

REPORT ON DEPRECIATION ACCRUAL RATES

BLACK & VEATCH PROJECT NO. 181843.0100

PREPARED FOR

Summit Natural Gas of Missouri, Inc.

DECEMBER 2013

10 December 2013

Ms. Martha Wankum
Regulatory Manager
Summit Natural Gas of Missouri, Inc.
312 East Capitol Avenue
Jefferson City, MO 65101

Dear Ms. Wankum:

Our enclosed report summarizes the results of our analysis of the depreciation accrual rates for the gas utility properties of Summit Natural Gas of Missouri, Inc. Our depreciation review is based on the plant balances as of September 30, 2013. The Executive Summary of the report summarizes our major findings and recommendations.

Ultimately, the appropriate level of depreciation expense rates is a management decision taking into consideration various factors. If management concludes that a change is warranted in depreciation rates at this time, we recommend implementation of the rates set forth in Table 5-2, Column R, of this report.

We appreciate the opportunity to provide this service. If you have any questions concerning the contents of this report, please do not hesitate to contact us.

Very truly yours,
BLACK & VEATCH CORPORATION



Gregory E Macias
Principal Consultant

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1 Executive Summary

This report describes the analyses conducted and the results obtained for the gas utility property of Summit Natural Gas of Missouri, Inc. (“Company” or “Summit”) with respect to its depreciation expense rates. The report is based on plant activity through September 30, 2013. The depreciation rates recommended in this report are considered appropriate for use in the near future. We recommend these rates be reviewed at least every five years. Ultimately, the appropriate level of depreciation expense rates is a management decision taking into account various factors.

Summit’s current rates went into effect in January 2012 as a result of the Missouri Public Service Commission (“PSC”) order in Case No. GA-2012-0285. If the Company concludes that a change in depreciation expense rates is appropriate in the next rate filing, we recommend the Company implement the depreciation expense rates based on the analyses set forth in Sections 4 and 5. Recommended rates are summarized on Table 5-2, Column R.

The individual accrual rates that we recommend for each account are based on the average service lives we find in our regional industry survey, our assessment of Summit’s plant, our reserve analysis, and our experience with similar utility property. For Account 392 – Transportation Equipment, we also relied on an actuarial analysis of Summit’s property data. We recommend changes to depreciation rates for the following accounts:

- Account 376 – Mains. We recommend increasing the average service life from 50 years to 60 years.
- Account 380 – Services. We recommend increasing the average service life from 50 years to 55 years.
- Account 381 – Meters. We recommend reducing the average service life from 50 to 40 years.
- Account 385 – Industrial Measuring and Regulating Equipment. We recommend reducing the average service life from 50 to 45 years.
- Account 392 – Transportation Equipment. We recommend reducing the average service life from 7 years to 5 years and increasing the net salvage from 10 percent to 20 percent.
- Account 394 – Tools, Shop and Garage Equipment. We recommend increasing the average service life from 20 years to 25 years.
- Account 396 – Power Operated Equipment. We recommend increasing the average service life from 12 years to 16 years.

Summit is a relatively new natural gas utility and has not experienced retirements to most of its property accounts. Large investment plant accounts like mains and services have not experienced any retirements. Because data isn’t available to perform a statistical depreciation analyses, we primarily relied on regional utility norms as the basis for our average service lives.

The scope of this report includes a discussion of the practice of depreciation accounting (Section 3), the type of information examined in our analysis, the methods applied, and the results of the analyses conducted (Section 4), and a discussion of the Company’s depreciation reserve, and development of our recommended accrual rates (Section 5).

2 Introduction

This report presents the results of our analysis of the depreciation expense requirements for the gas utility property of Summit Natural Gas of Missouri, Inc. The analysis is based on plant activity through September 30, 2013. We understand that the Company desires this report in order to meet the PSC's requirement that a non-statistical depreciation review be conducted per the PSC's Order Granting Application for Waiver of Commission Rule in File No. GE-2014-0010.

Summit's plant is relatively new and has experienced few retirements. As such, Summit does not have the necessary retirement data to perform a statistical study of aged (or vintage) additions and retirements. We therefore have conducted this depreciation review based primarily on non-statistical methods and we rely upon depreciable lives found in our research of other natural gas utilities in the region, as well as our assessment of Summit's plant and our experience with other utilities.

The rates recommended in this report reflect consideration of the average service lives we find in our regional industry survey, our assessment of Summit's plant, our reserve analysis, and our experience with similar utility property. For Account 392 – Transportation Equipment, we also relied on an actuarial analysis of Summit's property data.

Section 3 of this report briefly discusses the practice of depreciation accounting. Section 4 discusses the type of information examined in the analysis and the methods applied to develop the depreciation rates. Section 4 also discusses the results of the analyses and the recommended average service lives. Section 5 discusses analysis of the Company's existing depreciation reserve and develops our recommended accrual rates.

3 Depreciation Accounting

Depreciation is the loss in service value not restored by current maintenance, incurred in connection with the consumption or prospective retirement of gas plant in the course of service from causes which are known to be in current operation and against which the utility is not protected by insurance. Among the causes to be considered are wear and tear, decay, action of the elements, inadequacy, obsolescence, changes in the art, changes in demand and requirements of public authorities, and in the case of natural gas companies, the exhaustion of natural resources (FERC Uniform System of Accounts).

Depreciation accounting provides a method whereby charges for the loss in service value are made against current income. By properly charging depreciation, the cost of depreciable plant less estimated salvage value (or plus estimated cost of removal) is distributed over the useful life of the asset in such a way as to equitably allocate it to the period during which service is provided through the use and consumption of such facilities.

3.1 ANNUAL DEPRECIATION EXPENSE

The annual depreciation expense represents the annual charge against income associated with the loss of service value of utility equipment. Historically, a number of different methods have been used by gas utilities to determine the level of depreciation expense to be charged against current income. Among the more common are:

1. A percentage of the investment in depreciable property.
2. A direct appropriation by management.
3. An amount equal to the original cost investment retired during the year.
4. A percentage of revenues.

The Company's current practice is to calculate annual depreciation expense through the application of straight-line depreciation rates to the respective plant investment account balances. In essence, the annual depreciation expense rate is a percentage figure which, when applied to the dollar balance of investment in plant, yields a depreciation expense level which is expected to amortize the Company's investment over the life of the property.

The existing depreciation rates are based on those approved by the Missouri Public Service Commission in 2012 in Case No. GA-2012-0285. In that case the PSC ordered the Company to use the depreciation rates proposed by the PSC Staff in Appendix C of its Staff Recommendation.

3.2 DEPRECIATION RESERVE

The depreciation reserve account is a balance sheet item which reflects accumulation of the activity related to annual depreciation expense and retirement accounting. Under the FERC Uniform System of Accounts, depreciation reserve is shown on the balance sheet as "Accumulated Provision for Depreciation."

The depreciation expense charged annually is accumulated in depreciation reserve. The original cost of investment in property retired during the year is deducted from the depreciation reserve. A further adjustment to the reserve is made by adding the salvage value credit and deducting the cost

of removal associated with property retired. The use of proper annual depreciation rates to amortize investment over its useful service life will result in accruals to the depreciation reserve which equal the total investment ultimately retired, as adjusted for salvage value and cost of removal.

An illustrative example follows:

| <u>Line</u> | <u>Transaction</u> | <u>Balance</u> |
|-------------|---|-------------------|
| 1 | Depreciation Reserve Beginning of Period | \$ 1,000,000 |
| 2 | Depreciation Charges | |
| 3 | Depreciation Expense | \$ 100,000 |
| 4 | Depreciation Charges to Clearing Accounts | <u>\$ 10,000</u> |
| 5 | Total Depreciation Charges | <u>\$ 110,000</u> |
| 6 | Subtotal | \$ 1,110,000 |
| 7 | Deductions | |
| 8 | Original Cost of Plant Retired | \$ 75,000 |
| 9 | Cost of Removal of Retired Plant | \$ 10,000 |
| 10 | Salvage Realized from Retired plant | <u>\$ (5,000)</u> |
| 11 | Total Deductions | <u>\$ 80,000</u> |
| 12 | Depreciation Reserve End of Period | \$ 1,030,000 |

4 Historical Information and Procedures

4.1 SYSTEM INFORMATION

Summit's natural gas distribution system consists of approximately 360 miles of cathodically protected steel mains, 852 miles of plastic mains, 17,927 service lines, 55 regulator stations, a compressor station, and 123 farm taps throughout 17 counties in Missouri.

Summit is a mix of acquired properties and Company-constructed systems. Established in 2004, Summit began as Missouri Gas Utility when it acquired the municipal natural gas distribution systems of Gallatin, MO and Hamilton, MO. The Gallatin and Hamilton systems were operated under a lease-purchase agreement prior to Summit's acquisition. The Gallatin and Hamilton systems were constructed beginning in 1996, and included the towns of Coffey, and Jameson. Missouri Gas Utility expanded natural gas service in the Gallatin/Hamilton service territory to the towns of Jamesport, Pattonsburg, and Ridgway.

In 2009, Missouri Gas Utility was granted a Certificate of Convenience and Necessity and began construction of the Warsaw service territory. This extended natural gas service to the towns of Green Ridge, Cole Camp, Lincoln and Warsaw.

