THE COMMONWEALTH OF MASSACHUSETTS
DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

D.T.E. 05-27

DIRECT TESTIMONY
OF
JAMES L. HARRISON

ACCOUNTING COST OF SERVICE STUDY

IN SUPPORT OF
BAY STATE GAS COMPANY'S
REQUEST FOR AN INCREASE IN BASE REVENUES
AND OTHER RATE MODIFICATIONS

EXH. BSG/JLH-2

APRIL 27, 2005

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I. INTRODUCTION

Q. Please state your name, address and position.

A. My name is James L. Harrison. I am a management consultant and Vice President with the firm of Management Applications Consulting, Inc., 1103 Rocky Drive, Suite 201, Reading, PA 19609.

Q. Please state your qualifications.

A. My qualifications are provided in Schedule JLH-1-1.

II. SCOPE OF TESTIMONY

Q. What is your responsibility in connection with this proceeding?

A. In addition to developing the accounting cost of service study, the subject of this Exhibit, I am also responsible for the marginal cost study and for the proposed revisions for the Cost of Gas Adjustment Clause Bay State Gas Company ("Bay State" or the "Company) used in rate design in this filing.

Q. Please outline the organization of your testimony and schedules.

A. My testimony is organized into three Exhibits, this being the second exhibit. In this exhibit, I present the results of my Class Cost of Service Study ("COSS") and discuss the methods I have employed, including the more significant allocation factors.

In addition to this exhibit, Exhibit BSG/JLH-2, I present my analysis leading to the allocation of gas costs using the Simplified Market Based Allocation method ("SMBA") in Exhibit BSG/JLH-1. Finally, Exhibit BSG/JLH-3 presents the results of my Marginal Cost Study. Since the subjects of gas cost allocation, accounting cost of service and marginal cost studies are all closely related, I have included with each of my Exhibits a complete List of the JLH Schedules to serve as a ready reference.

The schedules accompanying this exhibit are labeled sequentially beginning with Schedule JLH-2-1. Schedule JLH-2-1 summarizes the results of my COSS and reconciles the revenue requirements employed in my study with those shown on Mr. Skirtich's exhibit, Schedule JES-1. In addition to these traditional class cost of service study results, Schedule JLH-2-2 presents the detailed results of my COSS for the delivery function only; all supply-related costs to be recovered through the Cost of Gas Adjustment Clause or the delivery-related costs to be recovered by the Local Distribution Adjustment Clause have been removed. Schedule JLH-2-3 shows a similar level of cost detail by customer class as Schedule JLH-2-2 for only supply-related costs instead of the delivery function. Schedule JLH-2-4 also shows a similar level of cost detail as Schedules JLH-2-2 and -3 reformatted to present these same costs in total for the supply and delivery functions instead of by rate class. Schedule JLH-2-5 presents a summary of the class costs to serve for each rate class at present and proposed rates of return.

Finally, Schedule JLH-2-6 contains a tabulation of the allocation factors, both externally developed and those developed internal to the COSS to provide a complete reference and understanding of the allocation methods employed in my study.

III. ACCOUNTING COST OF SERVICE STUDY

Allocated Cost of Service Study

Q. Would you briefly define an Allocated Cost of Service Study or COSS?

A. The cost to serve the customers of any utility company consists generally of operating expenses and return. For a historical test period, these costs are on record, and the overall cost to serve the collective customers of the utility may be readily established. On the other hand, the unique cost to serve customers in the various service classifications is much less apparent. Costs can vary significantly between customer classes depending upon the nature of their demands upon the system and the facilities required to serve them. The purpose of an Allocated Cost of Service Study is to assign or allocate each relevant component of cost on an appropriate basis in order to determine the proper cost to serve the respective classes. The result is a cost matrix displaying for each cost category the detailed costs of serving each customer class.

Q. Please describe the procedure that you used in preparing your Allocated Cost of Service Study?

A. Through the application of a computerized microcomputer cost model developed by Management Applications Consulting specifically for Bay State's operations, it was possible to treat each element of rate base, revenue and operating expense in detail and to assign or allocate each item to customer classes. The complete process is summarized in Schedule JLH-2-1 and mirrors Bay State's total Company cost to serve as presented by Mr. Skirtich and summarized in a reconciliation schedule at the end of this schedule.

Description of Cost Model

Q. How does the computerized cost model operate?

A. The cost model is essentially a cost matrix. The vertical dimension of the study consists of the detailed costs to serve as provided by the Company. The development of the cost of service study begins with rate base and continues with revenues, operating expenses, taxes, and the computation of a labor allocator. The cost model includes three additional pieces, a summary of costs to serve, a list of the allocation factors employed in the study and a revenue requirements section.

The horizontal portion consists of either customer classes or cost functions. Since the customer classes cannot all fit on a single page, two sub-pages are required to list all customer classes.

Each page, starting with page 1, has an important column immediately preceding the numerical data marked "ALLOC," an abbreviation for ALLOCATOR. The ALLOC column contains an acronym to indicate the allocation factor used to allocate the costs shown in the Total Company column to individual customer classes. A tabulation of these allocators in absolute form, typically total dollars or volumes, and as a percent of total has been provided at the end of each study. In addition to a simple tabulation, these allocation factors are further described in Schedule JLH-2-6.

Using these allocation factors, costs shown in the Total Company column are assigned to each customer class or function shown on the horizontal of the cost study. The cost of service information provided in the vertical column can be of two forms: either per books numbers as reported for the test year or pro forma adjustments, to reflect the adjustments identified by Mr. Skirtich.

Cost of Service Model Allocation Methodology

Q. How did you choose allocation factors for your cost study?

A. Generally speaking, I use a hierarchal approach to assigning costs to customer classes, choosing the highest level available to assign or allocate cost elements in the cost study. The first or highest level is to identify a direct relationship between the cost under study and the individual classes. For example, present

revenue is booked by customer class, so in the cost study, I directly assign present revenues to customer classes. The second level in the hierarchy, lower than a direct assignment, is to employ the results of a special study. When costs cannot be directly assigned to a specific class, a special study can be undertaken to replicate the intended use of specific plant investments or expenses and then assign costs based on the specific use of these assets in the test year. For example, the SMBA gas cost allocation process examined the use of peaking facilities and then assigned these costs to customer classes based on their use in the test year. The third and next lower level in the hierarchy is to develop an external allocator to serve as a basis for cost assignment. For example, the cost of processing a computer generated bill is the same for all classes. An external allocator representing the number of bills produced for each customer class in the test year was developed to allocate these costs. The final alternative, using an internal allocator for cost assignment, is to select some combination of cost elements previously allocated in the cost study to assign certain remaining costs appropriately to customer classes. An internal allocator is a relationship computed from combining more than one cost already allocated in the cost study. As an example, property taxes are assessed by individual taxing authorities based primarily on the plant in service within their jurisdictions. In order to allocate property taxes, I develop an internal allocator for the total of all plant. In this case, total **PLANT** is an internal allocator composed of the sum of each individual item of plant in service, each of which has been previously allocated to customer

classes on some rational basis. Using this hierarchal approach I assign each rate base item or operating expense to customer classes.

Rate Base Allocation

Q. Please describe the allocation of rate base to customer classes.

A. Rate base allocation is shown on pages 2 through 7 of Schedules JLH-2-2 and -3. Plant is shown sequentially at the 3-digit Uniform System of Accounts level. The Company's intangible plant were the first items allocated followed by production plant investment. Since intangible plant could not be assigned to classes using any of the first three levels in the hierarchy of allocation methods, intangible plant was assigned on two internally developed allocators, total plant and total labor.

As I discussed in Exhibit BSG/JLH-1 for gas cost allocation, I employed the Simplified Market Based Allocation ("SMBA") method for gas cost allocation. This method has been selected to allow for consistency in gas cost allocation in the Company's rate design, CGAC filings and capacity assignment filings.

Production plant is assigned primarily to the capacity component and allocated to classes using the allocators for residual production capacity that were identified in Exhibit BSG/JLH-1.

