

ORANGE AND ROCKLAND UTILITIES, INC.

Index of Schedules

June 15, 2018 Update

Gas Operating Income

For The Twelve Months Ending December 31, 2019, 2020, and 2021

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ORANGE AND ROCKLAND UTILITIES, INC.

Revenue Requirement
 June 15, 2018 Update
 Computation of Gas Revenue Requirement
 For The Twelve Months Ending December 31, 2019, 2020, and 2021
 (\$000s)

	RY1			RY2	RY3
	Initially Filed	Preliminary Update	Formal Update		
Gas Rate Base	\$ 470,058	\$ 466,605	\$ 453,639	\$ 474,138	\$ 491,957
Rate of Return	7.39%	7.36%	7.35%	7.36%	7.37%
Required Return	34,746	34,353	33,360	34,903	36,256
Income Available for Return	31,514	32,376	33,726	30,413	35,381
Deficiency	3,232	1,977	(366)	4,489	875
Retention Factor*	72.49%	72.49%	72.47%	72.47%	72.47%
Additional Revenue Requirement	\$ 4,459	\$ 2,727	\$ (505)	\$ 6,195	\$ 1,208

* Calculation of Retention Factor:

Additional Revenue	100.00%	\$ 4,459	\$ 2,727	\$ (505)	\$ 6,195	\$ 1,208
Less: Revenue Taxes	1.83%	81	50	(9)	113	22
Late Payment Charges Revenue	-0.37%	(16)	(10)	2	(23)	(4)
Uncollectibles	0.42%	19	11	(2)	26	5
Subtotal	98.11%	4,375	2,676	(496)	6,079	1,185
Less: SIT on above @ 6.5%	6.38%	284	174	(32)	395	77
FIT on above @ 21%	19.26%	859	525	(97)	1,194	233
Retention Factor	72.47%	\$ 3,232	\$ 1,977	\$ (367)	\$ 4,490	\$ 875

ORANGE AND ROCKLAND UTILITIES, INC.
 Revenue Requirement
 June 15, 2018 Update
 Gas Operating Income, Rate Base & Rate of Return
 For The Twelve Months Ending December 31, 2019, 2020, and 2021
 (\$000s)

	Ref	RY1						RY 2				RY 3				
		Initially Filed	Preliminary Update	As Updated	Formal Update	As Updated	Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	
Operating Revenues																
Sales & Deliveries to Public	Sch 3	\$ 228,880		\$ 228,880	\$ (51)	\$ 228,829	\$ (505)	\$ 228,324	\$ 13,082	\$ 241,406	\$ 6,195	\$ 247,601	\$ 8,227	\$ 255,828	\$ 1,208	\$ 257,036
Sales for Resale	Sch 3	-		-		-		-								
Sales Revenues		228,880	-	228,880	(51)	228,829	(505)	228,324	13,082	241,406	6,195	247,601	8,227	255,828	1,208	257,036
Other Operating Revenues	Sch 5	2,560	30	2,590	(0)	2,589	(2)	2,587	49	2,636	23	2,659	30	2,689	4	2,693
Total Operating Revenues		231,440	30	231,470	(51)	231,418	(507)	230,911	13,131	244,042	6,218	250,260	8,257	258,518	1,212	259,730
Operating Expenses																
Purchased Gas	Sch 3	61,464		61,464	-	61,464		61,464	12,135	73,599		73,599	7,332	80,931		80,931
Purchased Gas-Base Rate	Sch 3	197		197	-	197		197	31	228		228	(5)	223		223
Operations & Maintenance Expense	Sch 6	73,355	(275)	73,081	(147)	72,933	(2)	72,931	2,397	75,328	26	75,354	(1,323)	74,031	5	74,036
Depreciation	Sch 13	25,371	55	25,425	154	25,580		25,580	1,116	26,696		26,696	525	27,221		27,221
Regulatory Amortization	Sch 4	2,277	(558)	1,719	(1,805)	(86)		(86)	0	(86)		(86)	(0)	(86)		(86)
Taxes Other Than Income Taxes	Sch 14	31,074	(369)	30,704	(1)	30,703	(9)	30,694	1,769	32,463	113	32,576	1,322	33,898	22	33,920
Total Operating Expenses		193,738	(1,147)	192,590	(1,799)	190,791	(11)	190,780	17,448	208,228	139	208,367	7,851	216,218	27	216,245
Operating Income Before Income Taxes		37,702	1,177	38,879	1,748	40,627	(496)	40,131	(4,317)	35,815	6,079	41,894	407	42,300	1,185	43,485
Income Taxes																
New York State Income Taxes	Sch 15	1,372	71	1,443	294	1,738	(32)	1,705	(335)	1,370	395	1,765	(19)	1,747	77	1,824
Federal Income Taxes	Sch 16	4,816	243	5,059	104	5,164	(97)	5,066	(1,035)	4,031	1,194	5,225	(52)	5,173	233	5,405
Total Income Taxes		6,189	314	6,503	398	6,901	(130)	6,772	(1,370)	5,401	1,589	6,990	(71)	6,919	310	7,229
Operating Income		\$ 31,514	\$ 863	\$ 32,376	\$ 1,350	\$ 33,726	\$ (366)	\$ 33,360	\$ (2,946)	\$ 30,413	\$ 4,490	\$ 34,904	\$ 477	\$ 35,381	\$ 875	\$ 36,256
Gas Rate Base	AP G-2	\$ 470,058	\$ (3,453)	\$ 466,605	\$ (12,966)	\$ 453,639		\$ 453,639	\$ 20,499	\$ 474,138		\$ 474,138	\$ 17,819	\$ 491,957		\$ 491,957
Rate Of Return		<u>6.70%</u>						<u>7.43%</u>				<u>7.36%</u>				

ORANGE AND ROCKLAND UTILITIES, INC.
 Sales Delivery and Net Revenue Margins - Gas
 June 15, 2018 Update

For The Twelve Months Ended September 30, 2017, Three Months Ended December 31, 2017 and Twelve Months Ended December 31, 2018, 2019, 2020 and 2021
 (\$000s)

