

EXHIBIT QGC 1.8
1999
TEST YEAR
99-057-20

SUMMARY OF
ANNUAL DEFICIENCY
1999-2001
(\$millions)

	(a)	(b)	(c)	(d)
UTILITY OPERATIONS				
REVENUES	\$196.5	\$212.6	\$215.7	\$217.9
EXPENSES				
O&M	108.8	108.6	106.4	108.2
Depreciation, depletion, amortization expense	33.7	34.4	36.2	40.6
Taxes other than income taxes	8.8	8.5	8.5	8.9
Income taxes	15.0	16.4	18.1	21.4
TOTAL EXPENSES	\$166.4	\$167.9	\$169.2	\$179.1
NET OPERATING INCOME	\$30.1	\$44.7	\$46.5	\$38.8
RETURN ON RATE BASE				
Rate base	\$443.6	\$478.7	\$546.4	\$564.7
Return on rate base (@ 11.0% equity)	9.82%	9.81%	9.54%	9.54%
Total return	\$43.6	\$47.0	\$52.1	\$53.9
TOTAL COST OF SERVICE	\$210.0	\$214.9	\$219.1	\$238.0
ANNUAL DEFICIENCY				
At 11.0% return on equity	\$13.5	\$2.3	\$5.6	\$15.1
At 12.6% return on equity				\$23.0