Next, distribution plant was assigned to classes, primarily on the basis of allocation factor **DISTR.** This allocation factor was developed externally and is used for the allocation of distribution plant capacity-related costs such as distribution land and land rights, structures and improvements, measuring and regulating station equipment, other equipment and mains. The allocator **DISTR** itself is based on the Proportional Responsibility method whereby the normalized daily system loads carried by the distribution system are weighted so that costs are assigned to classes based on the variation of sales level from peak to off-peak months.

Q. Please describe the Proportional Responsibility method?

A. This method, often abbreviated as the "PR" method, has a long history of acceptance as an appropriate distribution capacity allocator for gas distribution utilities in Massachusetts. My workpapers include the original article published in 1973 by Gary Grainger in "Public Utilities Fortnightly" and provide a simple example along with my detailed calculations.

Q. What are the customer-related allocation factors included in your cost study?

A. Customer-related plant items were allocated using **CUST**-prefixed allocators for services, meters, and other such customer-related items. These factors, taken from the Company's continuing property records, general accounting records, and any other available sources, serve to allocate the specific customer-related costs incurred for each customer class.

The allocation of services deserves additional discussion. With the exception of Mains, the Services investment in Account 380 is the largest rate base account. However as with most utilities, the Company's property records provide little insight into the proper allocation of these costs to customer classes. There are three important characteristics that differentiate service costs among classes:

(1) Differing initial cost,
(2) Services per customer, and
(3) Vintaging effects.

Q. Could you please elaborate on the first item, differing initial costs?

A. This is the most basic difference between customer classes—the initial costs of installation. These costs are determined by the length of the service, its material whether plastic or steel, the pressure available in the mains serving the customer, the diameter necessary to provide the requested volumes, and the customer contribution, if any. In this manner, a replacement cost new (RCN) was derived for all services on the system. The Company's engineering department developed typical service installations based on current standards and past experience. An estimate of cost for each service was computed and used to estimate replacement cost new for each rate class's services.

Q. Please elaborate on the services per customer factor used to allocate service investment to customer classes.

A. The second factor was the number of services per customer. This allocation factor recognizes the fact that not all customers require a service. For example, one service to an apartment complex or strip mall can serve several customers. I assumed that only small- and medium-sized customers shared services. Using the results of a cost of service study conducted for the Company's last general rate case, I assigned fractionally more than one service to each large and extra-large customer and subtracted the number of assigned services from the total number of services shown in the Company's property records. I divided the number of remaining services by the total number of residential, small and medium C&I customers to develop an appropriate service-per-customer ratio for these classes.

Q. Please elaborate on the vintaging factor affecting service costs.

A. Vintaging refers to the fact that the accounting cost study must allocate the service investment at its original cost as it appears on the books. In the marginal cost study, vintaging is not applicable to service cost estimates, since marginal costs are forward-looking costs. However, vintaging can be a factor in the allocation of original costs. If each class's service costs were affected equally by inflation, and if each class were growing at the same rate, vintaging would not be necessary to develop allocation factors for the accounting cost study. The percentage of investment in the services account serving each class would remain constant from year to year. Unfortunately, the Company had no records to assist in determining the magnitude of the potential vintaging effects. I have assumed that vintaging effects are equal for each class for the purpose of this study.

Therefore, the final step to develop the services allocator was to multiply each class's estimated cost per service by the services-per-customer ratio and the numbers of customers in the class. The resulting values were summed and prorated by a uniform percentage to equal the original cost investment shown on the Company's books.

Q. How was general plant allocated on page 4 of Schedule JLH-2-3?

A. The majority of the items of general plant were allocated on an internally generated labor allocation factor (**LABOR**) based on labor expensed and capitalized for each account in the test year. The labor portion of each Operation and Maintenance function was identified and allocated separately in the same manner as the total accounts were allocated. Similarly capitalized labor costs were assigned to classes on the same basis as the plant function. The allocated labor costs were then subtotaled by class to arrive at the composite allocation factor, **LABOR**.

I noted that the Company has a substantial investment in automated meter reading equipment booked in Account 397, Communications Equipment. Rather than use a general allocator to assign these costs to classes, I assigned them using an internal allocator representing the allocation of metering investment in Account 380 to customer classes.

Q. How was each account of reserves for depreciation allocated?

A. Each account of reserves was allocated on the subtotal of the corresponding allocated costs of its respective plant item.

Q. What other elements of rate base were included in your study?

A. Additions to net plant included materials and supplies and an allowance for cash working capital. The deductions from net plant were customer deposits and a reserve for deferred federal income taxes. Each item was allocated on the most appropriate allocation factor. For example, deferred taxes were segregated between Intangible, Production, Distribution and General plant and then allocated on the subtotal of each of these of these plant categories. Customer deposits were directly assigned to rate classes. Cash working capital was developed internally, using the net lag for purchased gas and other operating and maintenance expenses identified in Mr. Skirtich's lead-lag study, Schedule WC-1. Net lag days were converted to percentages and applied to each element of operations expense.

<u>Operating Expense Allocation</u>

Q. How were operating and maintenance expenses allocated?

A. The allocation of O&M expenses follows the method by which these expenses were incurred. Therefore, the plant-related capacity expenses are allocated using the same allocators used for their associated plant investment.

Q. How were the gas costs allocated?

A. As I mentioned earlier, the demand components of pipeline gas costs were allocated using the Simplified Market Based Allocation method. This method recognizes that gas demands in all months contribute to the need for pipeline supplies, but that the cost assignments should vary just as the demand varies. Cost assignments are greatest in peak months and lowest in light load months. Capacity costs for non-pipeline sources were allocated using this same approach. The monthly commodity component of gas costs was allocated to classes consistently with capacity costs. Base and remaining supplies were each allocated monthly based on normal year sales volumes served.

Q. How were the remaining operation and maintenance expenses allocated?

A. Distribution O&M expenses follow the corresponding allocation of distribution plant. Customer Accounts, Sales Expenses, and Administrative and General Expenses were allocated using a variety of methods based on direct assignments, revenues, sales, gas costs, number of bills and number of customers. Whenever possible, specific information detailing class cost responsibilities was utilized in order to develop the most accurate cost study possible. Externally developed allocators were developed for Accounts 902, 903 and 904. For example, Account 902, Meter Reading Expense, was allocated to customer classes on an externally developed allocator (**CUST902**) which weighted the number of meters with the frequency and cost of the meter reading. A&G expenses are allocated partly on the labor allocator, partly on revenue requirements, partly on gas costs and partly on plant in service, all developed internally.

Account 923, Outside Services, is shown on page 13 of the COSS and merits further discussion. Since the merger with NiSource in 1999, Bay State has relied more heavily on outside services provided by NiSource as Bay State can now avail itself of the specialized services available through NiSource.

My first step in addressing Outside Services expense was to examine the costs billed to Bay State for Gas Dispatching and Gas Acquisition costs. These cost items are incurred to benefit both bundled sales customers, grandfathered and non-grandfathered transportation customers, the latter for which the Company must continue to ensure adequate supply capacity. As an example, the dispatching costs include all costs incurred as operator of the pipelines' gate stations. Some of these costs include nominating gas for estimating daily loads and nominating supplies for bundled sales customers, but they also include some effort to confirm nominations for transportation customers as well as performing balancing of total loads through the gate station. Similarly, the Company purchased commodity exclusively for its bundled sales customers, but it purchases capacity for its bundled sales and non-grandfathered transportation customers. Consequently, the costs for these two tasks were split between supply and delivery functions based on estimates of the time spent by the individuals performing these tasks.

As Mr. Skirtich has testified, the costs for Outside Services billed by NiSource to Bay State are generated on the basis of allocation methods approved by the Securities and Exchange Commission. In performing my cost study, I examined the nature of these costs on a more detailed basis in order to better track cost causation. In particular, NiSource employed ten SEC-approved methods to allocate costs to its subsidiaries. In performing the allocation of Outside Services expenses to customer classes, I mirrored the methods employed by NiSource to allocate these costs to Bay State. For example, Line 8 on page 13 of Schedule JLH-2-4 shows that $1,465,284 of Outside Services expense was allocated on Basis 10, as defined in the Company's SEC filings. Page 40 of the COSS shows that Basis 10 is the Number of Annual Customers. So costs assigned to Bay State on the basis of its customer count were allocated to customer classes within Bay State on the basis of the number of customers in each rate class. This same approach was used for the other allocations of Outside Services. In those instances where I could not mirror the SEC allocations, I used REVCLAIM, the revenue requirements at claimed rate of return, the method routinely employed to allocate Outside Services by the Department.