	Twelve Months	Three Months	Twelve Months Ending December 31,			
	Ended September 30, 2017	Ended December 31, 2017	2018	2019	2020	2021
Firm Revenues						
Delivery Revenues						
- Non Competitive	139,909	\$ 48,735	\$ 159,348	\$ 153,050	\$ 154,132	\$ 154,907
- Non Competitive RPC	659	-	-	-	-	-
- Competitive	2,694	765	3,353	3,323	3,330	3,338
Monthly Gas Adjustments	13,163	4,005	18,511	19,231	19,738	20,063
Gas Supply Charge	41,170	15,084	47,850	42,229	53,857	60,860
Revenue Taxes	3,613	1,107	4,389	4,136	4,420	4,576
Total	201,208	69,695	233,451	221,969	235,478	243,743
Interruptible Revenues						
SC 8/9/13	3,843	1,386	6,288	6,346	6,346	6,346
Gas Supply Charge	-	-	-	-	-	-
Revenue Taxes	21	11	49	49	49	49
Total	3,864	1,397	6,337	6,395	6,395	6,395
System Benefit Charge & 18A Assessment						
System Benefit Charge	1,401	349	1,538	458	37	-
18A Assessment	1,065	350	-	-	-	-
Revenue Taxes	-	12	25	7	1	0
Total	2,466	711	1,563	465	38	-
Rate Relief						
RY 1 Rate Relief (excl. rev. taxes)						
RY 1 Revenue Taxes			complete when revenue requirement file is completed			
RY 2 Rate Relief (excl. rev. taxes)						
RY 2 Revenue Taxes						
Total	-	-	-	-	-	-
Sales For Resale						
Pike Capacity Charges						
Gas Supply Costs	1,040	-	-	-	-	-
Total	1,040	-	-	-	-	-
Total Delivery Revenues	208,578	71,803	241,351	228,829	241,911	250,138
Purchased Gas Costs						
Purchased Gas	51,585	14,952	62,891	70,857	76,398	75,869
Deferred Gas Cost	1,942	4,158	3,650	(9,196)	(2,571)	5,285
Total	53,527	19,110	66,541	61,661	73,827	81,154
Total Gas Cost Recoveries (Gas Supply Charge)						
Firm	52,413	19,089	66,361	61,460	73,595	80,923
Interruptible	-	-	-	-	-	-
Sales For Resale	1,040	-	-	-	-	-
Company Use	76	20	181	197	228	223
Total Gas Cost Recoveries	53,529	19,109	66,542	61,657	73,823	81,146
Purchased Gas Costs	(53,527)	(19,110)	(66,541)	(61,661)	(73,827)	(81,154)
Variance	2	(1)	1	(4)	(4)	(8)
Tax Recovery Revenue (Revenue Taxes)						
Firm	3,635	1,107	4,389	4,136	4,420	4,576
Interruptible	21	11	49	49	49	49
System Benefit Charge & 18A Assessment	-	12	25	7	1	-
Total	3,656	1,130	4,463	4,192	4,470	4,625
Total Revenues	208,578	71,803	241,351	228,829	241,911	250,138
Total Purchased Gas Costs	(53,527)	(19,110)	(62,891)	(70,857)	(76,398)	(75,869)
Total Revenue Taxes	(3,656)	(1,130)	(4,463)	(4,192)	(4,470)	(4,625)
	\$ 151,395	\$ 51,564	\$ 173,997	\$ 153,781	\$ 161,043	\$ 169,645
Sales and Deliveries To Public (MCF)						
Firm Volumes	20,330,762	6,406,349	20,829,127	20,970,961	21,166,492	21,239,031
Interruptible	3,693,057	816,400	3,731,900	3,731,900	3,731,900	3,731,900
Total	24,023,819	7,222,749	24,561,027	24,702,861	24,898,392	24,970,931

ORANGE AND ROCKLAND UTILITIES, INC.
 Amortization of Regulatory Deferrals - Gas
 June 15, 2018 Update
 (\$000s)

<u>Line No.</u>	<u>Regulatory Assets and Liabilities</u>	<u>Account</u>	<u>Balance @ 12/31/2017</u>	<u>Projected Deferrals 10/1/2017 - 12/31/2018</u>	<u>Allowance 10/1/2017 - 12/31/2018</u>	<u>Amortization 10/1/2017 - 12/31/2018</u>	<u>Projected Balance 12/31/2018</u>	<u>RY1 Amortization</u>	<u>RY2 Amortization</u>	<u>RY3 Amortization</u>	<u>Amortization Period</u>	<u>Line No.</u>
1	18A Assessment	15051/15052	67	(284)	-	-	(218)	73	73	73	3	1
2	Customer Portfolio Shared Earnings	24463	(4,113)	200	-	-	(3,913)	1,304	1,304	1,304	3	2
3	Deferred Tax Liabilities Carrying Charge	24462	(5,100)	(2,919)	-	3,049	(4,970)	1,657	1,657	1,657	3	3
4	Environmental Carrying Charge	24485	(202)	115	-	105	18	(6)	(6)	(6)	3	4
5	Energy Efficiency		-	-	-	-	-	(54)	(107)	(161)	10	5
6	Excess FIT - 2018		-	(8,167)	-	-	(8,167)	1,633	1,633	1,633	5	6
7	Interest on Pollution Control Debt	24326	(2,571)	-	-	3,085	514	(171)	(171)	(171)	3	7
8	Interest Repair Allowance / Bonus Depreciation	24472	(728)	-	-	456	(272)	91	91	91	3	8
9	Low Income	15244	468	3,584	(1,900)	(582)	1,570	(523)	(523)	(523)	3	9
10	Medicare Part D	14409	1,131	-	-	(1,358)	(227)	76	76	76	3	10
11	MGP Sites	14605/22301	895	2,604	-	(1,700)	1,799	(360)	(360)	(360)	5	11
12	Non Officer Management Variable Pay	24514	(90)	807	(807)	-	(90)	30	30	30	3	12
13	NorthStar Management Audit Fees	15157	36	-	-	-	36	(12)	(12)	(12)	3	13
14	NYSIT Rate Change	24393	(30)	43	-	344	357	(119)	(119)	(119)	3	14
15	OPEB	14402/24366	(1,966)	883	(558)	2,452	811	(270)	(270)	(270)	3	15
16	Other Environmental Sites	14601	573	16	-	(156)	433	(87)	(87)	(87)	5	16
17	Pension	14401/24483	(1,998)	9,722	(6,231)	(1,484)	9	(3)	(3)	(3)	3	17
18	Plant Reconciliation	24399	(89)	-	-	-	(89)	30	30	30	3	18
19	Property Tax Refunds	24407	(188)	-	-	41	(147)	49	49	49	3	19
20	Property Taxes	14757	18,870	23,591	(25,298)	(6,807)	10,357	(3,452)	(3,452)	(3,452)	3	20
21	R&D	24408	1,413	(1,412)	(251)	53	(197)	66	66	66	3	21
22	Rate Case Costs	15171	580	724	-	(46)	1,258	(419)	(419)	(419)	3	22
23	Rate Case Incentives	17030	500	242	-	-	742	(247)	(247)	(247)	3	23
24	Case 05-G-1594 interest on revenue deferral	15125	14	-	-	(17)	(3)	1	1	1	3	24
25	Customer Outreach Program	24321	(50)	-	-	60	10	(3)	(3)	(3)	3	25
26	Gas Economic Development Enhancement Pilot Program	15137	17	-	-	(20)	(3)	1	1	1	3	26
27	Pension Phase-in	14407	8,680	-	(10,417)	-	(1,736)	579	579	579	3	27
28	Tax on Health Insurance Plans		(72)	(433)	-	-	(505)	168	168	168	3	28
Total			\$ 16,048	\$ 29,314	\$ (45,461)	\$ (2,525)	\$ (2,623)	\$ 32	\$ (21)	\$ (75)		