In 2012, Missouri Gas Utility acquired Southern Missouri Natural Gas Company. With the merger, the two companies were renamed Summit Natural Gas of Missouri, Inc. The Southern Missouri Natural Gas Company system was constructed beginning in 1994 and serves the towns of Ava, Cabool, Diggins, Fordland, Lebanon, Mansfield, Marshfield, Mountain Grove, Norwood, Rogersville, Seymour, West Plains, and Willow Grove.

Southern Missouri Natural Gas expanded into the Branson service territory through an acquisition of Alliance Gas Energy Corporation. Gas service began in 2010 for the Branson service territory which includes the towns of Branson and Hollister.

In 2012, Summit was granted a Certificate of Convenience and Necessity and began construction of the Lake Ozark service territory. This extended natural gas service to the towns of Camdenton, Gravois Mills, Lake Ozark, Laurie, Osage Beach, and Sunrise Beach.

4.2 PLANT TOURS

Black & Veatch conducted site visits of Summit's facilities between October 28 and November 4, 2013. During the site visits, we toured Summit's service territory observing above ground facilities and equipment, the general terrain and geography of the pipeline routes, and assessed the general condition of plant, personnel and operations.

4.3 DATA, RETIREMENT PRACTICES AND RECORDS

Summit is a relatively new natural gas utility with the entirety of its plant investment being less than 20 years old, and the majority of its plant investment (70%) installed in the last 5 years. Summit maintains transactional plant accounting records which include the original cost vintage additions and retirements by vintage. However, being a relatively new utility, Summit has not experienced retirements to most of its property accounts. Specifically, large investment plant accounts like mains and services have not experienced any retirements.

4.4 DEPRECIABLE LIFE ANALYSIS PROCEDURES

The determination of a reasonable annual depreciation expense rate is dependent on average service life, cost of removal, and salvage of the property in question. Ideally, the determination of average service life begins with analysis of Company records which show additions by year of installation (vintage year) and retirements by vintage year. We refer to this type of analysis as an actuarial method. Where historical data is not sufficient to produce reliable results using actuarial analysis, data may be sufficient to use a semi-actuarial approach such as simulated plant balance. Both of these two analytical methods provide measures of historically experienced service lives. In order to reflect the prospective nature of depreciation, we consider past, present and anticipated future economic and environmental conditions; and sound engineering judgment. As a final step, the adequacy of depreciation reserve balances must be evaluated and the indicated depreciation rate adjusted so that total investment is recovered over the asset's life.

4.4.1 Actuarial Analysis

To prepare a sound and credible survivor curve analysis, a sufficient history of retirement data must exist. Based upon historical plant activity (retirements), a survivor stub curve explains the percent of original placements remaining in service by age. Using a least squares analysis technique, we compare this experienced survivor stub curve to general survivor curve types to identify the best fitting curve type and service life based on historical retirements. These curves provide an estimate of the average service life based on historical retirements. Using this method, and relying on general survivor curves, we can estimate average service life of property which has only been partially retired.

Because Summit has a limited history with no retirements made to-date in many accounts, it is not possible to perform a statistical analysis of historical plant retirement data for most accounts. Summit does, however, have sufficient retirement activity in Account 392 – Transportation Equipment to perform an actuarial analysis. We performed the actuarial analysis on Account 392 – Transportation Equipment on 2007 through 2012 data and found the analysis produced a reasonable result. We have relied on the results of our actuarial analysis and our discussions with Summit regarding vehicle replacement practices to develop our average service life for Account 392 – Transportation Equipment.

4.4.2 Simulated Plant Balance

The simulated plant balance method may produce reliable results when aged retirement data is unavailable. Data requirements for the simulated plant balance approach are far less rigorous than for survivor curve analysis. The only data needed for a simulated plant balance analysis are annual additions and end of year plant balances. In the simulated plant balance method, actual end of year plant balances are compared to those simulated by applying the percent surviving at a given age to the initial additions using the same general curves as used in the survivor curve analysis. The curve type that best simulates actual plant balances is the curve that best explains the mortality characteristics of the plant.

As with actuarial analysis, Summit's experience is so limited we did not conduct a simulated plant balance analysis for this depreciation review.

4.4.3 Regional Industry Norms

We consider regional industry norms in developing average service lives used in this report. In Table 4-1, we summarize depreciation information obtained from 24 Midwestern gas utilities. These utilities include Ameren, Arkansas Oklahoma Gas Corporation, Atmos Energy Corporation, Black Hills Energy, Centerpoint Energy, Chattanooga Gas Company, Interstate Power and Light (Alliant Energy), Kansas Gas Service, Laclede Gas Company, Liberty Energy Corporation, Missouri Gas Energy, North Shore Gas Company, Northern Illinois Gas Company (NICOR), Piedmont Natural Gas, SourceGas, The Empire District Gas Company, and The Peoples Gas Light and Coke Company. Properties of these utilities generally include facilities located in Arkansas, Colorado, Illinois, Iowa, Kansas, Missouri, Nebraska, Oklahoma, and Tennessee.

Where data is available, we have attempted to expand our survey analysis with additional information regarding the basis for the rates for each of the utilities. In Columns BS and BT of Table 4-1, we calculate a regional industry average of the average service life and annual depreciation rates. Of course with any such analysis there will be some differences between the applied depreciation rates and the depreciation rates that would result from a whole life calculation using the average service lives and net salvage values shown. The reasons for these differences are not known, but include the use of remaining life rates, some of the utilities do not provide net salvage figures, or other depreciation adjustments that are not specified in the utilities' depreciation rate schedules.

Table 4-1 Summary of Regional Depreciation Survey

| [A] | [B] | [C] | [D] | [E] | [F] | [G] | [H] | [I] | [J] | [K] | [L] | [M] | [N] |
|--------------------------------------|--------------|--------------------------------|---------------|-----------------------------|--------------------------------|---------------|-----------------------------|--------------------------------|---------------|-----------------------------|------------------------|---------------|-----------------------------|
| Account Description | FERC Account | Arkansas | | | | | | | | | Colorado | | |
| | | Arkansas Oklahoma Corporation | | | Centerpoint Energy | | | SourceGas | | | Black Hills Energy (1) | | |
| | | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Average Remaining Life | Net Salvage % | Applied Depreciation Rate % |
| Distribution | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 374 | | | 2.50% | | | | 1.33% | | 1.83% | | | |
| Structures and Improvements | 375 | | | | | | | | | 2.92% | 19 | -5.00% | 0.18% |
| Mains | 376 | | | 3.10% | | | | 2.71% | | 1.77% | | | |
| Mains - Metallic | 376.1 | | | | | | | | | | 35 | -20.00% | 1.40% |
| Mains - Non-Metallic | 376.2 | | | | | | | | | | 46 | -20.00% | 1.95% |
| Measuring and Regulating Equip | 378 | | | 3.70% | | | | 1.07% | | 2.61% | 32 | -5.00% | 2.27% |
| Meas & Reg Equip - City Gate | 379 | | | | | | | | | | | | |
| Services | 380 | | | 6.89% | | | | 5.81% | | 3.74% | | | |
| Services - Metallic | 380.1 | | | | | | | | | | 21 | -10.00% | 2.25% |
| Services - Non-Metallic | 380.2 | | | | | | | | | | 32 | -10.00% | 2.20% |
| Meters | 381 | | | 3.31% | | | | | | 2.09% | 24 | 0.00% | 2.80% |
| AMR Communication Devices | 381.5 | | | | | | | | | 6.86% | | | |
| Meter Installations | 382 | | | 2.67% | | | | | | | 25 | -10.00% | 1.76% |
| House Regulators | 383 | | | 0.19% | | | | | | 4.28% | 33 | -5.00% | 2.40% |
| Industrial Meas and Reg Equipment | 385 | | | 3.91% | | | | | | 2.69% | 26 | -5.00% | 2.80% |
| Other Property on Customers Property | 386 | | | | | | | | | 4.00% | | | |
| Other Equipment | 387 | | | | | | | | | 3.82% | 3 | 0.00% | 10.98% |
| General | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 389 | | | 2.50% | | | | | | | | | |
| Structures and Improvements | 390 | | | 4.50% | | | | | | 1.49% | 44 | -5.00% | 1.54% |
| Office Furniture and Equipment | 391 | | | 4.85% | | | | 5.00% | | 5.56% | 13 | 0.00% | -0.06% |
| Computers | 391.1 | | | 12.13% | | | | 20.00% | | 23.60% | 6 | 0.00% | 1.87% |
| Computer Software | 391.3 | | | | | | | 14.29% | | 23.14% | 1 | 0.00% | 0.00% |
| Transportation Equipment | 392 | | | 4.47% | | | | 13.40% | | | 3 | 10.00% | 6.88% |
| Autos | 392.1 | | | | | | | | | 12.35% | | | |
| Trucks | 392.2 | | | | | | | | | 6.78% | | | |
| Trailers | 392.3 | | | | | | | | | 4.68% | | | |
| Stores Equipment | 393 | | | 9.52% | | | | | | 2.12% | | | |
| Tool, Shop, and Garage Equipment | 394 | | | 4.51% | | | | 6.67% | | 6.67% | 24 | 0.00% | 0.27% |
| Lab Equipment | 395 | | | | | | | | | 6.67% | 19 | 0.00% | 4.53% |
| Power Operated Equipment | 396 | | | | | | | 7.28% | | 18.81% | 7 | 10.00% | 8.09% |
| Communication Equipment | 397 | | | 5.65% | | | | 6.67% | | 2.61% | 8 | 0.00% | 10.28% |
| Miscellaneous Equipment | 398 | | | | | | | 10.00% | | 4.52% | 3 | 0.00% | 9.96% |
| Other Tangible property | 399 | | | | | | | | | | | | |