For all other accounts, some form of labor or plant allocator was chosen in order to best represent the nature of the costs in the expense category to be allocated. The workpapers contain a complete detail of the development of each allocator utilized in the cost of service study.

Q. What are the remaining operating expenses?

A. The remaining operating expenses consist of depreciation and amortization expenses, taxes other than income taxes, amortization of investment tax credit, state franchise taxes and federal income taxes.

Q. How were they allocated?

A. Depreciation and amortization expenses were allocated on the basis of plant in service similar to the allocation of depreciation reserves. Taxes Other Than Income Taxes that are plant-related were allocated on **PLANT,** and those that are labor-related were allocated on the **LABOR** allocator discussed earlier. Federal income taxes and state franchise taxes were computed for each customer class based on their individual revenues less allocated expenses.

Q. Could you discus the allocation of operating revenues?

A. The allocation of revenues is shown on page 8 of my cost study. Mr. Ferro provided the weather normalized sales revenues for each firm rate class shown on line 1. Special contract revenues were allocated to classes using the distribution allocator, so that the revenues would flow back to all firm customers to offset the costs incurred to serve them.

The allocation of Late Payment charges merits a more detailed discussion, because I have made a minor change in this study from the method employed by Bay State in its last cost study. Late payment charges represent charges for

paying bills beyond their normally scheduled due date. Department rules prohibit late payment charges to residential customers. The Company's customer information system details the source of these revenues by class, so the costs can be and have been directly assigned by class. However, in past studies I assumed that these revenues were customer-related and directly assigned them to the customer function. However, upon closer examination I realized that these revenues are not all customer-related and should represent an offset to all components of cost—customer, commodity and demand. Therefore, in this study I have assigned the credits for each class based on the functional breakdown of each class's revenue requirements. As a result, capacity-related and commodity-related costs to serve the C&I classes are a little lower and the customer costs a little higher than they would have been reflected historically. The total costs to serve individual rate classes are unaffected by this minor change as it is simply a redistribution of costs among functions.

Accounting Class Cost Study Results

Q. Please summarize the schedules produced by the COSS.

A. The cost study provides a wealth of cost information upon which to design rates. However, it is this abundance of information that makes presentation difficult. Consequently, this Exhibit BSG/JLH-2 contains six different schedules, each presenting the Company's costs to serve in a different format. My schedules relating to this Exhibit consist of six separate cost study results. The first study,

labeled Schedule JLH-2-1, presents the results of the conventional class cost of service study at present rates and indicates the rate increases necessary to generate equal rates of return for all classes. The last page of this schedule reconciles the Total Company cost of service in the COSS with Mr. Skirtich's Schedule JES-1. Schedule JLH-2-2 shows a similar class cost of service study, where gas supply costs have been removed, thereby showing only the costs and revenues to be recovered from base rates. This is a detailed cost study report, listing each item contributing to the Company's revenue requirements. The third study, Schedule JLH-2-3 is analogous to the previous schedule but shows the gas supply-related costs to serve. Schedule JLH-2-4 presents the detailed revenue requirements of the Company as functional costs subtotaled into the production and distribution functions. Schedule JLH-2-5 summarizes the unbundled functional costs to serve at present and proposed rates including the tabulation of unit costs to serve. The final study, Schedule JLH-2-6 tabulates all of the externally developed allocators as well as those developed within the COSS itself.

Q. Could you summarize the results of your cost study at present rates?

A. The results of this study demonstrate that the rates presently in effect generate slightly different rates of return for each customer class. As Schedule JLH-2-1 clearly demonstrates, the Company's current rates produce inequities among rate classes. With the exception of the residential non-heating class, the differences are minor. Although not shown directly in the COSS, the residential low income classes generate lower rates of return. This subsidy is intentional and was

identified when rates were designed in the Company's last rate redesign case. In the case of small low winter use commercial and industrial customers served under rates G/T-50, the increase required to equalize their rate of return at the time of the last rate redesign case was unacceptably large, so moderation required the continuation of inter-class subsidies which the current COSS clearly identifies.

Unbundled Costs to Serve

Q. How does your accounting cost of service study relate to the development of unbundled cost to serve the gas supply and transportation functions?

A. My cost of service study addresses cost to serve as a three dimensional array. So far, I have discussed only two dimensions, the accounting cost dimension, showing the details of the rate base and expense items which determine total cost to serve and the second dimension, the class dimension, showing how each of these costs is allocated to customer classes, which are the more traditional cost of service studies well recognized by the Department.

In order to support unbundling efforts, the cost of service study also identifies costs by functions such as Supply and Delivery. Allocations to the class and function dimensions are performed automatically and simultaneously. For example, the allocation of metering investment was determined to be related to the distribution function alone and not to the gas supply function. The meter

allocator was defined as 100% distribution customer-related and at the same time these costs were allocated to individual customer classes. While many of the allocators used in the cost study were assigned directly to one function or another, other allocators were developed internally in the cost study and result in allocations to more than one functional cost category. For example, some cost items were allocated on **PLANT**, the plant in service. Recall that plant consists of investments in production facilities, which are primarily gas supply related as well as transportation-related investment items such as for mains, services and meters. As a result, items allocated on plant displayed both a gas supply and transportation component to their cost to serve. A similar situation also occurs for general plant which is allocated on a labor factor which includes all functions.

Q. Have you prepared any unbundling cost of service studies as part of your efforts to analyze the Company's overall costs?

A. Yes, I have. Following the standard cost allocation procedures outlined earlier in my testimony, I have aggregated costs and prepared unbundled cost of service results for the Supply and Delivery functions.

These results are summarized in Schedules JLH-2-3 and -2, respectively. The completed functional cost study, Schedule JLH-2-4, shows the allocation of each item contributing to revenue requirements, summarized into the production or distribution cost functions. The allocation factors used to develop this study are listed, beginning on page 24 of the cost of service study.

Q. How do you determine the gas supply and transportation-related costs from the unbundled cost of service study results you have presented?

A. Very simply, the transportation component of costs to serve consists solely of the distribution costs and the customer costs, as shown on Schedule JLH-2-2. The remaining costs, shown on Schedule JLH-2-3, are gas-supply related.

Q. How do the transportation revenue requirements compare to existing base rates when embedded gas costs are removed?

A. Existing base rates were previously unbundled to include only distribution costs and exclude all production-related costs. Therefore, the costs shown on Schedule JLH-2-2 are directly comparable to the proposed revenues produced by base rates.

Q. Does the cost of service study provide information needed to update the Company's CGAC?

A. Yes. The cost study segregates five gas supply costs from delivery revenue requirements to aid in the design of the Cost of Gas Adjustment Clause.

First, the study identifies the costs associated with the owning and operating of the Company's manufactured gas facilities. For the most part, these LP- and LNG-related costs are incurred to provide gas supplies on extremely cold days. However, my analysis revealed that this was not entirely correct. The Company also employs a substantial portion of its manufactured gas capability in order to

maintain the pressures in its distribution system at times of peak. On extremely cold days, the volume flowing through the distribution systems mains results in unacceptably large pressure drops which, if left unabated, would result in a loss of pressure and potential outages for customers in the extremities of the service area. Rather than expend large sums to loop or otherwise reinforce the distribution system, the Company relies on additional pressure support from its manufactured gas facilities. Thus, some portion of the LP- and LNG-related costs are delivery rather than gas supply related. Put another way, if a customer at the periphery of the Company's distribution system had contracted for delivery of third-party gas to the Company's gate station on a very cold day, the Company would be potentially unable to deliver this gas reliably without the pressure support provided by these manufactured gas facilities. Schedule JLH-3-1, page 3 of 4, of the Marginal Cost Study details the calculation of pressure support required from the local production facilities. These calculations show that approximately 28.6% of these facilities are required for pressure support. Consequently, I developed the production plant allocators to assign 28.6% of their costs to the distribution pressure support function and the remainder of the LP and LNG to the Supply function. In this manner, I was able to functionally separate the revenue requirements associated with these facilities into gas supply and distribution functions.