Items to exclude:

Energy Efficiency	(54)	(107)	(161)
Total	(54)	(107)	(161)
Net Annual Amortization	86	86	86

ORANGE AND ROCKLAND UTILITIES, INC.
Other Operating Revenues - Gas
June 15, 2018 Update
For The Twelve Months Ending December 31, 2019, 2020, and 2021
(\$'000s)

Line No.	Ref	RY1					RY 2					RY 3								
		Initially Filed	Preliminary Update	As Updated	Formal Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Escalation for Inflation	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Escalation for Inflation	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase		
Miscellaneous Service & Other Revenues																				
1		8		\$ 8		\$ 8		\$ 8		\$ 10		\$ 10		\$ 10		\$ 10		\$ 10		
2		13		13		13		-		13		13		-		13		13		
3		835		835	(0)	835	(2)	833	48	881	23	904	30	934	4	938		938		
4	B1	-	30	30		30		30		30		30		30		30		30		
5		-		-		-		-		-		-		-		-		-		
6		1,136		1,136		1,136		1,136		1,136		1,136		1,136		1,136		1,136		
7		(7)		(7)		(7)		(7)		(7)		(7)		(7)		(7)		(7)		
8		162		162		162		162		162		162		162		162		162		
9		2		2		2		2		2		2		2		2		2		
10		0		0		0		0		0		0		0		0		0		
		Total		2,150	30	2,180	(0)	2,180	(2)	2,178	49	-	2,227	23	2,250	30	-	2,280	4	2,284
Rents																				
11		409		409		409		409		409		409		409		409		409		
		Total		409		409		409		409		409		409		409		409		
Revenues Offset in Sales, Energy Clauses or O&M:																				
12		-		-		-		-		-		-		-		-		-		
13		-		-		-		-		-		-		-		-		-		
14		-		-		-		-		-		-		-		-		-		
15		-		-		-		-		-		-		-		-		-		
16		-		-		-		-		-		-		-		-		-		
17		-		-		-		-		-		-		-		-		-		
18		-		-		-		-		-		-		-		-		-		
19		-		-		-		-		-		-		-		-		-		
20		-		-		-		-		-		-		-		-		-		
21		-		-		-		-		-		-		-		-		-		
		Total		-		-		-		-		-		-		-		-		
Regulatory Accounting (Reconciliations / Amortizations):																				
22		-		-		-		-		-		-		-		-		-		
23		-		-		-		-		-		-		-		-		-		
24		-		-		-		-		-		-		-		-		-		
25		-		-		-		-		-		-		-		-		-		
26		-		-		-		-		-		-		-		-		-		
27		-		-		-		-		-		-		-		-		-		
28		-		-		-		-		-		-		-		-		-		
29		-		-		-		-		-		-		-		-		-		
30		-		-		-		-		-		-		-		-		-		
31		-		-		-		-		-		-		-		-		-		
		Total		-		-		-		-		-		-		-		-		
		Total Other Operating Revenues		\$ 2,560	\$ 30	\$ 2,590	(0)	\$ 2,589	(2)	\$ 2,587	\$ 49	\$ -	\$ 2,636	\$ 23	\$ 2,659	\$ 30	\$ -	\$ 2,689	\$ 4	\$ 2,693

ORANGE AND ROCKLAND UTILITIES, INC.
 Gas Operation and Maintenance Expenses
 June 15, 2018 Update
 For The Twelve Months Ending December 31, 2019, 2020, and 2021
 (\$000s)

