

Natural Gas Infrastructure Rate Adjustment Mechanisms

	(A)	(B)	(C)	(D)	(E)	(F)	(G)
	Company	State	Type of Plant	Frequency of Adjustment	Features of the Mechanism	Statute/ Docket/ Tariff	Decoupling/ SFV / Rate Stabilization
1	Elizabethtown Gas	NJ	Replacement of cast iron main and construction of new facilities	Annually	Tracker allows for recovery of costs associated with the accelerated replacement of infrastructure. Implemented as part of an economic development package.	Elizabethtown Gas Tariff B.P.U. No. 13, Section II, Third Revised Sheet No. 102	None
2	Atlanta Gas Light	GA	Replacement of bare steel and cast iron facilities	Annually	15 year project to replace more than 2,300 miles of pipeline in Georgia.	Georgia Public Service Commission Docket No. 8516-U.	SFV
3	Aquila (Black Hills)	KS	Accelerated replacement of unprotected steel and bare steel mains	Annually	In 2006 the Kansas legislature passed Gas Safety & Reliability Policy Act approving the implementation of a gas system reliability surcharge for Kansas natural gas utilities. Under the statute, utilities may surcharge between .5% and 10% of revenues to recover infrastructure costs not already in rates. The surcharge cannot continue for more than five years after the last rate case. Imposed during construction and trued up at the conclusion of the construction.	K.S.A. 66-2201(2006) <i>et seq.</i>	None
4	Kansas Gas Service (ONEOK Inc)	KS	Replacement of existing infrastructure and/or new infrastructure	Annually	See Aquila (Black Hills) above.	K.S.A. 66-2201(2006) <i>et seq.</i>	None

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5	Atmos Energy	MO	Replacement of infrastructure	Semi annually	Recovery of costs of investments in replacement pipe incurred between rate cases.	Atmos Energy Corporation Tariff P.S.C. MO. No. 2, 1 st Revised SHEET NO. 19.	SFV
6	Laclede Gas	MO	Replacement of aging infrastructure and enhancement of existing infrastructure	Semi annually	In 2003 the Missouri legislature passed a statute approving the implementation of a gas system reliability surcharge for Missouri natural gas utilities. Utilities may surcharge between .5% and 10% of revenues to recover infrastructure costs not already in rates. Surcharge cannot continue for more than three years after the last rate case.	V.A.M.S. 393.1009 <i>et seq.</i> ; Laclede Gas Company Tariff P.S.C. Mo. No. 5, Thirteenth Revised Sheet No. 12.	SFV
7	Missouri Gas Energy	MO	Replacement of aging infrastructure and enhancement of existing infrastructure	Semi annually or annually	See Laclede Gas above.	V.A.M.S. 393.1009 <i>et seq.</i> ; Missouri Gas Energy Tariff P.S.C.Mo. No. 1, Sheet No. 10.	SFV
8	National Grid	NY	Replacement of bare steel mains and service lines	Annually	Identifies and prioritizes leak prone mains and replaces a cumulative total of at least 150 miles in its service territory.	State of New York Department of Public Services Case No. 06-M-0878.	None
9	New Jersey Natural	NJ	Infrastructure projects	Annually	Allows the recovery of costs associated with the acceleration of capital expenditures to promote economic activity in the state. Includes the replacement and continuation of projects and new projects.	State of New Jersey Board of Public Utilities Docket No. GO09010052.	Decoupling

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10	South Jersey Gas	NJ	Infrastructure projects	Annually	Utilized to adjust the company's monthly revenues in cases where the actual recoveries experienced vary from the calculated revenue requirement. The company is authorized to earn a return on and a return of incremental infrastructure investments, including the capitalized costs related to authorized projects. The revenue requirement is determined using projected data and is trued-up at the end of each year with simple interest on under and over recoveries.	State of New Jersey Board of Public Utilities Docket No. GO09010051; South Jersey Gas Company Tariff B.P.U.N.J. No. 9-GAS, 28 th Revised Sheet No. 68.	Decoupling
11	Public Service Electric & Gas	NJ	Infrastructure projects	Annually	Designed to recover revenue requirement associated with the acceleration of capital expenditures in the areas of distribution infrastructure related to improvement in reliability and operation of the system. Interest at the weighted average of the interest accrues monthly on any under or over recovered balances.	State of New Jersey Board of Public Utilities Docket No. GO09010050; Public Service Electric and Gas Company Tariff B.P.U.N.J. No. 14-GAS, Original Sheet No. 47A.	None
12	CenterPoint Energy Resources Corp.	AR	Replacement of bare steel and cast iron mains	Monthly	Designed to recover costs associated with the expedited replacement of infrastructure by applying the approved rate of return to the net investment in such facilities.	CenterPoint Energy Resources Corp. Tariff Rider Schedule No. 2, approved by the Arkansas Public Service Commission on October 25, 2007 in Order No. 6-06-161U.	Decoupling