The second item is working capital associated with gas costs. Mr. Skirtich sponsored a lead lag study to determine gas supply-related working capital. In

this unbundled analysis, I have excluded gas working capital from my cost of service study. The portion of working capital associated with gas supply costs should be treated as gas supply related. These costs should be computed with each CGAC filing and explicitly added to the costs identified in the CGAC.

The third item addresses operations and maintenance expenses associated with the gas acquisition and gas dispatching costs, including any associated legal expenses. For Bay State, the gas dispatching, gas acquisition and legal costs are booked in Account 923, Outside Services. The operations and maintenance expenses associated with gas supply must be unbundled from the transportation rates. Consequently, my cost study explicitly removes these costs from the transportation revenue requirement and assigns them to gas supply.

The fourth item concerns uncollectible accounts expense recorded in Account 904. These costs reflect an accounting recognition for bad debt expense anticipated in the test year. In the past, bad debt expense was considered customer related. However, in an unbundled cost of service study, the uncollectible accounts expense must be segregated between transportation and gas supply functions. In the cost of service study, I have used the Company's billing records to determine the level of write-offs by rate class. However, I have further allocated these write-offs to the supply and delivery functions on the basis of their respective revenue requirements. In this manner, the bad debt expense is allocated to gas supply and transportation functions in the same proportion as current

revenue requirements. In other words, if gas supply costs make up 50% of the cost to serve, then 50% of the bad debts are also considered gas supply-related.

The fifth item concerns overhead costs such as general plant and administrative and general expenses. While the majority of these costs are associated with the delivery function, it is obvious that a portion of these costs must be gas supply related as well. I have automatically assigned a portion of these so-called overheads to the gas supply function through the allocation process by the selection of internally developed allocators. As an example, the labor allocator includes the labor associated with LP and LNG plant operations and maintenance expenses, which are primarily gas supply-related costs. Consequently, the overheads allocated on the basis of labor will properly include an assignment of these costs to the gas supply function.

Q. Does this conclude your testimony?

A. Yes, it does.

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	SUMMARY OF RESULTS	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEVELOPMENT OF RATE BASE								
1	Gas Plant in Service		754,551,098	459,545,510	40,472,625	1,513	52,436,693	66,162,049	45,924,780
2	Less: Depreciation Reserve		283,392,262	180,381,802	18,860,412	425	20,336,999	21,070,470	14,451,004
3	Net Gas Plant in Service		471,158,836	279,163,707	21,612,213	1,088	32,099,694	45,091,580	31,473,776
	ADD:								
4	Cash Working Capital		11,453,614	7,311,804	744,278	27	841,485	894,856	530,976
5	Materials & Supplies		3,408,069	2,065,294	186,491	7	235,452	295,926	209,737
6	Total Additions to Net Plant		14,861,682	9,377,098	930,768	34	1,076,938	1,190,781	740,713
	DEDUCT:								
7	Deferred Taxes		85,522,538	52,089,197	4,595,005	171	5,943,746	7,498,926	5,196,101
8	Unamortized Pre-1971 ITC		11,170	6,803	599	0	776	979	680
9	Customer Contributions		11,088	7,703	1,165	0	876	503	253
10	Customer Deposits		3,090,784	37,964	1,551	0	1,006,862	935,120	247,259
11	Unclaimed Checks		278,310	176,816	18,053	1	19,825	21,819	13,567
12	Total Deductions to Net Plant		88,913,890	52,318,483	4,616,373	172	6,972,085	8,457,348	5,457,860
13	Total Rate Base		397,106,628	236,222,322	17,926,608	950	26,204,547	37,825,013	26,756,629
	DEVELOPMENT OF RETURN								
14	Revenues from Sales of Gas		482,572,295	325,504,198	10,869,791	2,741	32,182,649	47,350,740	22,697,735
15	Other Operating Revenues		16,835,677	8,701,919	206,516	59	1,229,322	2,165,860	1,565,573
16	Total Gas Operating Revenues		499,407,973	334,206,117	11,076,306	2,800	33,411,971	49,516,600	24,263,308
	LESS: OPERATING EXPENSES								
17	Operation & Maintenance Expense		424,086,621	283,409,474	12,018,097	2,570	28,414,111	42,271,886	19,943,152
18	Depreciation & Amortization Expense		35,353,853	22,094,032	2,293,471	54	2,539,352	2,855,626	1,836,389
19	Taxes Other Than Income		10,067,167	6,142,291	544,572	20	701,189	887,051	600,096
20	Interest on Customer Deposits		72,506	891	36	0	23,620	21,937	5,800
21	Income Taxes		7,150,524	6,141,101	(1,688,965)	50	379,446	932,562	430,776
22	Total Operating Expenses		476,730,671	317,787,789	13,167,211	2,695	32,057,718	46,969,061	22,816,213
23	Operating Income		22,677,302	16,418,328	(2,090,905)	106	1,354,253	2,547,539	1,447,095
24	Rate of Return		5.71%	6.95%	-11.66%	11.13%	5.17%	6.74%	5.41%
25	Index Rate of Return		1.000	1.217	-2.042	1.949	0.905	1.179	0.947

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	SUMMARY OF RESULTS	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEVELOPMENT OF RATE BASE						
1	Gas Plant in Service		8,429,084	9,839,479	20,122,273	19,092,846	32,524,245
2	Less: Depreciation Reserve		2,460,310	3,902,484	6,528,586	5,970,633	9,429,137
3	Net Gas Plant in Service		5,968,774	5,936,995	13,593,687	13,122,213	23,095,109
	ADD:						
4	Cash Working Capital		97,909	167,158	281,565	220,888	362,668
5	Materials & Supplies		38,162	45,162	92,306	88,677	150,854
6	Total Additions to Net Plant		136,071	212,320	373,871	309,566	513,522
	DEDUCT:						
7	Deferred Taxes		953,889	1,117,643	2,283,792	2,161,766	3,682,302
8	Unamortized Pre-1971 ITC		125	146	298	283	481
9	Customer Contributions		13	204	204	114	53
10	Customer Deposits		86,516	244,033	396,375	118,452	16,653
11	Unclaimed Checks		2,420	3,986	6,918	5,686	9,219
12	Total Deductions to Net Plant		1,042,963	1,366,011	2,687,587	2,286,301	3,708,708
13	Total Rate Base		5,061,882	4,783,304	11,279,971	11,145,478	19,899,923
	DEVELOPMENT OF RETURN						
14	Revenues from Sales of Gas		4,982,038	5,809,260	15,376,275	9,167,966	8,628,902
15	Other Operating Revenues		324,028	183,341	599,471	637,537	1,222,052
16	Total Gas Operating Revenues		5,306,066	5,992,601	15,975,746	9,805,502	9,850,954
	LESS: OPERATING EXPENSES						
17	Operation & Maintenance Expense		4,763,301	5,295,335	14,355,723	7,704,070	5,908,901
18	Depreciation & Amortization Expense		314,035	519,560	918,787	774,619	1,207,927
19	Taxes Other Than Income		110,811	133,520	271,404	250,004	426,208
20	Interest on Customer Deposits		2,030	5,725	9,298	2,779	391
21	Income Taxes		(12,360)	(39,822)	35,917	293,905	677,916
22	Total Operating Expenses		5,177,816	5,914,316	15,591,130	9,025,377	8,221,344
23	Operating Income		128,250	78,285	384,616	780,126	1,629,610
24	Rate of Return		2.53%	1.64%	3.41%	7.00%	8.19%
25	Index Rate of Return		0.444	0.287	0.597	1.226	1.434