Line No.	Ref	RY1						RY2				RY3				Line No.	General Escalation	Labor Escalation		
		Initially Filed	Preliminary Update	Incremental change in General Escalation	Incremental change in Labor Escalation	As Updated	Formal Update	Incremental change in General Escalation	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Escalation	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase				Rate Year Adjustments	Escalation
1		\$ 61,661		-	-	61,661		-	\$ 61,661	\$ 61,661	\$ 12,166	\$ -		\$ 73,827	\$ 7,327	\$ -	\$ 81,154	1	N	N
2		(280)		-	(1)	(281)		-	(281)	(281)		(6)	(287)		(5)	(292)	2	N	Y	
3		100		0	-	101		0	101	101		2	103		2	105	3	Y	N	
4		3,934		-	17	3,951		-	3,951	3,951		87	4,038		73	4,111	4	N	Y	
5		5,303		-	23	5,326		-	5,326	5,326		118	5,444		98	5,542	5	N	Y	
6		18,312	(1,397)	-	74	16,989		-	16,989	16,989		376	17,365		314	17,678	6	N	Y	
7		1,854	1,397	-	14	3,265		-	3,265	3,265		72	3,337		60	3,398	7	N	Y	
8		0		-	0	0		-	0	0		0	0		0	0	8	N	Y	
9		607		2	-	609		0	609	609		13	622		13	635	9	Y	N	
10		5,002		-	-	5,002		-	5,002	5,002	387	-	5,389		415	5,805	10	N	N	
11		-		-	-	-		-	-	-		-	-		-	-	11	N	N	
12		412		1	-	413	(149)	(7)	257	257		5	263		6	268	12	Y	N	
13		2,222		6	-	2,228	(66)	(2)	2,160	2,160	99	47	2,307		99	2,456	13	Y	N	
14		142		0	-	142		0	142	142		3	145		3	149	14	Y	N	
15		309		1	-	310		0	310	310	(5)	6	312	(5)	6	314	15	Y	N	
16		152		0	-	152		0	152	152		3	155		3	159	16	Y	N	
17		282		1	-	283		0	283	283		6	289		6	295	17	Y	N	
18		4,838		14	-	4,852		2	4,854	4,854		102	4,956		104	5,060	18	Y	N	
19		424		1	-	425		0	426	426		9	434		9	444	19	Y	N	
20		-		-	-	-		-	-	-		-	-		-	-	20	N	N	
21		-		-	-	-		-	-	-		-	-		-	-	21	N	N	
22		1,933		6	-	1,938	(275)	(12)	1,651	1,651		35	1,687	(1)	35	1,721	22	Y	N	
23		2,035		6	-	2,040	18	2	2,060	2,060	117	46	2,223		21	2,291	23	Y	N	
24		9,885	(1,099)	(24)	-	8,762		4	8,766	8,766	10	184	8,960		10	9,159	24	Y	N	
25		1,498	1,099	56	-	2,653		1	2,654	2,654	50	57	2,761		75	2,896	25	Y	N	
26		3		0	-	3		0	3	3		0	3		0	4	26	Y	N	
27		154	(36)	-	-	118		-	118	118	(7)	-	111	(2)	-	110	27	N	N	
28		9,439	(226)	-	-	9,213	(517)	-	8,696	8,696	(1,018)	-	7,678	(3,130)	-	4,548	28	N	N	
29		179		-	-	179	(125)	-	54	54		54	107		54	161	29	N	N	
30		-		-	-	-		-	-	-		-	-		-	30	N	N	N	
31		1,706	(109)	-	-	1,596	928	-	2,525	2,525	1,892	-	4,417		45	4,462	31	N	N	
32		-		-	-	-		-	-	-		-	-		-	32	N	N	N	
33		-		-	-	-		-	-	-		-	-		-	33	N	N	N	
34		-		-	-	-		-	-	-		-	-		-	34	N	N	N	
35		(0)		(0)	-	(0)		(0)	(0)	(0)		(0)	(0)		(0)	(1)	35	Y	N	
36		713	211	12	-	936		0	936	936		20	956		20	976	36	Y	N	
37		-		-	-	-		-	-	-		-	-		-	-	37	N	N	
38		31		0	-	32		0	32	32		1	32		1	33	38	Y	N	
39		285	(261)	(12)	-	12		0	12	12		0	12		0	12	39	Y	N	
40		-		-	-	-		-	-	-		-	-		-	-	40	N	N	
41		465		-	-	465		-	465	465	(428)	-	37	(37)	-	-	41	N	N	
42		961	(50)	-	-	911	50	-	961	959	(2)	55	1,040		35	1,079	42	N	N	
43		335		-	-	335		-	335	335		-	335		-	335	43	N	N	
44		102	(26)	(1)	-	75		0	75	75		2	77		2	79	44	Y	N	
45		(42)		-	-	(42)		-	(42)	(42)		-	(42)		-	(42)	45	N	N	
46		59	24	1	-	85		0	85	85		2	87		2	88	46	Y	N	
47		-		-	-	-		-	-	-		-	-		-	-	47	N	N	
48		-		-	-	-		-	-	-		-	-		-	-	48	N	N	
49		-		-	-	-		-	-	-		-	-		-	-	49	N	N	
50		-		-	-	-		-	-	-		-	-		-	-	50	N	N	
51		\$ 135,016	\$ (475)	\$ 73	\$ 127	\$ 134,742	\$ (136)	\$ (11)	\$ 134,594	\$ (2)	\$ 134,592	\$ 13,374	\$ 1,189	\$ 26	\$ 149,181	\$ 4,906	\$ 1,098	\$ 5	\$ 155,190	51

Orange and Rockland Utilities, Inc.

Gas Plant Depreciation Expense Summary

With Proposed Depreciation Rate

June 15, 2018 Update

For The Twelve Months Ending December 31, 2019, 2020, and 2021
 (\$000s)

Ref	RY1					RY 2		RY 3		
	Initially Filed	Preliminary Update	As Updated	Formal Update	Rate Year	Rate Year	Rate Year	Rate Year		
					as Adjusted for Proposed Rate Increase	as Adjusted for Proposed Rate Increase	as Adjusted for Proposed Rate Increase	as Adjusted for Proposed Rate Increase		
					Rate Year Adjustments	Rate Year Adjustments	Rate Year Adjustments	Rate Year Adjustments		
Gas Depreciation Expense Summary:										
Gas (Line 105)	D1	\$ 21,463	\$ 36	\$ 21,499	\$ 33	\$ 21,531	\$ 790	\$ 22,321	\$ 966	\$ 23,287
Less Clearing Accounts: Vehicles (line 101)	D2	(686)	(8)	(694)	0	(694)	2	(692)	2	(690)
Total Direct Gas Depreciation Expense		20,777	28	20,805	33	20,837	792	21,629	967	22,596
Common Gas Depreciation Allocated (line 226)	D3	5,241	(12)	5,228	2	5,230	462	5,692	(232)	5,460
Less Clearing Accounts: Vehicles (line 221)	D4	(647)	88	(559)	0	(559)	(106)	(664)	(191)	(855)
Total Common Gas Depreciation Expense		4,594	76	4,670	2	4,672	356	5,028	(423)	4,605
Pension & OPEB Adjustment and New Oracle Agreement	D5		(49)	(49)	119	70	(32)	39	(19)	19
Grand Total Gas Depreciation Expense		\$ 25,371	\$ 55	\$ 25,425	\$ 154	\$ 25,580	\$ 1,116	\$ 26,696	\$ 525	\$ 27,221