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13	Duke Energy	KY	Replacement of bare steel and cast iron mains	Annually	Applicable to all customers receiving service under the company's sales and transportation rate schedules.	Duke Energy Kentucky, Inc. Tariff KY.P.S.C. Gas No. 2, Original Sheet No. 63.	SFV
14	Duke Energy	OH	Replacement of bare steel and cast iron mains and replacement of risers	Annually	Applicable to all customers receiving service under the company's sales and transportation rate schedules. Transportation customers assessed based upon a throughput charge in addition to their commodity delivery charge.	Duke Energy Ohio Tariff P.U.C.O. Gas No. 18, Sheet No. 65.7.	None
15	NW Natural	OR	Replacement of bare steel facilities	Annually	Adjusts rates to recover the costs of infrastructure replacement during the most recent annual period. Adjustments are made coincident with the company's annual Purchased Gas Adjustment filing.	Northwest Natural Gas Company Tariff P.U.C. Or. 24, Second Revision of Sheet 177-1.	Decoupling
16	All Natural Gas Utilities	TX	Replacement of aging infrastructure and construction of new infrastructure	Annually	Allows for the return on and of investment, including capitalized interest, or post-in-service carrying charges along with incremental costs incurred under a multi-year program for the accelerated replacement and retirement of identified infrastructure.	SB 1271, Sec 104.301, (2003).	Yes
17	NiSource Columbia Gas of Ohio	OH	Replacement of bare steel and cast iron mains	Annually	Designed to recover costs associated with customer service line replacement program, accelerated mains, and automated meter reading.	Columbia Gas of Ohio Tariff P.U.C.O., Fifth Revised Sheet No. 27 & 30d.	SFV

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18	Vectren Energy Delivery of Ohio, Inc.	OH	Replacement of cast iron and bare steel mains, prone-to-fail risers and other facilities and maintenance	Annually	Allows the return on and of plant investment, including capitalized interest, or post-in-service carrying cost charges, along with incremental costs incurred.	Vectren Energy Delivery of Ohio, Inc. Tariff for Gas Service P.U.C.O. No. 3, Sheet No. 45.	Decoupling
19	Columbia Gas	KY	Replacement of cast iron and bare steel mains, risers and automated meter reading devices	Annually	Provides recovery for costs associated with the replacement of aging infrastructure and other facilities.	Columbia Gas of Ohio, Inc. Tariff P.U.C.O. No.2, Fifth Revised Sheet No. 27.	None
20	Integrays Peoples Gas Light and Coke	IL	Replacement of cast iron and ductile iron mains.	Annually	Designed to recover costs associated with the utility's replacement of main and connecting facilities such as services, meters, and regulators. Under the rider, the recoverable costs are offset by the savings estimated to be generated by the replacement program.	090167, 090166, Nov 6	Decoupling
21	Ameren	MO	Replacement infrastructure.	Annually	The program is a surcharge to rates, covers only replacement pipe, and has the rate case parameters and revenue floors and caps specified in the Missouri legislation.	GT-2009-0413	SFV

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22	Atmos	GA	Replacement of cast iron pipe.	Annually	Atmos utilizes a surcharge mechanism that was implemented June 21, 2000, to recover the costs of replacing 184 miles of cast iron pipe in 15 years and 46 miles of bare steel pipe in 20 years.	Docket No. 12509-U	SFV
23	Atmos	KS	Replacement of infrastructure.	Annually	Atmos has had a replacement program in Kansas since the 1980s. The current surcharge mechanism is authorized by the Kansas Gas Safety and Reliability Policy Act. Kansas State Wide Legislation. Utilities in the state may surcharge between 0.5% and 10% of revenues to recover new infrastructure replacement costs. Rates are adjusted annually.	Docket No. 10-ATMG-133-TAR	None
24	Atmos	KY	Replacement of bare steel pipes.	Annually	On May 28, 2010, the Kentucky Public Service Commission authorized Atmos Energy to implement a pipeline replacement program cost recovery surcharge that will be used to replace all bare steel mains over a 15 year period. Kentucky State Wide Legislation. On June 20, 2005, Kentucky enacted KRS 278.509, Recovery of Costs for Investments in Natural Gas Pipeline Replacement Programs that approved the implementation of a natural gas system replacement tracking	Docket No. 10-ATMG-133-TAR	None

