

PNGTS
Classification of Cost of Service
Allocation Methodology

Line No.	Description (a)	Total (b)	Transmission (e)
1	Return Allowance	225,315	225,315
2	Federal and State Taxes	\$ 106,529	\$ 106,529
3	Levelization	\$ 43,333,490	\$ 43,333,490
4	Total Return and Taxes	\$ 43,665,334	\$ 43,665,334
<u>Operating Expenses (See I-2, Pg. 9)</u>			
5	O & M - Labor Costs	\$ -	\$ -
6	O & M - M&O Costs	1,149,218	1,149,218
	Allocated on Gross Plant Ratio:	100.00%	100.00%
7	A & G Costs	7,123,007	7,123,007
8	Total Operating Expenses	\$ 8,272,226	\$ 8,272,226
9	Calculation of Direct Labor Ratio	n/a	n/a
<u>Depreciation Expense</u>			
10	Depreciation Expense by Function	\$ 11,379,627	\$ 11,379,627
	Allocated on Net Plant Ratio:	100.00%	100.00%
11	General Plant	52,494	52,494
12	Intangible Plant	19,402	19,402
13	Total Depreciation Expense	\$ 11,451,524	\$ 11,451,524
<u>Other Taxes-Allocated</u>			
14	Ad Valorem (Gross Plant Ratio)	\$5,939,362	\$5,939,362
15	Franchise & Miscellaneous(Gross Plant Ratio)	-	-
16	Payroll Taxes (Direct Labor Ratio)	-	-
17	Total Other Taxes	\$ 5,939,362	\$ 5,939,362
18	Tot. Cost of Service(Line 4+8+13+17)	\$ 69,328,446	\$ 69,328,446