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	REVENUE REQUIREMENTS-23	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	PRESENT RATES								
1	Rate Base		397,106,628	236,222,322	17,926,608	950	26,204,547	37,825,013	26,756,629
2	Net Operating Income (Present Rates)		22,677,302	16,418,328	(2,090,905)	106	1,354,253	2,547,539	1,447,095
3	Rate of Return (Present Rates)		5.71%	6.95%	-11.66%	11.13%	5.17%	6.74%	5.41%
4	Relative Rate of Return		1.000	1.217	-2.042	1.949	0.905	1.179	0.947
5	Sales Revenues (Present Rates)		478,651,282	323,429,755	10,830,018	2,726	31,946,429	46,870,369	22,321,850
6	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
7	Sale Revenue $/Therm (Present Rates)		$1.3080	$1.3057	$1.6937	$0.9992	$1.3704	$1.2131	$1.2767
	CLAIMED RATE OF RETURN								
8	Claimed Rate of Return		9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%
9	Return Req for Claimed Rate of Return		35,938,150	21,378,120	1,622,358	86	2,371,512	3,423,164	2,421,475
10	Sales Revenue Required Claimed ROR		500,470,859	331,590,664	16,939,871	2,693	33,620,240	48,311,134	23,925,108
11	Revenue Deficiency Sales Revenues		21,819,577	8,160,909	6,109,853	(33)	1,673,811	1,440,765	1,603,258
12	Percent Increase Required		4.56%	2.52%	56.42%	-1.19%	5.24%	3.07%	7.18%
13	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
14	Sales Revenue Required $/Therm		$1.3676	$1.3387	$2.6492	$0.9873	$1.4422	$1.2504	$1.3684
15	Revenue Deficiency $/Therm		$0.0596	$0.0329	$0.9555	-$0.0119	$0.0718	$0.0373	$0.0917
	PROPOSED REVENUES								
16	Proposed Sales Revenues		500,470,859	331,590,664	16,939,871	2,693	33,620,240	48,311,134	23,925,108
17	Revenue Deficiency Sales Revenues		21,819,577	8,160,909	6,109,853	(33)	1,673,811	1,440,765	1,603,258
18	Percent Increase Proposed		4.56%	2.52%	56.42%	-1.19%	5.24%	3.07%	7.18%
19	Proposed Rate of Return		9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%
20	Return Required for Proposed Revenue		35,938,150	21,378,120	1,622,358	86	2,371,512	3,423,164	2,421,475
21	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
22	Sales Revenue Required $/Therm		$1.3676	$1.3387	$2.6492	$0.9873	$1.4422	$1.2504	$1.3684
23	Revenue Deficiency $/Therm		$0.0596	$0.0329	$0.9555	-$0.0119	$0.0718	$0.0373	$0.0917

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	REVENUE REQUIREMENTS-23	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	PRESENT RATES						
1	Rate Base		5,061,882	4,783,304	11,279,971	11,145,478	19,899,923
2	Net Operating Income (Present Rates)		128,250	78,285	384,616	780,126	1,629,610
3	Rate of Return (Present Rates)		2.53%	1.64%	3.41%	7.00%	8.19%
4	Relative Rate of Return		0.444	0.287	0.597	1.226	1.434
5	Sales Revenues (Present Rates)		4,903,279	5,775,878	15,241,815	9,011,447	8,317,714
6	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
7	Sale Revenue $/Therm (Present Rates)		$1.1063	$1.2991	$1.1110	$1.3519	$2.6372
	CLAIMED RATE OF RETURN						
8	Claimed Rate of Return		9.05%	9.05%	9.05%	9.05%	9.05%
9	Return Req for Claimed Rate of Return		458,100	432,889	1,020,837	1,008,666	1,800,943
10	Sales Revenue Required Claimed ROR		5,446,019	6,359,348	16,288,662	9,387,490	8,599,628
11	Revenue Deficiency Sales Revenues		542,740	583,470	1,046,847	376,043	281,914
12	Percent Increase Required		11.07%	10.10%	6.87%	4.17%	3.39%
13	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
14	Sales Revenue Required $/Therm		$1.2288	$1.4303	$1.1873	$1.4083	$2.7266
15	Revenue Deficiency $/Therm		$0.1225	$0.1312	$0.0763	$0.0564	$0.0894
	PROPOSED REVENUES						
16	Proposed Sales Revenues		5,446,019	6,359,348	16,288,662	9,387,490	8,599,628
17	Revenue Deficiency Sales Revenues		542,740	583,470	1,046,847	376,043	281,914
18	Percent Increase Proposed		11.07%	10.10%	6.87%	4.17%	3.39%
19	Proposed Rate of Return		9.05%	9.05%	9.05%	9.05%	9.05%
20	Return Required for Proposed Revenue		458,100	432,889	1,020,837	1,008,666	1,800,943
21	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
22	Sales Revenue Required $/Therm		$1.2288	$1.4303	$1.1873	$1.4083	$2.7266
23	Revenue Deficiency $/Therm		$0.1225	$0.1312	$0.0763	$0.0564	$0.0894

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BAY STATE GAS COMPANY
RECONCILIATION TO EXH BSG/JES-1, SCH JES-1
12 MONTHS ENDED DECEMBER 31, 2004

Line No.	Description	Exh BSG/JES-1 Sch JES-1 Revenue Requirement	Adjustment for Weather & Deferred Gas Revenues	Adjustment for Special Contract Increase	Total COS Per Exh BSG/JLH-2 Sch JLH-2-1	Delivery COS Per Exh BSG/JLH-2 Sch JLH-2-2	Supply COS Per Exh BSG/JLH-2 Sch JLH-2-3
		$					
1	Total Rate Revenue	483,809,637	17,079,967	(418,748)	500,470,855	161,102,537	339,368,322
2	Other Operating Revenues	20,337,942		418,748	20,756,691	19,840,295	916,396
3	Total Operation Revenue	504,147,579	17,079,967	0	521,227,546	180,942,832	340,284,717
4	Operating Expenses:						
5	Cost of Gas	307,478,651	17,079,967		324,558,618	0	324,558,618
6	O&M Expense	99,528,001			99,528,001	86,295,456	13,232,547
7	Depreciation	28,800,958			28,800,958	28,159,855	641,102
8	Amortization	6,552,895			6,552,895	6,403,782	149,113
9	Taxes Other Than Income	10,067,165			10,067,165	9,775,482	291,685
10	Interest on Customer Deposits	72,506			72,506	72,506	0
11	Total Operating Expenses (Lines 3 through 8)	452,500,177	17,079,967	0	469,580,144	130,707,082	338,873,065
12	Operating Income Before Income Taxes (Line 1 less Line 9)	51,647,402	0	0	51,647,402	50,235,750	1,411,653
13	Income Taxes	15,709,253	0	0	15,709,253	15,279,644	429,609
14	Operating Income After Income Taxes (Line 10 less Line 11)	35,938,149	0	0	35,938,149	34,956,106	982,043
15	Rate Base	397,106,628			397,106,628	386,255,320	10,851,309
16	Return on Rate Base	9.05%			9.05%	9.05%	9.05%
17	Incremental Tax Rate	0.39225					

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

SUMMARY OF RESULTS

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEVELOPMENT OF RATE BASE								
1	Gas Plant in Service		735,345,264	446,149,941	40,367,407	1,513	50,799,320	63,733,357	44,971,350
2	Less: Depreciation Reserve		275,704,699	175,018,311	18,817,482	425	19,681,663	20,099,945	14,070,082
3	Net Gas Plant in Service		459,640,565	271,131,630	21,549,926	1,088	31,117,656	43,633,412	30,901,268
	ADD:								
4	Cash Working Capital		9,960,037	6,203,213	684,520	26	705,357	797,370	499,238
5	Materials & Supplies		3,408,069	2,065,294	186,491	7	235,452	295,926	209,737
6	Total Additions to Net Plant		13,368,106	8,268,507	871,011	33	940,810	1,093,296	708,975
	DEDUCT:								
7	Deferred Taxes		83,385,714	50,598,411	4,583,093	171	5,761,588	7,229,118	5,090,202
8	Unamortized Pre-1971 ITC		10,886	6,605	598	0	752	943	666
9	Customer Contributions		11,088	7,703	1,165	0	876	503	253
10	Customer Deposits		3,090,784	37,964	1,551	0	1,006,862	935,120	247,259
11	Unclaimed Checks		254,880	158,988	17,176	1	17,882	20,339	13,056
12	Total Deductions to Net Plant		86,753,351	50,809,671	4,603,583	172	6,787,960	8,186,024	5,351,436
13	Total Rate Base		386,255,320	228,590,466	17,817,354	948	25,270,507	36,540,684	26,258,806
	DEVELOPMENT OF RETURN								
14	Revenues from Sales of Gas		143,677,486	94,669,244	4,823,459	392	9,925,110	11,944,359	7,055,036
15	Other Operating Revenues		15,919,281	8,390,713	204,245	59	1,034,527	1,945,895	1,494,982
16	Total Gas Operating Revenues		159,596,767	103,059,957	5,027,704	452	10,959,636	13,890,254	8,550,018
	LESS: OPERATING EXPENSES								
17	Operation & Maintenance Expense		86,295,456	53,748,685	5,953,213	222	6,115,807	6,898,900	4,317,793
18	Depreciation & Amortization Expense		34,563,637	21,542,058	2,288,729	54	2,472,014	2,756,516	1,797,520
19	Taxes Other Than Income		9,775,482	5,938,091	542,593	20	676,350	850,922	585,949
20	Interest on Customer Deposits		72,506	891	36	0	23,620	21,937	5,800
21	Income Taxes		6,906,650	5,942,346	(1,678,706)	50	365,865	900,941	422,785
22	Total Operating Expenses		137,613,732	87,172,071	7,105,866	346	9,653,655	11,429,216	7,129,847
23	Operating Income		21,983,036	15,887,885	(2,078,162)	106	1,305,982	2,461,039	1,420,171
24	Rate of Return		5.69%	6.95%	-11.66%	11.13%	5.17%	6.74%	5.41%
25	Index Rate of Return		1.000	1.221	-2.049	1.956	0.908	1.183	0.950