ORANGE AND ROCKLAND UTILITIES, INC.
 State Income Tax - Gas
 June 15, 2018 Update
 For The Twelve Months Ending December 31, 2019, 2020 and 2021
 (\$000s)

	RY1						RY2				RY3				
	Initially Filed	Preliminary Update	As Updated	Formal Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase
Operating Income Before Income Tax	\$ 37,702	\$ 1,177	\$ 38,879	\$ 1,748	\$ 40,627	\$ (496)	\$ 40,131	\$ (4,317)	\$ 35,815	\$ 6,079	\$ 41,894	\$ 407	\$ 42,300	\$ 1,185	\$ 43,485
Interest Expense	(12,881)	241	(12,640)	(378)	(13,018)	(13,018)	(13,018)	(712)	(13,729)	(13,729)	(13,729)	(747)	(14,477)	(14,477)	(14,477)
Operating Income Before Federal Income Tax	24,821	1,419	26,240	1,370	27,610	(496)	27,114	(5,028)	22,085	6,079	28,164	(341)	27,823	1,185	29,008
<u>Normalized Items</u>															
Lien Date Property Tax	-	(331)	(331)		(331)	(331)	(331)	(14)	(344)	(344)	(344)	(13)	(358)	(358)	(358)
Book Depreciation	26,703	24	26,727	(35)	26,692	26,692	26,692	1,191	27,883	27,883	27,883	857	28,740	28,740	28,740
Method/Life Depreciation	(45,382)	4	(45,378)	100	(45,278)	(45,278)	(45,278)	943	(44,335)	(44,335)	(44,335)	3,000	(41,335)	(41,335)	(41,335)
263A Capitalized Overheads	(535)	0	(535)	(0)	(535)	(535)	(535)	-	(535)	(535)	(535)	-	(535)	(535)	(535)
Removal Costs	(915)	(43)	(958)	0	(958)	(958)	(958)	-	(958)	(958)	(958)	-	(958)	(958)	(958)
Tax Gain/(Loss) on Disposition of Assets	(190)	69	(121)	0	(121)	(121)	(121)	21	(100)	(100)	(100)	20	(80)	(80)	(80)
Management Benefits	(127)	(0)	(127)	0	(127)	(127)	(127)	(255)	(382)	(382)	(382)	(209)	(591)	(591)	(591)
Materials and Supplies	(1,496)	(0)	(1,496)	0	(1,496)	(1,496)	(1,496)	-	(1,496)	(1,496)	(1,496)	-	(1,496)	(1,496)	(1,496)
Total Normalized Items	(21,942)	(277)	(22,219)	66	(22,154)	-	(22,154)	1,886	(20,267)	-	(20,267)	3,655	(16,613)	-	(16,613)
NYS Taxable Income	2,879	1,141	4,020	1,436	5,456	(496)	4,960	(3,142)	1,818	6,079	7,897	3,314	11,211	1,185	12,396
<u>Tax Computation</u>															
Current NYS Income Tax	187	74	261	93	355	(32)	322	(204)	118	395	513	215	729	77	806
Deferred NYS Income Tax	1,185	(3)	1,182	201	1,383	1,383	1,383	(131)	1,252	1,252	1,252	(234)	1,018	1,018	1,018
Total New York State Income Tax	\$ 1,372	\$ 71	\$ 1,443	\$ 294	\$ 1,738	\$ (32)	\$ 1,705	\$ (335)	\$ 1,370	\$ 395	\$ 1,765	\$ (19)	\$ 1,747	\$ 77	\$ 1,824

ORANGE AND ROCKLAND UTILITIES, INC.
 Federal Income Tax - Gas
 June 15, 2018 Update
 For The Twelve Months Ending December 31, 2019, 2020 and 2021
 (\$000s)