(1) Black Hills Colorado uses vintage group procedure and Remaining Life is shown

Table 4-1 Summary of Regional Depreciation Survey (Continued)

| [A] | [B] | [O] | [P] | [Q] | [R] |
|--------------------------------------|--------------|---|---|---|--|
| Account Description | FERC Account | Illinois (2) | | | |
| | | Ameren Illinois Gas Applied Composite Depreciation Rate % | Northern Illinois Gas Company (NICOR) Applied Composite Depreciation Rate % | North Shore Gas Company Applied Composite Depreciation Rate % | The Peoples Gas Light and Coke Company Applied Composite Depreciation Rate % |
| Distribution | | | | | |
| Composite Rate Only | | 1.50% | 4.10% | 2.45% | 3.37% |
| Land and Land Rights | 374 | | | | |
| Structures and Improvements | 375 | | | | |
| Mains | 376 | | | | |
| Mains - Metallic | 376.1 | | | | |
| Mains - Non-Metallic | 376.2 | | | | |
| Measuring and Regulating Equip | 378 | | | | |
| Meas & Reg Equip - City Gate | 379 | | | | |
| Services | 380 | | | | |
| Services - Metallic | 380.1 | | | | |
| Services - Non-Metallic | 380.2 | | | | |
| Meters | 381 | | | | |
| AMR Communication Devices | 381.5 | | | | |
| Meter Installations | 382 | | | | |
| House Regulators | 383 | | | | |
| Industrial Meas and Reg Equipment | 385 | | | | |
| Other Property on Customers Property | 386 | | | | |
| Other Equipment | 387 | | | | |
| General | | | | | |
| Composite Rate Only | | 2.90% | 4.10% | 7.13% | 8.95% |
| Land and Land Rights | 389 | | | | |
| Structures and Improvements | 390 | | | | |
| Office Furniture and Equipment | 391 | | | | |
| Computers | 391.1 | | | | |
| Computer Software | 391.3 | | | | |
| Transportation Equipment | 392 | | | | |
| Autos | 392.1 | | | | |
| Trucks | 392.2 | | | | |
| Trailers | 392.3 | | | | |
| Stores Equipment | 393 | | | | |
| Tool, Shop, and Garage Equipment | 394 | | | | |
| Lab Equipment | 395 | | | | |
| Power Operated Equipment | 396 | | | | |
| Communication Equipment | 397 | | | | |
| Miscellaneous Equipment | 398 | | | | |
| Other Tangible property | 399 | | | | |

(2) Composite rate is reported in Illinois

Table 4-1 Summary of Regional Depreciation Survey (Continued)

| [A] | [B] | [S] | [T] | [U] | [V] | [W] | [X] | [Y] | [Z] | [AA] | [AB] | [AC] | [AD] |
|--------------------------------------|--------------|--------------------------------|---------------|-----------------------------|--------------------------------|---------------|-----------------------------|--------------------------------|---------------|-----------------------------|--------------------------------|---------------|-----------------------------|
| Account Description | FERC Account | Iowa | | | | | | Kansas | | | | | |
| | | Black Hills Energy | | | Interstate Power and Light | | | Black Hills Energy | | | KS Gas Service | | |
| | | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % |
| Distribution | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 374 | | | | | | | | | | 70 | 0.00% | 1.39% |
| Structures and Improvements | 375 | 45 | 67.90% | 0.28% | 50 | -10.00% | 2.01% | 20 | -5.00% | 0.23% | 30 | -15.00% | 3.72% |
| Mains | 376 | | | | 53 | -35.00% | 2.37% | | | | | | |
| Mains - Metallic | 376.1 | 60 | -50.60% | 1.52% | | | | 65 | -50.00% | 1.77% | 70 | -13.00% | 1.53% |
| Mains - Non-Metallic | 376.2 | 50 | -49.80% | 2.80% | | | | 65 | -20.00% | 1.71% | 50 | -16.00% | 2.23% |
| Measuring and Regulating Equip | 378 | 40 | -22.50% | 1.88% | 35 | -10.00% | 3.28% | 40 | -5.00% | 2.27% | 50 | -25.00% | 2.37% |
| Meas & Reg Equip - City Gate | 379 | | | | 35 | -10.00% | 2.68% | 40 | -5.00% | 2.96% | 60 | -20.00% | 1.88% |
| Services | 380 | | | | 41 | -70.00% | 4.35% | | | | | | |
| Services - Metallic | 380.1 | 49 | -93.80% | 3.92% | | | | 40 | -65.00% | 2.96% | 50 | -43.00% | 2.55% |
| Services - Non-Metallic | 380.2 | 45 | -45.00% | 2.79% | | | | 65 | -50.00% | 2.28% | 45 | -38.00% | 2.92% |
| Meters | 381 | 38 | 1.80% | 2.66% | 22 | -20.00% | 6.94% | 38 | 0.00% | 2.69% | 38 | 0.00% | 2.50% |
| AMR Communication Devices | 381.5 | | | | | | | | | | 15 | 0.00% | 6.39% |
| Meter Installations | 382 | 50 | -50.60% | 2.36% | | | | 60 | -50.00% | 2.06% | 48 | -50.00% | 3.02% |
| House Regulators | 383 | 43 | -50.10% | 3.40% | 41 | -15.00% | 3.10% | 50 | -20.00% | 2.20% | 50 | -5.00% | 1.91% |
| Industrial Meas and Reg Equipment | 385 | 40 | -4.20% | 2.22% | 31 | -5.00% | 1.61% | 45 | -10.00% | 1.99% | | | |
| Other Property on Customers Property | 386 | | | | | | | | | | | | |
| Other Equipment | 387 | 46 | 0.90% | 0.57% | 25 | -5.00% | 3.51% | 20 | 0.00% | 3.23% | 10 | 0.00% | 7.07% |
| General | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 389 | | | | | | | | | | | | |
| Structures and Improvements | 390 | 41 | 3.20% | 0.69% | 42 | -10.00% | 3.12% | 45 | 0.00% | 0.65% | 60 | -5.00% | 1.61% |
| Office Furniture and Equipment | 391 | 23 | 0.00% | 6.07% | 20 | 0.00% | 5.02% | 18 | 0.00% | 4.17% | 20* | 0.00% | 4.97% |
| Computers | 391.1 | 7 | 0.00% | 19.39% | 5 | 0.00% | 44.78% | 6 | 0.00% | 11.00% | 7* | 0.00% | 14.16% |
| Computer Software | 391.3 | 9 | 0.00% | 23.46% | | | | 7 | 0.00% | 6.66% | | | |
| Transportation Equipment | 392 | 16 | 25.10% | -0.12% | 11 | 10.00% | 6.57% | | | | 14 | 20.00% | 5.03% |
| Autos | 392.1 | | | | | | | 11 | 0.00% | 0.75% | | | |
| Trucks | 392.2 | | | | | | | 15 | 10.00% | 3.65% | | | |
| Trailers | 392.3 | | | | | | | 20 | 0.00% | 3.16% | | | |
| Stores Equipment | 393 | | | | | | | 20 | 0.00% | 4.51% | 20* | 0.00% | 4.59% |
| Tool, Shop, and Garage Equipment | 394 | 25 | 0.40% | 4.59% | 25 | 0.00% | 4.09% | 30 | 0.00% | 2.37% | 15* | 0.00% | 6.66% |
| Lab Equipment | 395 | 20 | 0.00% | 5.77% | 15 | 0.00% | 5.27% | 20 | 0.00% | 3.16% | 15* | 0.00% | 6.67% |
| Power Operated Equipment | 396 | 18 | 20.20% | 0.19% | 19 | 10.00% | 4.50% | 18 | 25.00% | 2.32% | 12 | 10.00% | 6.20% |
| Communication Equipment | 397 | 9 | 0.00% | 22.71% | 12 | 0.00% | 10.10% | 20 | 0.00% | 4.19% | 15* | 0.00% | 5.04% |
| Miscellaneous Equipment | 398 | | | | 10 | 0.00% | 0.00% | 20 | 0.00% | 4.45% | 20* | 0.00% | 5.00% |
| Other Tangible property | 399 | | | | | | | | | | | | |

* Amortization period used in lieu of depreciation rate.