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

SUMMARY OF RESULTS

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEVELOPMENT OF RATE BASE						
1	Gas Plant in Service		8,205,195	9,757,106	19,894,537	19,025,935	32,439,605
2	Less: Depreciation Reserve		2,370,864	3,869,325	6,437,433	5,943,861	9,395,308
3	Net Gas Plant in Service		5,834,331	5,887,780	13,457,104	13,082,073	23,044,297
	ADD:						
4	Cash Working Capital		90,937	146,085	259,348	214,851	359,091
5	Materials & Supplies		38,162	45,162	92,306	88,677	150,854
6	Total Additions to Net Plant		129,099	191,247	351,654	303,528	509,945
	DEDUCT:						
7	Deferred Taxes		929,022	1,108,431	2,258,455	2,154,325	3,672,897
8	Unamortized Pre-1971 ITC		121	144	295	282	480
9	Customer Contributions		13	204	204	114	53
10	Customer Deposits		86,516	244,033	396,375	118,452	16,653
11	Unclaimed Checks		2,303	3,713	6,644	5,615	9,162
12	Total Deductions to Net Plant		1,017,977	1,356,526	2,661,972	2,278,787	3,699,245
13	Total Rate Base		4,945,453	4,722,501	11,146,787	11,106,815	19,854,998
	DEVELOPMENT OF RETURN						
14	Revenues from Sales of Gas		1,004,472	1,804,468	3,299,154	3,330,947	5,820,845
15	Other Operating Revenues		309,585	154,303	547,108	621,204	1,216,661
16	Total Gas Operating Revenues		1,314,057	1,958,771	3,846,262	3,952,150	7,037,506
	LESS: OPERATING EXPENSES						
17	Operation & Maintenance Expense		786,395	1,266,826	2,244,033	1,858,202	3,105,380
18	Depreciation & Amortization Expense		304,909	516,076	909,419	771,872	1,204,470
19	Taxes Other Than Income		107,491	132,181	267,947	248,993	424,946
20	Interest on Customer Deposits		2,030	5,725	9,298	2,779	391
21	Income Taxes		(12,068)	(39,326)	35,490	292,886	676,388
22	Total Operating Expenses		1,188,757	1,881,481	3,466,187	3,174,731	5,411,576
23	Operating Income		125,300	77,290	380,075	777,419	1,625,931
24	Rate of Return		2.53%	1.64%	3.41%	7.00%	8.19%
25	Index Rate of Return		0.445	0.288	0.599	1.230	1.439

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	DELIVERY COMPONENTS DEVELOPMENT OF RATE BASE-2	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	GAS PLANT IN SERVICE								
	INTANGIBLE PLANT								
	301 Organization								
1	Organization	PLANT	4,320,086	2,621,090	237,155	9	298,441	374,428	264,203
2	Adj Organization	PLANT	(3,648,440)	(2,213,588)	(200,284)	(8)	(252,042)	(316,215)	(223,127)
3	Total Account 301		671,646	407,502	36,871	1	46,399	58,212	41,076
4	303 Misc. Intangible Plant	LABOR	33,253,631	20,261,399	1,898,515	65	2,310,567	2,935,297	1,879,545
5	Total Intangible Plant		33,925,277	20,668,902	1,935,386	66	2,356,966	2,993,509	1,920,621
	PRODUCTION PLANT								
	304 Land & Land Rights								
6	LNG Related	DEMLNG	75,571	39,982	767	0	4,553	9,258	7,245
7	LPG Related	DEMLPG	29,429	15,569	299	0	1,773	3,605	2,821
8	LNG & LPG Related	PLT304L	13,001	6,878	132	0	783	1,593	1,246
9	Total Account 304		118,001	62,429	1,197	0	7,109	14,457	11,312
	305 Structures & Improvements								
10	LNG Related	DEMLNG	320,307	169,461	3,249	1	19,297	39,242	30,706
11	LPG Related	DEMLPG	185,559	98,171	1,882	1	11,179	22,733	17,788
12	LNG & LPG Related	PLT305L	171,654	90,815	1,741	1	10,341	21,030	16,455
13	Total Account 305		677,520	358,447	6,872	3	40,817	83,004	64,950
14	311 L.P. Gas Equipment	DEMLPG	1,241,073	656,599	12,589	5	74,768	152,046	118,974
	320 Other Equipment								
15	LNG Related	DEMLNG	165,211	87,406	1,676	1	9,953	20,240	15,838
16	LPG Related	DEMLPG	50,257	26,589	510	0	3,028	6,157	4,818
17	LNG & LPG Related	PLT320L	18,836	9,965	191	0	1,135	2,308	1,806
18	Total Account 320		234,304	123,960	2,377	1	14,116	28,705	22,461
19	321 L.N.G. Equipment	DEMLNG	4,412,427	2,334,429	44,757	17	265,825	540,575	422,993
20	Total Production Plant		6,683,325	3,535,866	67,792	26	402,634	818,788	640,691

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE-2

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	GAS PLANT IN SERVICE						
	INTANGIBLE PLANT						
	301 Organization						
1	Organization	PLANT	48,205	57,322	116,879	111,776	190,580
2	Adj Organization	PLANT	(40,710)	(48,410)	(98,707)	(94,398)	(160,950)
3	Total Account 301		7,494	8,912	18,171	17,378	29,630
4	303 Misc. Intangible Plant	LABOR	350,928	473,726	946,909	809,709	1,386,971
5	Total Intangible Plant		358,422	482,638	965,080	827,086	1,416,600
	PRODUCTION PLANT						
	304 Land & Land Rights						
6	LNG Related	DEMLNG	1,518	643	2,592	3,017	5,998
7	LPG Related	DEMLPG	591	251	1,009	1,175	2,336
8	LNG & LPG Related	PLT304L	261	111	446	519	1,032
9	Total Account 304		2,370	1,005	4,047	4,710	9,365
	305 Structures & Improvements						
10	LNG Related	DEMLNG	6,434	2,727	10,984	12,786	25,421
11	LPG Related	DEMLPG	3,727	1,580	6,363	7,407	14,727
12	LNG & LPG Related	PLT305L	3,448	1,461	5,886	6,852	13,623
13	Total Account 305		13,609	5,768	23,234	27,045	53,771
14	311 L.P. Gas Equipment	DEMLPG	24,929	10,566	42,559	49,541	98,497
	320 Other Equipment						
15	LNG Related	DEMLNG	3,319	1,407	5,665	6,595	13,112
16	LPG Related	DEMLPG	1,009	428	1,723	2,006	3,989
17	LNG & LPG Related	PLT320L	378	160	646	752	1,495
18	Total Account 320		4,706	1,995	8,035	9,353	18,595
19	321 L.N.G. Equipment	DEMLNG	88,630	37,566	151,312	176,135	350,188
20	Total Production Plant		134,244	56,899	229,186	266,784	530,416