	RY1						RY2				RY3				
	Initially Filed	Preliminary Update	As Updated	Formal Update	As Updated	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase	Rate Year Adjustments	Rate Year As Adjusted	Proposed Rate Increase	Rate Year as Adjusted for Proposed Rate Increase
Operating Income Before Income Tax	\$ 37,702	\$ 1,177	\$ 38,879	\$ 1,748	\$ 40,627	\$ (496)	\$ 40,131	\$ (4,317)	\$ 35,815	\$ 6,079	\$ 41,894	\$ 407	\$ 42,300	\$ 1,185	\$ 43,485
Interest Expense	(12,881)	241	(12,640)	378	(12,262)	(12,262)	(12,262)	(712)	(12,973)	(12,973)	(12,973)	(747)	(13,721)	(13,721)	(13,721)
Operating Income Before Federal Income Tax	24,821	1,419	26,240	2,126	28,366	(496)	27,870	(5,028)	22,841	6,079	28,920	(341)	28,579	1,185	29,764
Flow Through Items															
Lien Date Property Tax	-	(331)	(331)	-	(331)	(331)	(331)	(14)	(344)	(344)	(344)	(13)	(358)	(358)	(358)
Method/Life Depreciation - Flow-thru - Existing	(593)	4,805	4,212	(9,594)	(5,382)	(5,382)	(5,382)	(383)	(5,765)	(5,765)	(5,765)	(274)	(6,039)	(6,039)	(6,039)
Method/Life Depreciation - Flow-thru - Proposed	167	352	519	(832)	(313)	(313)	(313)	(15)	(328)	(328)	(328)	7	(321)	(321)	(321)
Book Depreciation on Cost of Removal - Existing	-	(4,695)	(4,695)	9,405	4,710	4,710	4,710	221	4,931	4,931	4,931	237	5,168	5,168	5,168
Book Depreciation on Cost of Removal - Proposed	-	(518)	(518)	1,021	503	503	503	23	526	526	526	25	551	551	551
Removal Costs - Existing	-	(945)	(945)	(13)	(958)	(958)	(958)	(0)	(958)	(958)	(958)	-	(958)	(958)	(958)
Removal Costs - Proposed	(915)	901	(14)	14	-	-	-	-	-	-	-	-	-	-	-
Tax Gain/(Loss) on Disposition of Assets - Existing	51	51	102	14	116	116	116	(2)	114	114	114	0	114	114	114
Tax Gain/(Loss) on Disposition of Assets - Proposed	-	13	13	(13)	-	-	-	-	-	-	-	-	-	-	-
Total Flow-Through Items	(1,290)	(366)	(1,656)	1	(1,655)	-	(1,655)	(170)	(1,825)	-	(1,825)	(18)	(1,843)	-	(1,843)
Normalized Items															
Method/Life Depreciation - Normalized - Existing	(8,318)	516	(7,802)	(367)	(8,169)	(8,169)	(8,169)	1,423	(6,746)	(6,746)	(6,746)	2,889	(3,857)	(3,857)	(3,857)
Method/Life Depreciation - Normalized - Proposed	1,639	(434)	1,205	431	1,636	1,636	1,636	73	1,709	1,709	1,709	42	1,751	1,751	1,751
Computerized Software Book Depreciation - Existing	2,804	(549)	2,255	(0)	2,255	2,255	2,255	(408)	1,847	1,847	1,847	(189)	1,658	1,658	1,658
Computerized Software Book Depreciation - Proposed	(552)	552	-	-	-	-	-	-	-	-	-	-	-	-	-
263A Capitalized Overheads	(535)	0	(535)	(0)	(535)	(535)	(535)	0	(535)	(535)	(535)	-	(535)	(535)	(535)
Management Benefits	(127)	(0)	(127)	0	(127)	(127)	(127)	(255)	(382)	(382)	(382)	(209)	(591)	(591)	(591)
Materials and Supplies	(1,496)	(0)	(1,496)	0	(1,496)	(1,496)	(1,496)	(0)	(1,496)	(1,496)	(1,496)	-	(1,496)	(1,496)	(1,496)
Total Normalized Items	(6,585)	84	(6,501)	65	(6,436)	-	(6,436)	834	(5,602)	-	(5,602)	2,533	(3,070)	-	(3,070)
Total Adjustments to Income	(7,875)	(282)	(8,157)	66	(8,091)	-	(8,091)	663	(7,427)	-	(7,427)	2,515	(4,912)	-	(4,912)
Taxable Income Before Current State Tax Deduction	16,946	1,137	18,083	2,192	20,275	(496)	19,779	(4,365)	15,414	6,079	21,493	2,174	23,667	1,185	24,852
Less: Current State Tax	(187)	(74)	(261)	(93)	(355)	32	(322)	204	(118)	(395)	(513)	(215)	(729)	(77)	(806)
Federal Taxable Income	16,759	1,063	17,822	2,099	19,920	(464)	19,457	(4,161)	15,296	5,684	20,980	1,958	22,938	1,108	24,046
Tax Computation															
Current Federal Income Tax	3,519	223	3,743	441	4,183	(97)	4,086	(874)	3,212	1,194	4,406	411	4,817	233	5,050
Deferred Federal Income Tax	2,364	20	2,384	(289)	2,094	2,094	2,094	(81)	2,013	2,013	2,013	(408)	1,605	1,605	1,605
Excess Deferred Federal Income Tax - Property	(1,139)	-	(1,139)	-	(1,139)	(1,139)	(1,139)	(80)	(1,219)	(1,219)	(1,219)	(55)	(1,274)	(1,274)	(1,274)
Excess Deferred Federal Income Tax - Non-Property	72	-	72	-	72	72	72	-	72	72	72	-	72	72	72
R&D Tax Credit	-	-	-	(47)	(47)	(47)	(47)	-	(47)	(47)	(47)	-	(47)	(47)	(47)
Total Federal Income Tax - Gas	\$ 4,816	\$ 243	\$ 5,059	\$ 104	\$ 5,164	\$ (97)	\$ 5,066	\$ (1,035)	\$ 4,031	\$ 1,194	\$ 5,225	\$ (52)	\$ 5,173	\$ 233	\$ 5,405

ORANGE AND ROCKLAND UTILITIES, INC.

Interest Expense - Gas

June 15, 2018 Update

For The Twelve Months Ending December 31, 2019, 2020 and 2021
 (\$000s)

	RY1	Preliminary Update	As Updated	Formal Update	As Updated	RY2	RY3
Rate Base	\$ 470,058	\$ (3,453)	\$ 466,605	\$ (12,966)	\$ 453,639	\$ 474,138	\$ 491,957
Interest Bearing CWIP	7,074		7,074		7,074	11,835	20,291
Dividends Declared	(2,127)		(2,127)		(2,127)	(2,127)	(2,127)
Total	475,005	(3,453)	471,552	(12,966)	458,587	483,846	510,121
Interest Cost Factor (Debt + Customer Deposits)	2.71%		2.68%		2.67%	2.68%	2.69%
Allowable Interest Deduction	\$ 12,881	\$ (241)	\$ 12,640	\$ (378)	\$ 12,262	\$ 12,973	\$ 13,721

ORANGE AND ROCKLAND UTILITIES, INC. AND SUBSIDIARIES

Interest Coverage Ratios - Gas
 June 15, 2018 Update
 For The Twelve Months Ending December 31, 2019
 (\$000s)

12 Months
 Ending

	December 2014 Actual	December 2015 Actual	December 2016 Actual	December 2017 Actual	December 2019 Estimate
Earnings					
Net Income	\$ 60,130	\$ 52,168	\$ 59,217	\$63,863	\$ 64,800
Federal Income & State Tax	35,429	29,568	36,195	41,669	22,928
Total Earnings Before Federal and State Income Tax	95,559	81,736	95,412	105,532	87,728
Fixed Charges*	36,985	37,382	38,511	38,702	43,434
Total Earnings Before Federal and State Income Tax and Fixed Charges	<u>\$132,544</u>	<u>\$119,118</u>	<u>\$133,923</u>	<u>\$144,234</u>	<u>\$131,161</u>
* Fixed Charges					
Interest on Long-Term Debt	31,581	32,068	35,839	35,187	38,604
Amortization of Debt Discount, Premium and Expense	1,018	695	553	513	317
Interest Component on lease Payment	1,820	1,672	1,359	1,601	1,359
Other Interest	2,566	2,947	760	1,401	3,154
Total Fixed Charges	<u>\$36,985</u>	<u>37,382</u>	<u>38,511</u>	<u>38,702</u>	<u>43,434</u>
Interest Coverage (Times)	<u>3.58</u>	<u>3.19</u>	<u>3.48</u>	<u>3.73</u>	<u>3.02</u>