Table 4-1 Summary of Regional Depreciation Survey (Continued)

| [A] | [B] | [AE] | [AF] | [AG] | [AH] | [AI] | [AJ] | [AK] | [AL] | [AM] | [AN] | [AO] | [AP] |
|--------------------------------------|--------------|--------------------------------|---------------|-----------------------------|---------------------------------|---------------|-----------------------------|--------------------------------|---------------|-----------------------------|--------------------------------|---------------|---------------------------------|
| Account Description | FERC Account | Missouri | | | | | | | | | | | |
| | | Ameren (Union Electric) | | | The Empire District Gas Company | | | Laclede Gas Company | | | Liberty Energy Corp. (2) | | |
| | | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % (2) |
| Distribution | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 374 | | | | | | | | | | | | |
| Structures and Improvements | 375 | 49 | 0.00% | 2.04% | 45 | 0.00% | 2.22% | | | 3.00% | | | 2.33% |
| Mains | 376 | 44 | 1.00% | 2.25% | 45 | -104.42% | 4.54% | | | | | | 1.53% |
| Mains - Metallic | 376.1 | | | | | | | | | 1.44% | | | |
| Mains - Non-Metallic | 376.2 | | | | | | | | | 1.57% | | | |
| Measuring and Regulating Equip | 378 | 45 | -3.00% | 2.29% | 50 | 0.00% | 2.00% | | | 3.71% | | | 3.00% |
| Meas & Reg Equip - City Gate | 379 | 45 | 0.00% | 2.22% | 50 | 0.00% | 2.00% | | | 3.71% | | | 3.21% |
| Services | 380 | 37 | -1.00% | 2.73% | 43 | -42.47% | 3.31% | | | | | | 5.00% |
| Services - Metallic | 380.1 | | | | | | | | | 5.23% | | | |
| Services - Non-Metallic | 380.2 | | | | | | | | ** | 3.75% | | | |
| Meters | 381 | 36 | 3.00% | 2.70% | 40 | -2.61% | 2.57% | | | 2.37% | | | 2.16% |
| AMR Communication Devices | 381.5 | | | | | | | | | | | | |
| Meter Installations | 382 | | | | | | | | | | | | 3.00% |
| House Regulators | 383 | 51 | -18.00% | 2.31% | 40 | -81.09% | 4.53% | | | 2.00% | | | 4.55% |
| Industrial Meas and Reg Equipment | 385 | 29 | 34.00% | 2.28% | 45 | -21.21% | 2.69% | | | 3.25% | | | 3.60% |
| Other Property on Customers Property | 386 | | | | | | | | | | | | |
| Other Equipment | 387 | | | | | | | | | 2.78% | | | |
| General | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 389 | | | | | | | | | | | | |
| Structures and Improvements | 390 | 55 | -21.00% | 2.20% | 45 | -4.24% | 2.32% | | | 3.00% | | | 5.00% |
| Office Furniture and Equipment | 391 | 21 | 0.00% | 4.76% | 15 | 0.00% | 6.67% | | | 3.33% | | | 4.75% |
| Computers | 391.1 | 5 | 0.00% | 20.00% | 7 | 0.00% | 14.29% | | | | | | |
| Computer Software | 391.3 | | | | | | | | | 7.00% | | | |
| Transportation Equipment | 392 | 11 | 15.00% | 7.69% | 12 | 30.69% | 5.78% | | | | | | 10.39% |
| Autos | 392.1 | | | | | | | | | 14.17% | | | |
| Trucks | 392.2 | | | | | | | | | 8.18% | | | |
| Trailers | 392.3 | | | | | | | | | | | | |
| Stores Equipment | 393 | 27 | 0.00% | 3.70% | 25 | 0.00% | 4.00% | | | 2.22% | | | 4.50% |
| Tool, Shop, and Garage Equipment | 394 | 27 | 0.00% | 3.70% | 30 | 0.00% | 3.33% | | | 2.63% | | | 4.50% |
| Lab Equipment | 395 | 24 | 0.00% | 4.17% | 30 | 0.00% | 3.33% | | | 3.57% | | | 4.00% |
| Power Operated Equipment | 396 | 18 | 9.00% | 5.06% | 16 | 14.35% | 5.35% | | | 6.92% | | | 7.92% |
| Communication Equipment | 397 | 21 | 0.00% | 4.76% | 25 | 0.00% | 0.00% | | | 5.00% | | | 4.54% |
| Miscellaneous Equipment | 398 | | | | 23 | 0.00% | 4.35% | | | 3.45% | | | 3.60% |
| Other Tangible property | 399 | | | | | | | | | | | | 4.75% |

** Includes Plastic and Copper

(2) includes Butler and Kirksville.

Table 4-1 Summary of Regional Depreciation Survey (Continued)

| [A] | [B] | [AQ] | [AR] | [AS] | [AT] | [AU] | [AV] | [AW] | [AX] | [AY] | [AZ] | [BA] | [BB] |
|--------------------------------------|--------------|--------------------------------|---------------|---------------------------------|--------------------------------|---------------|---------------------------------|--------------------------------|----------------------|-----------------------------|--------------------------------|---------------|-----------------------------|
| Account Description | FERC Account | Missouri | | | | | | | | | Nebraska | | |
| | | Liberty Energy Corp. (3) | | | Liberty Energy Corp. (4) | | | Missouri Gas Energy | | | Black Hills Energy | | |
| | | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % (3) | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % (4) | Estimated Average Service Life | Net Salvage Rate (5) | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % |
| Distribution | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 374 | | | | | | | 48 | 0.00% | 2.08% | 66 | -0.20% | 0.00% |
| Structures and Improvements | 375 | | | 2.50% | | | | 47 | 0.00% | 2.13% | 65 | 0.00% | 2.28% |
| Mains | 376 | | | | | | | 50 | -0.22% | 1.78% | | | |
| Mains - Metallic | 376.1 | | | | | | | | | | 65 | -34.20% | 1.23% |
| Mains - Non-Metallic | 376.2 | | | | | | | | | | 40 | -34.40% | 3.53% |
| Measuring and Regulating Equip | 378 | | | 3.01% | | | | 35 | 0.00% | 2.86% | 60 | -22.80% | 1.61% |
| Meas & Reg Equip - City Gate | 379 | | | 3.15% | | | | 38 | 0.00% | 2.63% | | | |
| Services | 380 | | | 5.00% | | | | 40 | 0.18% | 2.68% | | | |
| Services - Metallic | 380.1 | | | | | | | | | | 49 | -28.90% | 2.21% |
| Services - Non-Metallic | 380.2 | | | | | | | | | | 40 | -21.40% | 3.62% |
| Meters | 381 | | | 2.16% | | | | 35 | 0.00% | 2.86% | 38 | 1.80% | 2.67% |
| AMR Communication Devices | 381.5 | | | | | | | 19 | 0.00% | 5.26% | | | |
| Meter Installations | 382 | | | 2.96% | | | | 35 | 0.00% | 2.86% | 65 | -50.40% | 2.11% |
| House Regulators | 383 | | | 4.19% | | | | 41 | 0.00% | 2.44% | 57 | -50.80% | 2.67% |
| Industrial Meas and Reg Equipment | 385 | | | 3.60% | | | | 30 | 0.00% | 3.33% | 34 | -5.20% | 3.09% |
| Other Property on Customers Property | 386 | | | | | | | | | | | | |
| Other Equipment | 387 | | | 5.52% | | | | | | | 15 | 0.00% | 13.70% |
| General | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 389 | | | | | | | | | | | | |
| Structures and Improvements | 390 | | | 1.00% | | | | 47 | 0.00% | 2.13% | 50 | -2.30% | 2.15% |
| Office Furniture and Equipment | 391 | | | 5.00% | | | | 11 | 0.00% | 9.09% | 26 | 0.00% | 3.76% |
| Computers | 391.1 | | | | | | | | | | 11 | 0.00% | 6.81% |
| Computer Software | 391.3 | | | | | | | | | | 7 | 0.00% | 48.98% |
| Transportation Equipment | 392 | | | 10.39% | | | | 6 | -3.38% | 13.29% | 8 | 23.40% | -19.79% |
| Autos | 392.1 | | | | | | | | | | | | |
| Trucks | 392.2 | | | | | | | 10 | -1.94% | 8.06% | | | |
| Trailers | 392.3 | | | | | | | | | | | | |
| Stores Equipment | 393 | | | 4.01% | | | | 28 | 0.00% | 3.57% | | | |
| Tool, Shop, and Garage Equipment | 394 | | | 4.33% | | | | 19 | 0.00% | 5.29% | 37 | 0.00% | 0.60% |
| Lab Equipment | 395 | | | 3.69% | | | | | | | 30 | 0.00% | 2.75% |
| Power Operated Equipment | 396 | | | 7.71% | | | | 10 | 0.00% | 10.00% | 15 | 21.60% | -8.18% |
| Communication Equipment | 397 | | | 4.36% | | | | 16 | 0.00% | 6.25% | 12 | -0.10% | 15.98% |
| Miscellaneous Equipment | 398 | | | 3.60% | | | | 23 | 0.00% | 4.35% | | | |
| Other Tangible property | 399 | | | 4.75% | | | | | | | | | |

(3) includes SEMO.

(4) includes UCG, Palmyra and Neelyville. Rich Hill was not included due to the small number of Missouri customers.

(5) Net salvage rate is based on net salvage accrual amount.

