

depreciation reserve book balance applicable to that portion of the depreciation rate not yet approved by the Commission, the depreciation rates, the docket number of the order approving such rate, and an explanation of any difference. Reflect actual end of base period depreciation reserve functionalized. Show accumulated depreciation and amortization, in columnar form, for the ending base period balances by functional classifications. (Examples are provided in Schedule C-1). For each functional plant classification, show depreciation reserve associated with offshore and onshore plant separately.

(2) *Schedule D-2*. Projected End of Test Period Depreciation Reserve Functionalized. Show the ending test period balance of Accumulated Depreciation Reserve, in columnar form. Show the balance by functional classifications. (Examples are provided in Schedule C-1). For each functional plant classification, show depreciation reserve associated with offshore and onshore plant separately.

(3) *Schedule D-3*. This schedule is part of the workpapers. Give a description of the methods and procedures used in depreciating, depleting, and amortizing plant and recording abandonments. This schedule must be filed only if a policy change has been made effective since the period covered by the last annual report on FERC Form No. 2 or 2-A was filed with the Commission.

(e) *Statement E*. Working Capital. Show the components of working capital in sufficient detail to explain how the amount of each component was computed. Components of working capital, other than cash working capital, may include an allowance for the average of 13 monthly balances of materials and supplies and prepayments actually expended. To the extent the applicant files to adjust the average of any 13 monthly balances, workpapers must be submitted that support the adjustment(s). The following schedules and material must be submitted as part of Statement E:

(1) *Schedule E-1*. Show the computation of cash working capital claimed as an adjustment to the gas company's rate base. Any adjustment to rate base requested must be based on a fully-developed and reliable lead-lag study. The components of the lead-lag study must include actual total company revenues, purchased gas costs, storage expense, transportation and compression of gas by others, salaries and wages, administrative and general expenses, income taxes payable, taxes other than income taxes, and any other

operating and maintenance expenses for the base period. Cash working capital allowances in the form of additions to rate base may not exceed one-eighth of the annual operating expenses, as adjusted, net of non-cash items.

(2) *Schedule E-2*. Set forth monthly balances for materials, supplies and prepayments in such detail as to disclose, either by subaccounts regularly maintained on the books or by analysis of the principal items included in the main account, the nature of such charges.

(3) *Schedule E-3*. This schedule must be submitted only by applicants utilizing an authorized PGA mechanism. Show the quantities and the respective costs of natural gas stored at the beginning of the test period; the input, output, and balance remaining in storage (on a Dth basis); and, associated costs, by months, method of pricing the input, output and balance. Any claimed adjustments must be explained.

(4) *Schedule E-4*. If gas is priced in and out of storage through FERC Account Nos. 164.1, 164.2, and 164.3, the base period's storage activity must be reconciled with amounts charged to such accounts and any difference must be explained. Companies using the last-in-first-out (LIFO) method of storage inventory accounting, must provide the data required by this schedule by LIFO "layers."

(5) *Schedule E-5*. Show the computations, cross-references, and sources from which the data used in computing claimed working capital are derived.

(f) *Statement F-1*. Rate of Return Claimed. Show the percentage rate of return claimed and the general reasons therefor. Where any component of the capital of the filing company is not primarily obtained through its own financing, but is primarily obtained from a company by which the filing company is controlled, as defined in the Commission's Uniform System of Accounts, then the data required by these statements must be submitted with respect to the debt capital, preferred stock capital, and common stock capital of such controlling company or any intermediate company through which such funds have been secured. Furnish the Commission staff a copy of the latest prospectus issued by the filing natural gas company, any superimposed holding company, or subsidiary companies.

(g) *Statement F-2*. Show.

(1) The capitalization, capital structure, cost of debt capital, preferred stock capital, and the claimed return on stockholders' equity;

(2) The weighted cost of each capital class based on the capital structure; and,
(3) The overall rate of return claimed.

(h) *Statement F-3*. Debt Capital. Show the weighted average cost of debt capital based upon the following data for each class and series of long-term debt outstanding according to the balance sheet, as of the end of the 12-month base period of actual experience and as of the end of the 9-month test period.

(1) Title.

(2) Date of issuance and date of maturity.

(3) Interest rate.

(4) Principal amount of issue: Gross proceeds; Underwriters' discount or commission: Amount; Percent gross proceeds; Issuance expense: Amount; Percent gross proceeds; Net proceeds; Net proceeds per unit.

(5) Cost of money: Yield to maturity based on the interest rate and net proceeds per unit outstanding determined by reference to any generally accepted table of bond yields. The yield to maturity is to be expressed as a nominal annual interest rate. For example, for bonds having semiannual payments, the yield to maturity is twice the semiannual rate.

(6) If the issue is owned by an affiliate, state the name and relationship of the owner.

(7) If the filing company has acquired, at a discount or premium, some part of the outstanding debt which could be used in meeting sinking fund requirements, or for other reasons, separately show: the annual amortization of the discount or premium for each series of debt from the date of reacquisition over the remaining life of the debt being retired; and, the total discount and premium, as a result of such amortization, applicable to the test period.

(i) *Statement F-4*. Preferred Stock Capital. Show the weighted average cost of preferred stock capital based upon the following data for each class and series of preferred stock outstanding according to the balance sheet, as of the end of the 12-month base period of actual experience and as of the end of the nine-month test period.

(1) Title.

(2) Date of issuance.

(3) If callable, call price.

(4) If convertible, terms of conversion.

(5) Dividend rate.

(6) Par or stated amount of issue: Gross proceeds; Underwriters' discount or commission: Amount; Percent gross proceeds; Issuance expenses: Amount; Percent gross proceeds; Net proceeds; Net proceeds per unit.

(7) Cost of money: Annual dividend rate divided by net proceeds per unit.