ORANGE AND ROCKLAND UTILITIES, INC.
 General Inflation Factors
 June 15, 2018 Update
 GDP Deflator 2009=100
 Forecast Prepared October 2017

	2010	2011	2012	2013	2014	2015	2016	Forecast				
								2017	2018	2019	2020	2021
Mar. 31	100.52	102.40	104.47	106.36	108.12	109.31	110.58	112.80	114.80	117.30	119.76	122.28
Jun. 30	100.97	103.15	104.94	106.62	108.71	109.92	111.25	113.00	115.40	118.00	120.48	123.01
Sep. 30	101.43	103.77	105.51	107.13	109.17	110.25	111.63	113.60	116.00	118.60	121.09	123.63
Dec. 31	101.95	103.92	105.94	107.59	109.30	110.50	112.19	114.30	116.70	119.30	121.81	124.36
Average	101.2	103.3	105.2	106.9	108.8	110.0	111.4	113.4	115.7	118.3	120.8	123.3

Annual Average

Year-over-	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
year % change	1.2%	2.1%	1.8%	1.6%	1.8%	1.1%	1.3%	1.8%	2.0%	2.1%	2.1%	2.1%

Average 12 months Ended September 30, 2017	(Test Year)	112.9
Average 12 months Ending December 31, 2019	(Forecast)	118.3
Average 12 months Ending December 31, 2020	(Forecast)	120.8
Average 12 months Ending December 31, 2021	(Forecast)	123.3

Escalation rate for the 12 Months	
Ending 9/30/17 to the 12 Months	
Ending 12/31/19 - Rate Year 1	1.0479
	4.79%
Rate Year 2 (increase over Rate Year 1)	
	1.0210
	2.10%
Rate Year 3 (increase over Rate Year 2)	
	1.0210
	2.10%

Notes: Actual GDP Deflator from BEA.
 Quarterly Forecasts for 2018 and 2019 from Blue Chip dated May, 2018
 Annual Forecasts for 2020 on are from **Blue Chip** dated February 2018.
 The quarterly values for 2019 on are extrapolated by applying the year-over-year rate to the prior year's corresponding quarter.

ORANGE AND ROCKLAND UTILITIES, INC.
 Summary of Adjustments
 June 15, 2018 Update
 For The Twelve Months Ending December 31, 2019
 (\$000s)

	RY1 Impact of Preliminary Update	RY1 Impact of Formal Update	RY2 Impact of Formal Update	RY3 Impact of Formal Update
O Sales & Deliveries to Public				
1 To reflect updated sales revenue forecasts	-	(51)	\$ (9)	\$ 11
		(51)	(9)	11
A Deferrals				
1 To reflect updated deferral balances as of December 2017 and updated projections during the linking period.	(558)			
2 To reflect updated deferral amortizations including accelerated tax law change and reduced R&D amortizations, partially offset by the inclusion of SIR amortizations	-	(1,805)	0	(0)
		(1,805)	0	(0)
B Other Operating Revenues				
1 To adjust for Pike Corning ESA	30			
	30	-	-	-
C Operations & Maintenance Expense				
Change in general escalation, including change in rate to reflect revised inflation factors	73	(11)	21	23
Change in labor escalation rate to reflect a computational error identified in IR#399	127		(0)	0
6 Company Labor - Gas Ops: To move historic level for cost center code 2260 from Ops- Gas Operations to Ops- Engineering per IR#429	(1,397)			
7 Company Labor - Gas Engineering: To move historic level for cost center code 2260 from Ops- Gas Operations to Ops- Engineering per IR#429	1,397			
12 Facilities: To accept staff's adjustment to forecast the rate year level based on a 5 year average		(149)		
13 Information Technology: To accept staff's adjustment for Oracle partnership savings per IR# 641		(66)	99	99
22 Ops - Corporate and Shared Services: Update to Gas training facility		(275)		
23 Ops - Customer Operations: CSS system		18	121	(25)
24 Ops - Gas Operations: To move historic level and program changes for cost center code 2260 from Ops- Gas Operations to Ops- Engineering per IR#429	(1,099)			
25 Ops - Gas Engineering: To move historic level and program changes for cost center code 2260 from Ops- Gas Operations to Ops- Engineering per IR#429	1,099			
27 Other Compensation: To reflect update on Other Compensation of updated stock price and projections as of 3/31.	(37)			
28 To reflect updated actuary report for Pension and OPEB Costs	(226)	(517)	(118)	6
29 RCA - Amort. Of Energy Efficiency - updated based on revised projections and 10 year recovery for formal update	-	(125)	(125)	(125)
31 MGP/Superfund - Prelim: Updated for Dec '17 balance and updated projections. Update: Reflects full expensing of projected rate year costs and excludes deferral amortization	(109)	928	888	(2,178)
36 Regulatory Commission Expense - General and R&D: To update for projections of commission expenses	211			
39 Research and Development: Adjustment to normalize the historic level Millennium charges that were recovered through surcharge	(261)			
42 To reflect rate year forecast for Uncollectible Reserve - Customer				
a To reflect UB rate as of Feb 2018 of .40% vs .42%	(50)			
b To reflect UB impact of proposed rate adjustment	(8)			
c To reflect UB rate as of April 2018 of .42% vs .40%		50	3	2
d To reflect UB impact of proposed rate adjustment for Final Update		(13)	(1)	(15)
44 To reflect allocation change (C0 to A0) of Worker's Comp NYS				
44 Assessment as discussed in IR-534	(26)			
46 To reflect correction of a manual adjustment made in Program change for Company Labor - Fringe Benefit Adjustment	24			
	(283)	(160)	887	(2,212)
D Depreciation				
1 Gas	36	33	17	(45)
2 Less Clearing Accounts: Vehicles	(8)	-	-	-
3 Common Gas Depreciation Allocated	(12)	2	13	-
4 Less Clearing Accounts: Vehicles	88	-	-	-
5 a Pension and OPEB Adjustment	(49)	-	-	-
5 b New Oracle Program	-	119	(10)	(12)
	55	154	20	(56)
E Taxes Other Than Income Taxes				
1 Change in forecasted property taxes	(437)	-	-	-
2 Change in forecasted payroll taxes	12	-	-	-
3 Revenue Taxes	56	(1)	0	(0)
	(369)	(1)	0	(0)