Table 4-1 Summary of Regional Depreciation Survey (Continued)

| [A] | [B] | [BC] | [BD] | [BE] | [BF] | [BG] | [BH] | [BI] | [BJ] | [BK] | [BL] | [BM] | [BN] |
|--------------------------------------|--------------|-----------------------------------|---------------|-----------------------------|--------------------------------|---------------|-----------------------------|--------------------------------|---------------|---------------------------------|--------------------------------|---------------|-----------------------------|
| Account Description | FERC Account | Oklahoma | | | Atmos Energy Corporation | | | Tennessee | | | Piedmont Natural Gas | | |
| | | Arkansas Oklahoma Gas Corporation | | | Chattanooga Gas Company | | | | | | | | |
| | | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % (6) | Estimated Average Service Life | Net Salvage % | Applied Depreciation Rate % |
| Distribution | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 374 | | | 2.50% | 65 | 0.00% | 0.49% | 60 | 0.00% | 1.67% | | | |
| Structures and Improvements | 375 | | | 2.89% | 45 | 0.00% | 1.59% | 25 | 0.00% | 4.00% | 19 | -5.00% | 0.11% |
| Mains | 376 | | | 3.10% | 55 | -35.00% | 2.33% | 57 | -32.00% | 2.32% | 65 | -5.00% | 1.49% |
| Mains - Metallic | 376.1 | | | | | | | | | | | | |
| Mains - Non-Metallic | 376.2 | | | | | | | | | | | | |
| Measuring and Regulating Equip | 378 | | | 4.18% | 40 | -5.00% | 2.11% | 40 | 0.00% | 2.50% | 27 | 0.00% | 3.08% |
| Meas & Reg Equip - City Gate | 379 | | | 3.70% | 40 | -5.00% | 2.96% | 42 | 0.00% | 2.38% | 45 | 0.00% | 2.08% |
| Services | 380 | | | 6.89% | 48 | -20.00% | 2.93% | 51 | -60.00% | 3.14% | 50 | -125.00% | 4.08% |
| Services - Metallic | 380.1 | | | | | | | | | | | | |
| Services - Non-Metallic | 380.2 | | | | | | | | | | | | |
| Meters | 381 | | | 3.31% | 36 | -55.00% | 5.11% | 30 | 0.00% | 3.33% | 30 | 0.00% | 2.71% |
| AMR Communication Devices | 381.5 | | | 12.13% | | | | | | | 15 | 0.00% | 8.34% |
| Meter Installations | 382 | | | 2.67% | 40 | -55.00% | 4.79% | 30 | 0.00% | 3.33% | 30 | 0.00% | 2.83% |
| House Regulators | 383 | | | 0.19% | 40 | 0.00% | 1.76% | 37 | 0.00% | 2.70% | 30 | 0.00% | 2.68% |
| Industrial Meas and Reg Equipment | 385 | | | 3.91% | 40 | -5.00% | 3.22% | 35 | 0.00% | 2.86% | 35 | 0.00% | 2.36% |
| Other Property on Customers Property | 386 | | | | | | | 40 | -60.00% | 4.00% | | | |
| Other Equipment | 387 | | | | | | | 50 | 0.00% | 2.00% | | | |
| General | | | | | | | | | | | | | |
| Composite Rate Only | | | | | | | | | | | | | |
| Land and Land Rights | 389 | | | 2.50% | | | | | | | | | |
| Structures and Improvements | 390 | | | 4.50% | 40 | 0.00% | 2.16% | 10 | 0.00% | 10.00% | 45 | -5.00% | 2.17% |
| Office Furniture and Equipment | 391 | | | 4.85% | 20 | 0.00% | 6.40% | 20 | 0.00% | 5.00% | 25 | 0.00% | 5.04% |
| Computers | 391.1 | | | 12.13% | | | | 5 | 0.00% | 20.00% | | | |
| Computer Software | 391.3 | | | | | | | | | | | | |
| Transportation Equipment | 392 | | | 4.47% | | | | 7 | 28.00% | 10.29% | 5 | 10.00% | 4.55% |
| Autos | 392.1 | | | | | | | | | | | | |
| Trucks | 392.2 | | | | | | | | | | | | |
| Trailers | 392.3 | | | | | | | | | | | | |
| Stores Equipment | 393 | | | 9.52% | 35 | 0.00% | 1.73% | 25 | 0.00% | 4.00% | 30 | 0.00% | 0.00% |
| Tool, Shop, and Garage Equipment | 394 | | | 3.52% | 20 | 0.00% | 12.62% | 15 | 0.00% | 6.67% | 20 | 0.00% | 0.03% |
| Lab Equipment | 395 | | | | | | | | | | 20 | 0.00% | 1.18% |
| Power Operated Equipment | 396 | | | | 10 | 0.00% | 36.50% | 10 | 17.00% | 8.30% | 25 | 10.00% | 0.20% |
| Communication Equipment | 397 | | | 5.65% | 15 | 0.00% | 6.00% | 10 | 0.00% | 10.00% | 15 | 0.00% | 0.32% |
| Miscellaneous Equipment | 398 | | | | 10 | 0.00% | 12.68% | 15 | 0.00% | 6.67% | 20 | 0.00% | 10.24% |
| Other Tangible property | 399 | | | | 6 | 0.00% | 11.92% | | | | | | |

(6) Calculated depreciation rate

Table 4-1 Summary of Regional Depreciation Survey (Continued)

| [A] | [B] | [BO] | [BP] | [BQ] | [BR] | [BS] | [BT] | [BU] | [BV] | [BW] |
|--------------------------------------|--------------|--------------------------|------|-------------------|--------|------------------------------------|-----------------------------|-------------|------|---------------|
| Account Description | FERC Account | Regional Range | | | | Regional Average | | Sample Size | | FERC Account |
| | | Average Service Life (7) | | Depreciation Rate | | Estimated Average Service Life (7) | Applied Depreciation Rate % | Life | Rate | |
| | | Low | High | Low | High | | | | | |
| Distribution | | | | | | | | | | Distribution |
| Composite Rate Only | | | | 1.50% | 4.10% | | 2.86% | | 4 | |
| Land and Land Rights | 374 | 48 | 70 | 0.00% | 2.50% | 62 | 1.53% | 5 | 9 | 374 |
| Structures and Improvements | 375 | 19 | 65 | 0.11% | 4.37% | 40 | 2.16% | 11 | 18 | 375 |
| Mains | 376 | 44 | 65 | 1.49% | 4.54% | 53 | 2.52% | 7 | 13 | 376 |
| Mains - Metallic | 376.1 | 60 | 70 | 1.23% | 1.77% | 65 | 1.48% | 4 | 6 | 376.1 |
| Mains - Non-Metallic | 376.2 | 40 | 65 | 1.57% | 3.53% | 51 | 2.30% | 4 | 6 | 376.2 |
| Measuring and Regulating Equip | 378 | 27 | 60 | 1.07% | 4.18% | 42 | 2.58% | 11 | 20 | 378 |
| Meas & Reg Equip - City Gate | 379 | 35 | 60 | 1.88% | 3.71% | 44 | 2.68% | 9 | 14 | 379 |
| Services | 380 | 37 | 51 | 2.68% | 6.89% | 44 | 4.41% | 7 | 14 | 380 |
| Services - Metallic | 380.1 | 40 | 50 | 2.21% | 5.23% | 47 | 3.19% | 4 | 6 | 380.1 |
| Services - Non-Metallic | 380.2 | 40 | 65 | 2.20% | 3.75% | 49 | 2.93% | 4 | 6 | 380.2 |
| Meters | 381 | 22 | 40 | 2.09% | 6.94% | 35 | 3.02% | 11 | 19 | 381 |
| AMR Communication Devices | 381.5 | 15 | 19 | 5.26% | 12.13% | 16 | 7.80% | 3 | 5 | 381.5 |
| Meter Installations | 382 | 30 | 65 | 1.76% | 4.79% | 45 | 2.88% | 8 | 14 | 382 |
| House Regulators | 383 | 30 | 57 | 0.19% | 4.55% | 44 | 2.67% | 11 | 19 | 383 |
| Industrial Meas and Reg Equipment | 385 | 29 | 45 | 1.61% | 3.91% | 36 | 2.85% | 10 | 18 | 385 |
| Other Property on Customers Property | 386 | 40 | 40 | 4.00% | 4.00% | 40 | 4.00% | 1 | 2 | 386 |
| Other Equipment | 387 | 10 | 50 | 0.57% | 13.70% | 28 | 5.34% | 6 | 11 | 387 |
| General | | | | | | | | | | General Plant |
| Composite Rate Only | | | | 2.90% | 8.95% | | 5.77% | | 4 | |
| Land and Land Rights | 389 | | | 2.50% | 2.50% | | 2.50% | | 2 | 389 |
| Structures and Improvements | 390 | | 60 | 0.65% | 10.00% | 44 | 2.70% | 11 | 19 | 390 |
| Office Furniture and Equipment | 391 | 10 | 26 | -0.06% | 9.09% | 20 | 4.96% | 10 | 20 | 391 |
| Computers | 391.1 | 5 | 11 | 1.87% | 44.78% | 7 | 16.94% | 7 | 13 | 391 |
| Computer Software | 391.3 | 7 | 9 | 0.00% | 48.98% | 8 | 17.65% | 3 | 7 | 391.3 |
| Transportation Equipment | 392 | 5 | 16 | -19.79% | 13.40% | 10 | 5.83% | 9 | 16 | 392 |
| Autos | 392.1 | 11 | 11 | 0.75% | 14.17% | 11 | 9.09% | 1 | 3 | 392.1 |
| Trucks | 392.2 | 10 | 15 | 3.65% | 8.18% | 13 | 6.67% | 2 | 4 | 392.2 |
| Trailers | 392.3 | 20 | 20 | 3.16% | 4.68% | 20 | 3.92% | 1 | 2 | 392.3 |
| Stores Equipment | 393 | 20 | 35 | 0.00% | 9.52% | 27 | 4.20% | 7 | 15 | 393 |
| Tool, Shop, and Garage Equipment | 394 | 15 | 37 | 0.03% | 12.62% | 25 | 4.32% | 10 | 20 | 394 |
| Lab Equipment | 395 | 15 | 30 | 1.18% | 6.67% | 23 | 4.19% | 7 | 14 | 395 |
| Power Operated Equipment | 396 | 10 | 25 | -8.18% | 36.50% | 16 | 7.83% | 11 | 18 | 396 |
| Communication Equipment | 397 | 9 | 25 | 0.00% | 22.71% | 15 | 7.11% | 10 | 20 | 397 |
| Miscellaneous Equipment | 398 | 10 | 23 | 0.00% | 12.68% | 17 | 6.19% | 7 | 15 | 398 |
| Other Tangible property | 399 | 6 | 6 | 4.75% | 11.92% | 6 | 6.61% | 1 | 4 | 399 |

(7) The regional range and regional average estimated average service lives are exclusive of companies reporting only remaining life.