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-3

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	GAS PLANT IN SERVICE CON'T								
	DISTRIBUTION PLANT								
1	364 Land & Land Rights	DISTR	219,041	115,885	2,222	1	13,196	26,835	20,998
2	365 Right of Way	DISTR	79,051	41,823	802	0	4,762	9,685	7,578
3	366 Structures & Improvements	DISTR	2,108,612	1,115,578	21,388	8	127,032	258,330	202,140
	367 Gas Mains								
4	Gas Mains - Bare Steel	DISTR	2,554,359	1,351,404	25,910	10	153,886	312,940	244,871
5	Gas Mains - Joint Clamping	DISTR	20,020,721	10,592,119	203,078	78	1,206,139	2,452,779	1,919,268
6	Gas Mains - Cast Iron	DISTR	5,690,941	3,010,837	57,725	22	342,848	697,209	545,557
7	Gas Mains - Cathodic Protection	DISTR	8,274,626	4,377,756	83,933	32	498,501	1,013,741	793,240
8	Gas Mains - Coated Steel	DISTR	146,116,729	77,304,202	1,482,119	570	8,802,732	17,901,054	14,007,349
9	Gas Mains - Plastic	DISTR	126,075,826	66,701,405	1,278,837	491	7,595,377	15,445,803	12,086,146
10	Adj Gas Mains - Plastic	DISTR	1,053,621	557,426	10,687	4	63,475	129,081	101,004
11	Total Account 367		309,786,822	163,895,149	3,142,289	1,207	18,662,957	37,952,606	29,697,435
12	368 Compressor Station Equipment	DISTR	327,265	173,142	3,320	1	19,716	40,094	31,373
13	369 Meas. & Reg. Station Equipment	DISTR	12,355,156	6,536,592	125,323	48	744,330	1,513,655	1,184,416
14	380 Gas Services	CUST380	228,746,364	166,042,757	24,984,666	0	17,876,084	6,169,869	4,778,556
15	381 Gas Meters	CUST381	24,915,974	15,188,301	2,339,184	0	2,023,106	2,385,861	700,742
16	382 Meter Installations	CUST382	45,198,411	27,552,090	4,243,357	0	3,669,983	4,328,031	1,271,169
17	383 Gas Regulators	CUST383	13,612,047	8,297,644	1,277,938	0	1,105,260	1,303,439	382,828
	386 Other Property on Cust's Premises								
18	Gas Water Heaters	CUST3860	14,053,382	7,435,052	142,549	55	846,639	1,721,708	1,347,215
19	Cascade Diamond Boilers	CUST3862	569,752	301,432	5,779	2	34,324	69,801	54,619
20	Conversion Burners	CUST3863	7,835,153	4,145,249	79,475	31	472,025	959,900	751,110
21	Total Account 386		22,458,288	11,881,733	227,803	88	1,352,989	2,751,410	2,152,944
22	387 Other Equipment	DISTR	1,719,559	909,746	17,442	7	103,594	210,667	164,844
23	Total Distribution Plant		661,526,587	401,750,440	36,385,734	1,361	45,703,010	56,950,481	40,595,023
	TRANSMISSION PLANT								
24	379 Other Equipment	DISTR	510,252	269,953	5,176	2	30,740	62,512	48,915
25	Total Transmission Plant		510,252	269,953	5,176	2	30,740	62,512	48,915

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-3

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	GAS PLANT IN SERVICE CON'T						
	DISTRIBUTION PLANT						
1	364 Land & Land Rights	DISTR	4,400	1,865	7,511	8,744	17,384
2	365 Right of Way	DISTR	1,588	673	2,711	3,156	6,274
3	366 Structures & Improvements	DISTR	42,355	17,952	72,309	84,171	167,348
	367 Gas Mains						
4	Gas Mains - Bare Steel	DISTR	51,308	21,747	87,595	101,965	202,724
5	Gas Mains - Joint Clamping	DISTR	402,146	170,449	686,554	799,185	1,588,925
6	Gas Mains - Cast Iron	DISTR	114,311	48,451	195,155	227,170	451,656
7	Gas Mains - Cathodic Protection	DISTR	166,208	70,447	283,755	330,306	656,708
8	Gas Mains - Coated Steel	DISTR	2,934,970	1,243,984	5,010,662	5,832,673	11,596,414
9	Gas Mains - Plastic	DISTR	2,532,419	1,073,363	4,323,416	5,032,682	10,005,887
10	Adj Gas Mains - Plastic	DISTR	21,164	8,970	36,131	42,058	83,620
11	Total Account 367		6,222,526	2,637,410	10,623,268	12,366,039	24,585,934
12	368 Compressor Station Equipment	DISTR	6,574	2,786	11,223	13,064	25,973
13	369 Meas. & Reg. Station Equipment	DISTR	248,172	105,187	423,685	493,192	980,555
14	380 Gas Services	CUST380	203,287	3,565,851	2,310,269	1,922,133	892,892
15	381 Gas Meters	CUST381	49,813	647,509	1,022,284	382,655	176,519
16	382 Meter Installations	CUST382	90,363	1,174,602	1,854,457	694,148	320,211
17	383 Gas Regulators	CUST383	27,214	353,746	558,492	209,051	96,435
	386 Other Property on Cust's Premises						
18	Gas Water Heaters	CUST3860	282,283	119,645	481,921	560,982	1,115,333
19	Cascade Diamond Boilers	CUST3862	11,444	4,851	19,538	22,743	45,218
20	Conversion Burners	CUST3863	157,381	66,706	268,685	312,763	621,829
21	Total Account 386		451,108	191,202	770,144	896,488	1,782,380
22	387 Other Equipment	DISTR	34,540	14,640	58,967	68,641	136,471
23	Total Distribution Plant		7,381,938	8,713,423	17,715,320	17,141,481	29,188,376
	TRANSMISSION PLANT						
24	379 Other Equipment	DISTR	10,249	4,344	17,498	20,368	40,496
25	Total Transmission Plant		10,249	4,344	17,498	20,368	40,496

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	DEVELOPMENT OF RATE BASE CONT-4	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	GAS PLANT IN SERVICE CON'T								
	GENERAL PLANT								
1	389 Land & Land Rights	LABOR	165,741	100,986	9,463	0	11,516	14,630	9,368
2	390 Structures & Improvements	LABOR	7,024,952	4,280,295	401,068	14	488,116	620,092	397,061
3	Total General Plant		7,190,693	4,381,281	410,531	14	499,632	634,722	406,429
	GENERAL PLANT (Equipment)								
	391 Office Equipment								
4	Office Equipment	LABOR	5,692,027	3,468,145	324,969	11	395,500	502,435	321,722
5	Office IT Equipment	LABOR	5,292,284	3,224,583	302,147	10	367,725	467,150	299,128
6	Total Account 391		10,984,311	6,692,728	627,116	21	763,225	969,585	620,850
7	392 Transportation Equipment	LABOR	2,273,348	1,385,148	129,790	4	157,959	200,668	128,493
8	393 Stores Equipment	LABOR	48,545	29,579	2,772	0	3,373	4,285	2,744
9	394 Tools, Shop & Garage Equipment	LABOR	1,777,380	1,082,956	101,474	3	123,498	156,889	100,460
10	396 Power Operated Equipment	LABOR	390,907	238,179	22,318	1	27,161	34,505	22,095
	397 Communication Equipment								
11	Communications Equip & Metscan	LABOR	12,183,254	7,423,243	695,566	24	846,531	1,075,415	688,616
12	Communications Equip Metscan Adj	LABOR	(5,065,494)	(3,086,400)	(289,199)	(10)	(351,967)	(447,131)	(286,309)
13	Communications Equip Metscan	PLT381	644,449	392,844	60,503	0	52,327	61,710	18,125
14	Communications Equip ERT/ITRON	PLT381	2,248,171	1,370,442	211,065	0	182,545	215,277	63,228
15	Total Account 397		10,010,380	6,100,129	677,935	14	729,437	905,271	483,659
16	398 Miscellaneous Equipment	LABOR	24,257	14,780	1,385	0	1,685	2,141	1,371
17	Total General Plant (Equipment)		25,509,130	15,543,499	1,562,789	44	1,806,339	2,273,345	1,359,672
18	Total Gas Plant In Service		735,345,264	446,149,941	40,367,407	1,513	50,799,320	63,733,357	44,971,350