Case 18-G-0068

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Orange and Rockland Utilities, Inc.
Explanation of Staff's Adjustments
For the Rate Year Ending December 31, 2019
(\$000's)

<u>Adj. No.</u>	<u>Explanation</u>	<u>Amount</u>
1	<u>Sales Revenues - Schedule 1</u>	
a.	To reflect Staff's rate year sales revenues forecast. (SGRP)	\$ 30
2	<u>Operation and Maintenance Expense - Schedule 3</u>	
a.	Employee Welfare Expense	
	To reflect Staff's adjustment to the Company's health insurance expense. (Shang)	(875)
b.	Facilities	
	To reflect Staff's proposal of 5-year average of Facilities costs plus inflation. (SRRP)	(149)
c.	Information Technology	
	To impute savings associated with the Oracle partnership. (Manz)	(66)
d.	Ops - Corporate & Shared Services	
	To reflect Staff's proposal of removing training facility lease costs. (SGIOP)	(300)
e.	Ops - Gas Operations	
	To reflect Staff's normalizing adjustment to Leak Repair under Gas Operations. (SGIOP)	(365)
	To remove Residential Methane Detector Rebate program. (SGIOP)	(240)
	Total Adjustment to Ops - Gas Operations	(605)
f.	Ops - Engineering	
	To Staff's removal of Pipeline Integrity & Risk Consulting Funds. (SGIOP)	(75)
	To reflect Staff's removal of fund for work Procedure & Standards Enhancements. (SGIOP)	(125)
	To reflect Staff's normalizing adjustments to Ops - Engineering. (SGIOP)	(666)
	Total Adjustment to Ops - Engineering	(866)
g.	Gas Energy Efficiency	
	To reflect Staff proposal of amortizing EEPS liability over 6 years. (SMIP)	526
h.	MGP Sites and Other Environmental Cost	
	To reduce MGP deferral amortization related to travelers insurance claims. (SIRP)	(1,005)
	To increase MGP rate year allowance for full amount of projected spending. (SIRP)	3,920
	To reduce MGP rate year allowance to initial filing level. (SIRP)	(957)
	Total Adjustment to MGP Sites and Other Environment Cost	1,958
i.	Savings	
	To reflect Staff's imputation of savings associated with the BCO program. (Manz)	(800)
j.	Productivity	
	To reflect Staff's productivity adjustments. (O'Neil)	(133)
	Total Adjustment to Operation & Maintenance Expense	(1,310)
3	<u>Depreciation</u>	
a.	To reflect Staff's adjustment due to depreciation rate changes. (SGIOP)	(1,391)
b.	To reflect Staff's adjustment for plant in service. (SGIOP)	(24)
	Total Adjustment to Depreciation Expense	(1,415)
4	<u>Regulatory Amortizations & Deferrals - Schedule 4</u>	
a.	To reflect Staff's adj. to the amortization of 2018 regulatory deferral balance for tax reform. (Shang)	(1,291)
b.	To reflect the correct 3-year amortization expense for R&D O&M Expense Deferral. (Adkins)	(754)
		(2,045)
5	<u>Taxes Other Than Income Taxes - Schedule 5</u>	
a.	To reflect estimated tax savings from property tax settlement. (SRRP)	(20)
b.	To reflect Staff's adjustment to Payroll Taxes. (O'Neil)	(21)
	Total Adjustment to Taxes Other Than Income Taxes	(41)

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Orange and Rockland Utilities, Inc.
Explanation of Staff's Adjustments
For the Rate Year Ending December 31, 2019
(\$000's)

<u>Adj. No.</u>	<u>Explanation</u>	<u>Amount</u>
6	<u>New York State Income Tax - Schedule 6</u> To reflect Staff's SIT adjustments per Schedule 6.	<u>\$ 339</u>
7	<u>Federal Income Tax - Schedule 7</u>	
	a. To reflect Staff's method/life Flow-Thru book depreciation per DPS-653. (Shang)	24,472
	b. To reflect Staff's reclassification to Company's Method/Life Depreciation-Flow-Thru-Existing. (Shang)	(4,212)
	c. To reflect Staff's reclassification to Company's Method/Life Depreciation-Flow-Thru-Proposed. (Shang)	(519)
	d. To reflect Staff's reclassification of the Company's Book Depreciation on COR - Existing. (Shang)	4,695
	e. To reflect Staff's reclassification of the Company's Book Depreciation on COR - Proposed. (Shang)	518
	f. To reflect Staff's method/life flu-through tax depreciation. (Shang)	(24,954)
	g. To reflect R&D Tax Credit. (Adkins)	(65)
	Total Adjustment to Federal Income Tax	<u>(65)</u>
8	<u>Rate Base - Schedule 8</u>	
	a. Average Book Cost of Plant	
	1. To reflect Staff's adjustment to gas Plant In Service. (SGIOP)	(1,331)
	2. To reflect Staff's removal of Tuxedo Farms Dev Project from NIBCWIP. (SGIOP)	(1,000)
		(2,331)
	b. Average Accumulated Depreciation To reflect Staff's adjustment to the Acc. Prov. for depreciation of gas Plant in Service. (SGIOP)	757
	Total Adjustment to Net Plant	
	c. Working Capital - Schedule 9 To track Staff's adjustment to Cash Working Capital. (SRRP)	(497)
	d. Regulatory Assets and Liabilities	
	1. To track adjustment related to Staff's Energy Efficiency proposal. (SMIP)	(132)
	2. To track staff's adjustment to the amortization of 2018 Regulatory Liability for tax reform. (Shang)	476
	3. To reduce MGP deferral for insurance claims and rate year expense. (SIRP)	(5,088)
	4. To track adjustment related to gas R&D O&M Expense Deferral. (Adkins)	(1,402)
		(6,146)
	e. Accumulated Deferred Income Taxes	
	1. To track the ADFIT tax effect of Staff's adjustment to book depreciation. (Shang)	(175)
	2. To track the ADSIT tax effect of Staff's adjustment to book depreciation. (Shang)	(54)
	Total Adjustment to Accumulated Deferred Income Taxes	(230)
	Total Adjustment to Rate Base	<u>\$ (8,447)</u>