4.5 RECOMMENDED AVERAGE SERVICE LIVES

In Table 4-2, we summarize the average service lives underlying Summit's existing depreciation rates (Column C), and the average service lives we recommend for the purpose of this report (Column E). We use recommended average service lives to develop our recommended accrual rates. Based on consideration of the actuarial analysis, regional industry averages, our experience with gas (and other) utility property, and our assessment of Summit's plant, the following discussion explains in further detail the basis for our recommended average service lives for each plant account:

- Account 302 – Franchises and Consents. We recommend no change.
- Account 375 – Structures and Improvements. We recommend no change in average service life of 50 years. This is within the range of other gas utilities in the region.
- Account 376 – Mains. We recommend increasing the average service life from 50 years to 60 years. This places Summit near the average of the range of other gas utilities in the region. We believe that this is appropriate because of the newness of Summit's mains, the mix of steel and plastic mains in Summit's system, the quality of Summit's cathodic protection, and Summit's current practice to install high density polyethylene (HDPE) mains on its intermediate pressure systems.
- Account 377 – Compressor Station Equipment. We recommend no change. Summit currently has no plant in this account.
- Account 378 – Measuring and Regulating Station Equipment. We recommend no change. We find the existing average service life of 50 years reasonable. This places Summit within the range of other gas utilities in the region.
- Account 379 – City Gate Stations. We recommend no change. Summit currently has no plant in this account.
- Account 380 – Services. We recommend increasing the average service life from 50 years to 55 years based on the range of other gas utilities in the region. We believe that an average service life slightly longer than the regional average life is reasonable based on the newness of the Summit's services and because the services are primarily HDPE material.
- Account 381 – Meters. We recommend decreasing the average service life from 50 years to 40 years. This places Summit within the range of other gas utilities in the region.
- Account 382 – Meter Installations. We recommend no change in this account based on the regional average.
- Account 383 – House Regulators. We recommend no change in this account based on the regional average.
- Account 384 – House Regulator Installations. We recommend no change. Summit currently has no plant in this account.
- Account 385 – Industrial Measuring and Regulating Equipment. We recommend decreasing the average service life from 50 years to 45 years. This places Summit within the range of other gas utilities in the region.

- Account 386 – Other Property on Customer’s Premises. We recommend no change in this account based on the regional average.
- Account 387 – Other Equipment. We recommend no change. Summit currently has no plant in this account.
- Account 390 – Structures and Improvements (General). We recommend no change in average service life of 50 years. This is within the range of other gas utilities in the region.
- Account 391 – Office Furniture and Equipment. We recommend no change in this account based on the regional average.
- Account 391.1 – Computer and Equipment. We recommend no change in this account based on the regional average.
- Account 392 – Transportation Equipment. We recommend decreasing the average service life from 7 years to 5 years based on an actuarial analysis and the Company’s current vehicle replacement practices.
- Account 393 – Stores Equipment. We recommend no change. Summit currently has no plant in this account.
- Account 394 – Tools, Shop and Garage Equipment. We recommend increasing the average service life from 20 years to 25 years. This places Summit equal to the regional average.
- Account 395 – Laboratory Equipment. We recommend no change. Summit currently has no plant in this account.
- Account 396 – Power Operated Equipment. We recommend increasing the average service life from 12 years to 16 years based the regional average.
- Account 397 – Communications Equipment. We recommend no change in this account based on the regional average.
- Account 398 – Miscellaneous Equipment. We recommend no change. Summit currently has no plant in this account.

Schedule ALP-4 2013 Summit Depreciation Report

Summit Natural Gas of Missouri, Inc. | REPORT ON DEPRECIATION ACCRUAL RATES

Table 4-2 Recommended Average Service Lives and Associated Accrual Rates

| [A] | [B] | [C] | [D] | [E] | [F] | [G] | [H] |
|---------------------------|------------------------------------|-------------------------------------|--|-------------------------------------|--|--|--|
| Acct. No. | Account | Existing | | Recommended | | Change in | |
| | | Average Service Life Years | Life Related Accrual Rate 1 / [C] | Average Service Life Years | Life Related Accrual Rate 1 / [E] | Average Service Life Years [E] - [C] | Life Related Accrual Rate [F] - [D] |
| Distribution Plant | | | | | | | |
| 302.0 | Franchises and consents | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 374.0 | Land | | | | | | |
| 375.0 | Structures and improvements | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 376.0 | Mains | 50.0 | 2.00% | 60 | 1.67% | 10.0 | -0.33% |
| 377.0 | Compressor station equipment | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 378.0 | Measuring & regulating stations | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 379.0 | City gate stations | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 380.0 | Services | 50.0 | 2.00% | 55 | 1.82% | 5.0 | -0.18% |
| 381.0 | Meters | 50.0 | 2.00% | 40 | 2.50% | -10.0 | 0.50% |
| 382.0 | Meter installations | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 383.0 | House regulators | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 384.0 | Home regulator installations | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 385.0 | Ind. measuring & regulating equip. | 50.0 | 2.00% | 45 | 2.22% | -5.0 | 0.22% |
| 386.0 | Other prop. on customer's premises | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 387.0 | Other equipment | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| General Plant | | | | | | | |
| 390.0 | Structures and improvements | 50.0 | 2.00% | 50 | 2.00% | 0.0 | 0.00% |
| 391.0 | Office furniture and equipment | 20.0 | 5.00% | 20 | 5.00% | 0.0 | 0.00% |
| 391.1 | Computer equipment | 7.0 | 14.29% | 7 | 14.29% | 0.0 | 0.00% |
| 392.0 | Transportation equipment | 7.0 | 14.29% | 5 | 20.00% | -2.0 | 5.71% |
| 393.0 | Stores equipment | 25.0 | 4.00% | 25 | 4.00% | 0.0 | 0.00% |
| 394.0 | Tools, shop and garage equipment | 20.0 | 5.00% | 25 | 4.00% | 5.0 | -1.00% |
| 395.0 | Laboratory equipment | 20.0 | 5.00% | 20 | 5.00% | 0.0 | 0.00% |
| 396.0 | Power operated equipment | 12.0 | 8.33% | 16 | 6.25% | 4.0 | -2.08% |
| 397.0 | Communication equipment | 15.0 | 6.67% | 15 | 6.67% | 0.0 | 0.00% |
| 398.0 | Miscellaneous equipment | 20.0 | 5.00% | 20 | 5.00% | 0.0 | 0.00% |

5 Development of Recommended Accrual Rates

After developing our recommended average service lives, we then look at any adjustments that need to be made within the accounts for net salvage and amortization of depreciation reserve, before developing our recommended accrual rates.

5.1 NET SALVAGE ALLOWANCE

The traditional approach for incorporating allowance for net salvage is to compare annual net salvage (salvage minus cost of removal plus reimbursements) to the original cost of the plant retired during that year over a representative historical period, preferably at least 10 years. The traditional approach assumes that the ratio of net salvage dollars to the original cost dollars of the retirements is representative of the allowance that will ultimately apply to all plant in service over that life of that asset. In a whole life depreciation calculation, this allowance is then added to (for a net cost of removal) or deducted from (for a net salvage) one in the numerator and then divided by the average service life.

This approach provides reasonable results where there are modest amounts of salvage or cost of removal or where the amounts are fairly consistent (such as for unit property or general plant). However, cost of removal for some natural gas distribution plant can be as much as or more than the original cost of the plant retired especially if natural gas lines that are under streets need to be relocated. In these instances, it may not be reasonable to assume that this experience applies to all plant.

We believe that the goal of matching actual cost of removal expenses and cost of removal allowances can be accomplished within the calculation of depreciation rates. We typically prefer to analyze salvage and cost of removal data over a five to ten year period and incorporate an average amount for annual net salvage in the depreciation rate. Some may view this annual allowance approach as an “impure” application of the “whole” life method because it is based on a rather short term analysis of activity. As plant ages and retirement activity increases, we expect that the annual allowance may increase. Insufficient depreciation reserve might be accumulated if the annual allowance is not reviewed on a regular basis. However, in Missouri, depreciation rates are reviewed every five years as required by PSC rule. This frequency will allow for future adjustment of the annual net salvage allowance to reflect changes in activity, if necessary.

Due to Summit’s lack of retirement experience we are not able to analyze net salvage (because without retirements, there is no cost of removal or salvage) with the exception of Account 392 – Transportation Equipment. Based on Summit’s resale experience with vehicles, we recommend increasing the existing net salvage rate for Account 392 – Transportation Equipment from 10 percent to 20 percent.