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					mechanisms for Kentucky natural gas utilities.		
25	Atmos	TX	Replacement of infrastructure.	Annually	Capital related costs are recovered on the change in net investment from year-to-year. The mechanism covers replacement pipe, new pipe, pipeline integrity capital and any other capital investment. The adjustment is interim in nature and subject to refund until the next general rate case, which must be filed every 5 years. Additionally, Atmos has a separate surcharge mechanism for the purpose of replacing 100,000 high priority steel service lines over a two year period. The surcharge may be used with an annual true-up mechanism.	Docket No. 9560	Rate Stabilization
26	Avista	OR	Replacement of infrastructure.	Annually	Mechanism provides for deferred accounting treatment for two capital additions. A subsequent incremental rate adjustment of approximately \$0.6 million will be made on June 1, 2012, to recover the costs of the two projects.	Docket No. UG-201	Decoupling
27	CenterPoint	TX	Replacement of infrastructure.	Annually	The tracker amount changes annually, is applied to the customer charge (subject to refund), and is trued up in the next general rate case.	GUD 10067	Rate Stabilization

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28	Columbia Gas Massachusetts	MA	Replacement of bare steel pipe.	Annually	The tracker allows for the recovery of the revenue requirement associated with infrastructure replacement. The revenue requirement reflects an offset of estimated O&M savings associated with the infrastructure replacement. The initial filing is made on May 1 of each year, with new rates going into effect each November.	Docket No. DPU 09-30	Decoupling
29	Columbia Gas Virginia	VA	Replacement of infrastructure.	Annually	Accelerated gas main replacement program. Utility plans to invest approximately \$20 million per year for the years 2011–2015, for a total rate base addition of \$82 million. The company will phase-in an \$11.1 million rate increase over the years 2012 through 2016.	PUE-2011-00049	Decoupling
30	Delta Natural Gas	KY	Replacement of infrastructure.	Annually	Mechanism, which began in 2011, is primarily for replacements but also contains a provision for new expenditures necessary to meet current safety or operational standards. There are no caps on the amount that may be recovered through the tracker, and there is no term limit to the mechanism.	Case No. 2010-0016	None
31	Dominion East Ohio	OH	Replacement of bare steel pipe.	Annually	Infrastructure replacement investments can be included, provided the rate cap is not exceeded.	Docket No. 24794	Rate Stabilization

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32	Mobile Gas Service	AL	Replacement of cast iron pipe.	Annually	The program recovers the annual revenue requirement level of depreciation, taxes, and return associated with replacements, adjusted for cumulative main retirements. The tracking mechanism is applied to all rates.	Docket No. 24794	Rate Stabilization
33	National Grid Energy North	NH	Replacement of cast iron bare steel pipe.	Annually	Replacement Program.	Docket No. DG 10-017	None
34	National Grid Narragansett	RI	Replacement of infrastructure.	As Needed – for Plan Approval	Replacement program began in 2009, and a new, legislatively established program that covers both replacement and new safety and reliability pipeline infrastructure went into effect April 2011. There is no cap on the dollars that may be recovered through the surcharge mechanism, and while there is no cap on the miles of pipe that may be replaced, the plan must be approved before the start of the program. No rate case is required.	Docket No. DG 4034	Decoupling
35	National Grid Massachusetts	MA	Replacement of infrastructure.	Annually	Tracker in place since 2010 provides for the recovery of costs associated with the accelerated replacement of gas mains, and the utility is allowed to surcharge customers up to 1% of total revenue.	Docket No. 09-30	Decoupling

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36	New England Gas Massachusetts	MA	Reinforce system.	Annually	Tracker approved in 2011 to provide recovery of incremental expenditures associated with reinforcing the system and meeting public safety goals.	Docket No. DPU-10-114	Decoupling
37	Public Service Co. of Colorado	CO	Primarily for replacement Pipe.	Annually	Tracker approved in 2011 to recover costs associated with reliability improvements and compliance with certain federal safety regulations.	Docket No. 10AL-963G	None
38	SEMCO Energy	MI	Replace cast iron and unprotected steel service-lines and mains.	Annually	Mechanism approved in 2011 will enable utility to recover the incremental capital-related costs associated with the accelerated removal and replacement of infrastructure. The program expires in 5 years unless extended by order in a new rate case.	Docket No. U-16169	Decoupling
39	Vectren North – Indiana Gas	IN	Infrastructure Replacement.	At least Annually.	Tracker approved in 2008 that allows the utility to defer expenses associated with investments in infrastructure replacement projects.	Cause No. 43298	Decoupling
40	Vectren South - SIGECO	IN	Replacement of bare steel and cast iron pipes.	At least Annually.	Tracker approved in 2006 that allows for recovery of an accelerated pipeline replacement program.	Cause No. 43112	Decoupling
41	Washington Gas	VA	Infrastructure replacement.	Annual	Tracker approved in 2011 that allows for recovery of replacement infrastructure investment costs. Four infrastructure replacement programs totaling \$116.5 million are planned for the years 2010-2014.	Case No. PUE-2010-00087	Decoupling