and Electric Corp.	New York	1	2004	Customer Specific	Space Heating & Commercial & Industrial	October through May
37	North Carolina Natural Gas	North Carolina	1	1991	Customer Specific	Residential & Commercial	Mid November through Mid April
38	Piedmont Natural Gas (NC)	North Carolina	1	1991	Rate Class Specific	Residential & Commercial	November through March
39	Public Service Co. of North Carolina (SCANA)	North Carolina	1	1991	Rate Class Specific	Residential & Small General Service	December through April
40	Oklahoma Natural Gas	Oklahoma	1	1995	Customer Specific	Residential & Commercial	November through April

Weather Normalization Adjustment Clauses Approved in the United States as of March 2007

	Company	State	Mechanism Type 1 or 2	Year Approved	Rate Class or Customer Specific	Applicable Rate Classes	Effective Billing Month
41	Northwest Natural Gas Company	Oregon	1	2003	Rate Class Specific	Residential & Commercial	November 15 through May 15
42	New England Gas Co. (Providence Gas)	Rhode Island	2	2000	Rate Class Specific	All Classes	November through April
43	Piedmont Natural Gas (SC)	South Carolina	2	1996	Rate Class Specific	Residential & Commercial	Monthly
44	South Carolina Electric & Gas	South Carolina	1	1991	Customer Specific	Residential & Small General	November through April
45	Atmos–United Cities Gas (TN)	Tennessee	1	1991	Rate Class Specific	Residential & Commercial & Public Authority	November through April
46	Chattanooga Gas Co.	Tennessee	1	1991	Rate Class Specific	Residential & Commercial & Public	November through April
47	Piedmont Natural Gas (TN)	Tennessee	1	1991	Rate Class Specific	Residential & Commercial	November through March
48	Atmos Energy (Texas)	Texas	1	2003	Rate Class Specific	Residential & Commercial & Public Authority	October through May
49	Texas Gas Service Company (OneOk as of 01-01-03)	Texas	1	1993	Rate Class Specific	Residential & Commercial	September through May
50	TXU Electric and Gas (Lone Star Gas) **	Texas	1	1980	Customer Specific	Residential & Commercial	October through May
51	Questar (Mountain Fuel Supply)	Utah	1	1995	Customer Specific	Residential & Commercial	All 12 months
52	Virginia Natural Gas	Virginia	1	2002	Customer Specific	Residential & General Service	November through May
53	Questar (Mountain Fuel Supply)	Wyoming	1	1995	Customer Specific	Residential & Commercial	All 12 Months