5.2 DEPRECIATION RESERVE

After developing indicated accrual rates, we evaluate the adequacy of the depreciation reserve balance (Table 5-1). A high-level view of existing depreciation reserve shows Account 391.1 – Computer Equipment and Account 396 – Power Operated Equipment have reverse reserve balances (Table 5-1, Column D). This might be caused by several factors, including depreciation rates that are too low or extraordinary retirements. In order to correct any imbalances in the depreciation reserve accounts, we first determine a theoretical level of where depreciation reserve

should be. We calculate this based on the weighted age of the assets in each account, relative to our recommended service lives. Without adjustment, to the extent that the calculated reserve, Table 5-1, Column I, is greater than or less than the book reserve, Table 5-1, Column D, the Company will under- or over-recover, respectively, its depreciable plant investment. Differences between the calculated theoretical reserve and the book reserve can be attributed primarily to changes in life characteristics or historical depreciation rates which have not properly reflected life characteristics. Also affecting the differences in theoretical and book reserve is the level of net salvage in the depreciation rates. These changing life and salvage characteristics and the degree to which these changes are recognized and reflected in the depreciation rates directly affect the book reserves.

By subtracting the actual depreciation reserve from the calculated depreciation reserve, we determine the reserve imbalance shown in Table 5-1, Column J. Summit's depreciation reserve is approximately \$2 million greater than the calculated reserve. This reserve excess is primarily the result of our recommend change in service life for Account 376 – Mains. The overall depreciation reserve ratio is 11.99% of plant as compared to a calculated reserve ratio of 11.0%. We find that one percent difference in reserve ratio does not warrant a change to depreciation expense at this early point in the life of the facilities and we do not recommend a change to the depreciation reserve at this time.

Table 5-1 Analysis of Accumulated Depreciation Reserve

| [A] | [B] | [C] | [D] | [E] | [F] | [G] | [H] | [I] | [J] |
|---------------------------|--|-----------------------------|--|----------------|----------------------------------|--------------|--|---------------------------------|-----------------------------|
| Acct. No. | Account | Depreciable Plant 9/30/2013 | Accumulated Depreciation Reserve 9/30/2013 | Reserve Ratio | Recommended Average Service Life | Weighted Age | Calculated Reserve Ratio Based On Weighted Age | Calculated Depreciation Reserve | Reserve Excess (Deficiency) |
| | | \$ | \$ | % | Years | Years | % | \$ | \$ |
| | | | | -([D] / [C]) | | | [G] / [F] | -([H] * [C]) | [I] - [D] |
| Distribution Plant | | | | | | | | | |
| 302.0 | Franchises and consents | 1,078,738 | (148,251) | 13.74% | 50 | 2.51 | 5.02% | (54,163) | 94,088 |
| 374.0 | Land | 12,773,236 | 0 | 0.00% | 0 | 3.69 | | | |
| 375.0 | Structures and improvements | 199,313 | (13,764) | 6.91% | 50 | 3.55 | 7.10% | (14,158) | (394) |
| 376.0 | Mains | 147,429,274 | (19,240,566) | 13.05% | 60 | 6.78 | 11.31% | (16,668,626) | 2,571,940 |
| 377.0 | Compressor station equipment | | | | 50 | | | | |
| 378.0 | Measuring & regulating stations | 1,413,016 | (200,211) | 14.17% | 50 | 7.30 | 14.61% | (206,405) | (6,194) |
| 379.0 | City gate stations | | | | 50 | | | | |
| 380.0 | Services | 23,097,745 | (2,715,479) | 11.76% | 55 | 6.10 | 11.09% | (2,561,716) | 153,763 |
| 381.0 | Meters | 7,968,076 | (962,267) | 12.08% | 40 | 6.26 | 15.64% | (1,246,449) | (284,181) |
| 382.0 | Meter installations | 703,758 | (35,807) | 5.09% | 50 | 2.62 | 5.23% | (36,814) | (1,007) |
| 383.0 | House regulators | 289,286 | (18,557) | 6.41% | 50 | 3.11 | 6.22% | (17,994) | 564 |
| 384.0 | Home regulator installations | | | | 50 | | | | |
| 385.0 | Industrial measuring & regulating equipmen | 700,852 | (154,448) | 22.04% | 45 | 11.32 | 25.15% | (176,241) | (21,793) |
| 386.0 | Other property on customer's premises | 5,896,159 | (314,319) | 5.33% | 50 | 2.85 | 5.70% | (336,113) | (21,794) |
| 387.0 | Other equipment | | | | 50 | | | | |
| | Total Distribution Plant | 201,549,453 | (23,803,670) | 11.81% | | | 10.58% | (21,318,678) | 2,484,993 |
| General Plant | | | | | | | | | |
| 390.0 | Structures and improvements | 402,572 | (62,372) | 15.49% | 50 | 5.81 | 11.61% | (46,749) | 15,623 |
| 391.0 | Office furniture and equipment | 368,569 | (115,295) | 31.28% | 20 | 7.51 | 37.53% | (138,334) | (23,039) |
| 391.1 | Computer equipment | 149,171 | 32,307 | -21.66% | 7 | 4.30 | 61.36% | (91,537) | (123,844) |
| 392.0 | Transportation equipment | 1,718,382 | (535,271) | 31.15% | 5 | 2.26 | 45.24% | (777,463) | (242,192) |
| 393.0 | Stores equipment | | | | 25 | | | | |
| 394.0 | Tools, shop and garage equipment | 1,009,837 | (181,771) | 18.00% | 25 | 4.05 | 16.19% | (163,498) | 18,273 |
| 395.0 | Laboratory equipment | | | | 20 | | | | |
| 396.0 | Power operated equipment | 293,633 | 13,719 | -4.67% | 16 | 2.59 | 16.20% | (47,579) | (61,298) |
| 397.0 | Communication equipment | 341,079 | (27,631) | 8.10% | 15 | 2.17 | 14.49% | (49,406) | (21,775) |
| 398.0 | Miscellaneous equipment | | | | 20 | | | | |
| | Total General Plant | 4,283,242 | (876,315) | 20.46% | | | 30.69% | (1,314,566) | (438,252) |
| | Total Depreciable Plant | 205,832,695 | (24,679,985) | 11.99% | | | 11.00% | (22,633,244) | 2,046,741 |

5.3 RECOMMENDED ACCRUAL RATES

Table 5-2 summarizes the Company's existing and our recommended accrual rates, and the annual depreciation expense incurred when each of these rates is applied to the depreciable plant balances at September 30, 2013.

We show in Table 5-2 that when our recommended depreciation accrual rates in Column R are applied to depreciable plant balances as of September 30, 2013, annual depreciation expense would decrease by approximately \$448,500 (Column W) over levels produced by existing rates shown in Column J.

If Summit concludes that a change in depreciation expense rates is appropriate in the next rate filing, we recommend the Company implement the depreciation expense rates shown in Column R of Table 5-2.

Table 5-2 Summary of Recommended Depreciation Accrual Rates

| [A] | [B] | [C] | [D] | [E] | [F] | [G] | [H] | [I] | [J] | [K] | [L] | [M] | [N] | [O] | [P] | [Q] | [R] | [S] |
|---------------------------|------------------------------------|--------------------------------|----------------------|-------------------|----------------------|------------------------|------------------|---------------------|-------------------|----------------------------|----------------------|-------------------|----------------------|------------------------|------------------|---------------------|------------------------------|----------------------------|
| Acct. No. | Account | Depreciable Plant 9/30/2013 | Existing | | | | | | | | Recommended | | | | | | | |
| | | | Average Service Life | Life Accrual Rate | Life Related Accrual | Net Salvage % of Plant | Net Salvage Rate | Net Salvage Accrual | Depreciation Rate | Total Depreciation Accrual | Average Service Life | Life Accrual Rate | Life Related Accrual | Net Salvage % of Plant | Net Salvage Rate | Net Salvage Accrual | Whole Life Depreciation Rate | Total Depreciation Accrual |
| | | \$ | Years | | \$ | | | \$ | | | Years | | \$ | | | \$ | | |
| | | | 1 / [D] | [C] * [E] | | [G] / [D] | [C] * [H] | [E] - [H] | [F] - [I] | | 1 / [L] | [C] * [M] | | [C] * [P] | [M] - [P] | [N] - [Q] | | |
| Distribution Plant | | | | | | | | | | | | | | | | | | |
| 302.0 | Franchises and consents | 1,078,738 | 50.0 | 2.00% | 21,575 | 0.0% | 0.00% | 0 | 2.00% | 21,575 | 50 | 2.00% | 21,575 | 0.0% | 0.00% | 0 | 2.00% | 21,575 |
| 374.0 | Land | 12,773,236 | | | | | | | N/A | | | | | | | | | N/A |
| 375.0 | Structures and improvements | 199,313 | 50.0 | 2.00% | 3,986 | 0.0% | 0.00% | 0 | 2.00% | 3,986 | 50 | 2.00% | 3,986 | 0.0% | 0.00% | 0 | 2.00% | 3,986 |
| 376.0 | Mains | 147,429,274 | 50.0 | 2.00% | 2,948,585 | 0.0% | 0.00% | 0 | 2.00% | 2,948,585 | 60 | 1.67% | 2,462,069 | 0.0% | 0.00% | 0 | 1.67% | 2,462,069 |
| 377.0 | Compressor station equipment | | 50.0 | 2.00% | 0 | 0.0% | 0.00% | 0 | 2.00% | 0 | 50 | 2.00% | 0 | 0.0% | 0.00% | 0 | 2.00% | 0 |
| 378.0 | Measuring & regulating stations | 1,413,016 | 50.0 | 2.00% | 28,260 | 0.0% | 0.00% | 0 | 2.00% | 28,260 | 50 | 2.00% | 28,260 | 0.0% | 0.00% | 0 | 2.00% | 28,260 |
| 379.0 | City gate stations | | 50.0 | 2.00% | 0 | 0.0% | 0.00% | 0 | 2.00% | 0 | 50 | 2.00% | 0 | 0.0% | 0.00% | 0 | 2.00% | 0 |
| 380.0 | Services | 23,097,745 | 50.0 | 2.00% | 461,955 | 0.0% | 0.00% | 0 | 2.00% | 461,955 | 55 | 1.82% | 420,379 | 0.0% | 0.00% | 0 | 1.82% | 420,379 |
| 381.0 | Meters | 7,968,076 | 50.0 | 2.00% | 159,362 | 0.0% | 0.00% | 0 | 2.00% | 159,362 | 40 | 2.50% | 199,202 | 0.0% | 0.00% | 0 | 2.50% | 199,202 |
| 382.0 | Meter installations | 703,758 | 50.0 | 2.00% | 14,075 | 0.0% | 0.00% | 0 | 2.00% | 14,075 | 50 | 2.00% | 14,075 | 0.0% | 0.00% | 0 | 2.00% | 14,075 |
| 383.0 | House regulators | 289,286 | 50.0 | 2.00% | 5,786 | 0.0% | 0.00% | 0 | 2.00% | 5,786 | 50 | 2.00% | 5,786 | 0.0% | 0.00% | 0 | 2.00% | 5,786 |
| 384.0 | Home regulator installations | | 50.0 | 2.00% | 0 | 0.0% | 0.00% | 0 | 2.00% | 0 | 50 | 2.00% | 0 | 0.0% | 0.00% | 0 | 2.00% | 0 |
| 385.0 | Ind. measuring & regulating equip. | 700,852 | 50.0 | 2.00% | 14,017 | 0.0% | 0.00% | 0 | 2.00% | 14,017 | 45 | 2.22% | 15,559 | 0.0% | 0.00% | 0 | 2.22% | 15,559 |
| 386.0 | Other prop. on customer's premises | 5,896,159 | 50.0 | 2.00% | 117,923 | 0.0% | 0.00% | 0 | 2.00% | 117,923 | 50 | 2.00% | 117,923 | 0.0% | 0.00% | 0 | 2.00% | 117,923 |
| 387.0 | Other equipment | | 50.0 | 2.00% | 0 | 0.0% | 0.00% | 0 | 2.00% | 0 | 50 | 2.00% | 0 | 0.0% | 0.00% | 0 | 2.00% | 0 |
| | Total Distribution Plant | 201,549,453 | | | 3,775,524 | | | 0 | | 3,775,524 | | | 3,288,814 | | | 0 | | 3,288,814 |
| General Plant | | | | | | | | | | | | | | | | | | |
| 390.0 | Structures and improvements | 402,572 | 50.0 | 2.00% | 8,051 | 0.0% | 0.00% | 0 | 2.00% | 8,051 | 50 | 2.00% | 8,051 | 0.0% | 0.00% | 0 | 2.00% | 8,051 |
| 391.0 | Office furniture and equipment | 368,569 | 20.0 | 5.00% | 18,428 | 0.0% | 0.00% | 0 | 5.00% | 18,428 | 20 | 5.00% | 18,428 | 0.0% | 0.00% | 0 | 5.00% | 18,428 |
| 391.1 | Computer equipment | 149,171 | 7.0 | 14.30% | 21,331 | 10.0% | 1.40% | 2,088 | 12.90% | 19,243 | 7 | 14.29% | 21,317 | 10.0% | 1.40% | 2,088 | 12.89% | 19,228 |
| 392.0 | Transportation equipment | 1,718,382 | 7.0 | 14.30% | 245,729 | 10.0% | 1.40% | 24,057 | 12.90% | 221,671 | 5 | 20.00% | 343,676 | 20.0% | 4.00% | 68,735 | 16.00% | 274,941 |
| 393.0 | Stores equipment | 0 | 25.0 | 4.00% | 0 | 0.0% | 0.00% | 0 | 4.00% | 0 | 25 | 4.00% | 0 | 0.0% | 0.00% | 0 | 4.00% | 0 |
| 394.0 | Tools, shop and garage equipment | 1,009,837 | 20.0 | 5.00% | 50,492 | 0.0% | 0.00% | 0 | 5.00% | 50,492 | 25 | 4.00% | 40,393 | 0.0% | 0.00% | 0 | 4.00% | 40,393 |
| 395.0 | Laboratory equipment | | 20.0 | 5.00% | 0 | 0.0% | 0.00% | 0 | 5.00% | 0 | 20 | 5.00% | 0 | 0.0% | 0.00% | 0 | 5.00% | 0 |
| 396.0 | Power operated equipment | 293,633 | 12.0 | 8.30% | 24,372 | 20.0% | 1.60% | 4,698 | 6.70% | 19,673 | 16 | 6.25% | 18,352 | 20.0% | 1.20% | 3,524 | 5.05% | 14,828 |
| 397.0 | Communication equipment | 341,079 | 15.0 | 6.70% | 22,852 | 0.0% | 0.00% | 0 | 6.70% | 22,852 | 15 | 6.67% | 22,750 | 0.0% | 0.00% | 0 | 6.67% | 22,750 |
| 398.0 | Miscellaneous equipment | 0 | 20.0 | 5.00% | 0 | 0.0% | 0.00% | 0 | 5.00% | 0 | 20 | 5.00% | 0 | 0.0% | 0.00% | 0 | 5.00% | 0 |
| | Total General Plant | 4,283,242 | | | 391,256 | | | 30,844 | | 360,412 | | | 472,968 | | | 74,347 | | 398,621 |
| | Total Depreciable Plant | 205,832,695 | | | 4,166,780 | | | 30,844 | 2.01% | 4,135,936 | | | 3,761,782 | | | 74,347 | 1.79% | 3,687,435 |

Table 5-2 Summary of Recommended Depreciation Accrual Rates (continued)

| [A] | [B] | [C] | [T] | [U] | [V] | [W] |
|---------------------------|------------------------------------|-----------------------------|------------------------|----------------------|---------------------|---------------|
| Acct. No. | Account | Depreciable Plant 9/30/2013 | Change in Depreciation | | | |
| | | | Average Service Life | Life Related Accrual | Net Salvage Accrual | Total Accrual |
| | | \$ | Years | \$ | \$ | |
| | | | [L] - [D] | [N] - [F] | [Q] - [I] | [S] - [K] |
| Distribution Plant | | | | | | |
| 302.0 | Franchises and consents | 1,078,738 | 0.0 | 0 | 0 | 0 |
| 374.0 | Land | 12,773,236 | | | | |
| 375.0 | Structures and improvements | 199,313 | 0.0 | 0 | 0 | 0 |
| 376.0 | Mains | 147,429,274 | 10.0 | (486,517) | 0 | (486,517) |
| 377.0 | Compressor station equipment | | 0.0 | 0 | 0 | 0 |
| 378.0 | Measuring & regulating stations | 1,413,016 | 0.0 | 0 | 0 | 0 |
| 379.0 | City gate stations | | 0.0 | 0 | 0 | 0 |
| 380.0 | Services | 23,097,745 | 5.0 | (41,576) | 0 | (41,576) |
| 381.0 | Meters | 7,968,076 | -10.0 | 39,840 | 0 | 39,840 |
| 382.0 | Meter installations | 703,758 | 0.0 | 0 | 0 | 0 |
| 383.0 | House regulators | 289,286 | 0.0 | 0 | 0 | 0 |
| 384.0 | Home regulator installations | | 0.0 | 0 | 0 | 0 |
| 385.0 | Ind. measuring & regulating equip. | 700,852 | -5.0 | 1,542 | 0 | 1,542 |
| 386.0 | Other prop. on customer's premises | 5,896,159 | 0.0 | 0 | 0 | 0 |
| 387.0 | Other equipment | | 0.0 | 0 | 0 | 0 |
| | Total Distribution Plant | 201,549,453 | | (486,710) | 0 | (486,710) |
| General Plant | | | | | | |
| 390.0 | Structures and improvements | 402,572 | 0.0 | 0 | 0 | 0 |
| 391.0 | Office furniture and equipment | 368,569 | 0.0 | 0 | 0 | 0 |
| 391.1 | Computer equipment | 149,171 | 0.0 | (15) | 0 | (15) |
| 392.0 | Transportation equipment | 1,718,382 | -2.0 | 97,948 | 44,678 | 53,270 |
| 393.0 | Stores equipment | 0 | 0.0 | 0 | 0 | 0 |
| 394.0 | Tools, shop and garage equipment | 1,009,837 | 5.0 | (10,098) | 0 | (10,098) |
| 395.0 | Laboratory equipment | | 0.0 | 0 | 0 | 0 |
| 396.0 | Power operated equipment | 293,633 | 4.0 | (6,019) | (1,175) | (4,845) |
| 397.0 | Communication equipment | 341,079 | 0.0 | (102) | 0 | (102) |
| 398.0 | Miscellaneous equipment | 0 | 0.0 | 0 | 0 | 0 |
| | Total General Plant | 4,283,242 | | 81,713 | 43,503 | 38,209 |
| | Total Depreciable Plant | 205,832,695 | | (404,998) | 43,503 | (448,501) |