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-4

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	GAS PLANT IN SERVICE CON'T						
	GENERAL PLANT						
1	389 Land & Land Rights	LABOR	1,749	2,361	4,720	4,036	6,913
2	390 Structures & Improvements	LABOR	74,135	100,076	200,038	171,054	293,003
3	Total General Plant		75,884	102,437	204,758	175,090	299,916
	GENERAL PLANT (Equipment)						
	391 Office Equipment						
4	Office Equipment	LABOR	60,068	81,088	162,082	138,598	237,408
5	Office IT Equipment	LABOR	55,850	75,393	150,700	128,864	220,735
6	Total Account 391		115,918	156,481	312,782	267,462	458,143
7	392 Transportation Equipment	LABOR	23,991	32,386	64,734	55,355	94,819
8	393 Stores Equipment	LABOR	512	692	1,382	1,182	2,025
9	394 Tools, Shop & Garage Equipment	LABOR	18,757	25,320	50,612	43,278	74,133
10	396 Power Operated Equipment	LABOR	4,125	5,569	11,131	9,518	16,304
	397 Communication Equipment						
11	Communications Equip & Metscan	LABOR	128,571	173,561	346,923	296,656	508,150
12	Communications Equip Metscan Adj	LABOR	(53,457)	(72,162)	(144,242)	(123,342)	(211,276)
13	Communications Equip Metscan	PLT381	1,288	16,748	26,441	9,897	4,566
14	Communications Equip ERT/ITRON	PLT381	4,495	58,425	92,241	34,527	15,927
15	Total Account 397		80,897	176,571	321,363	217,738	317,367
16	398 Miscellaneous Equipment	LABOR	256	346	691	591	1,012
17	Total General Plant (Equipment)		244,457	397,364	762,695	595,125	963,802
18	Total Gas Plant In Service		8,205,195	9,757,106	19,894,537	19,025,935	32,439,605

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-5

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEPRECIATION RESERVE								
	INTANGIBLE PLANT RESERVE								
	301 Organization								
1	Organization	PLT301	3,374,855	2,047,598	185,266	7	233,143	292,503	206,395
2	Adj Organization	PLT301	(2,862,005)	(1,736,440)	(157,112)	(6)	(197,714)	(248,054)	(175,031)
3	Total Account 301		512,850	311,157	28,153	1	35,429	44,449	31,364
4	303 Misc. Intangible Plant	PLT303	18,002,670	10,969,006	1,027,808	35	1,250,882	1,589,095	1,017,538
5	Total Intangible Plant Reserve		18,515,520	11,280,164	1,055,961	36	1,286,311	1,633,544	1,048,902
	PRODUCTION PLANT RESERVE								
6	305 Structures & Improvements	PLT305	443,298	234,530	4,497	2	26,706	54,309	42,496
7	311 L.P. Gas Equipment	PLT311	949,410	502,293	9,630	4	57,197	116,314	91,014
8	320 Other Equipment	PLT320	83,033	43,929	842	0	5,002	10,173	7,960
9	321 L.N.G. Equipment	PLT321	1,089,353	576,331	11,050	4	65,628	133,459	104,430
10	Total Production Plant Reserve		2,565,094	1,357,083	26,019	10	154,533	314,255	245,900
	DISTRIBUTION PLANT RESERVE								
11	365 Right of Way	PLT365	1,573	832	16	0	95	193	151
12	366 Structures & Improvements	PLT366	1,525,122	806,878	15,470	6	91,880	186,846	146,204
13	367 Gas Mains	PLT367	79,409,611	42,012,278	805,483	310	4,783,994	9,728,631	7,612,531
14	368 Compressor Station Equipment	PLT368	250,135	132,336	2,537	1	15,069	30,645	23,979
15	369 Meas. & Reg. Station Equipment	PLT369	3,636,205	1,923,763	36,883	14	219,061	445,479	348,582
16	380 Gas Services	PLT380	124,158,847	90,124,612	13,561,166	0	9,702,773	3,348,879	2,593,702
17	381 Gas Meters	PLT381	10,092,102	6,151,953	947,476	0	819,450	966,382	283,832
18	382 Meter Installations	PLT382	10,511,706	6,407,736	986,869	0	853,521	1,006,562	295,633
19	383 Gas Regulators	PLT383	5,385,754	3,283,053	505,630	0	437,308	515,720	151,470
	386 Other Property on Cust's Premises								
20	Gas Water Heaters	PLT3860	2,962,994	1,567,595	30,055	12	178,504	363,002	284,045
21	Cascade Diamond Boilers	PLT3862	443,949	234,875	4,503	2	26,745	54,389	42,559
22	Conversion Burners	PLT3863	1,444,172	764,051	14,649	6	87,003	176,928	138,444
23	Total Account 386		4,851,115	2,566,520	49,207	19	292,253	594,320	465,048
24	387 Other Equipment	PLT387	371,382	196,483	3,767	1	22,374	45,499	35,602
25	Total Distribution Plant Reserve		240,193,554	153,606,444	16,914,504	351	17,237,778	16,869,154	11,956,735

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-5

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEPRECIATION RESERVE						
	INTANGIBLE PLANT RESERVE						
	301 Organization						
1	Organization	PLT301	37,658	44,780	91,306	87,319	148,881
2	Adj Organization	PLT301	(31,935)	(37,975)	(77,431)	(74,050)	(126,257)
3	Total Account 301		5,723	6,805	13,875	13,269	22,624
4	303 Misc. Intangible Plant	PLT303	189,984	256,463	512,632	438,356	750,871
5	Total Intangible Plant Reserve		195,706	263,268	526,507	451,625	773,495
	PRODUCTION PLANT RESERVE						
6	305 Structures & Improvements	PLT305	8,904	3,774	15,202	17,696	35,182
7	311 L.P. Gas Equipment	PLT311	19,070	8,083	32,557	37,898	75,349
8	320 Other Equipment	PLT320	1,668	707	2,847	3,315	6,590
9	321 L.N.G. Equipment	PLT321	21,881	9,274	37,356	43,485	86,455
10	Total Production Plant Reserve		51,524	21,838	87,963	102,393	203,576
	DISTRIBUTION PLANT RESERVE						
11	365 Right of Way	PLT365	32	13	54	63	125
12	366 Structures & Improvements	PLT366	30,634	12,984	52,300	60,880	121,040
13	367 Gas Mains	PLT367	1,595,059	676,064	2,723,129	3,169,865	6,302,268
14	368 Compressor Station Equipment	PLT368	5,024	2,130	8,578	9,985	19,852
15	369 Meas. & Reg. Station Equipment	PLT369	73,039	30,957	124,693	145,150	288,584
16	380 Gas Services	PLT380	110,340	1,935,471	1,253,967	1,043,294	484,644
17	381 Gas Meters	PLT381	20,177	262,271	414,071	154,993	71,498
18	382 Meter Installations	PLT382	21,016	273,175	431,287	161,437	74,471
19	383 Gas Regulators	PLT383	10,768	139,963	220,973	82,713	38,156
	386 Other Property on Cust's Premises						
20	Gas Water Heaters	PLT3860	59,516	25,226	101,608	118,276	235,155
21	Cascade Diamond Boilers	PLT3862	8,917	3,780	15,224	17,722	35,234
22	Conversion Burners	PLT3863	29,008	12,295	49,524	57,648	114,615
23	Total Account 386		97,442	41,301	166,355	193,646	385,004
24	387 Other Equipment	PLT387	7,460	3,162	12,736	14,825	29,474
25	Total Distribution Plant Reserve		1,970,989	3,377,491	5,408,144	5,036,850	7,815,114

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-6

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEPRECIATION RESERVE CON'T								
	TRANSMISSION PLANT RESERVE								
1	379 Other Equipment	PLT379	223,628	118,312	2,268	1	13,472	27,397	21,438
2	Total Transmission Plant Reserve		223,628	118,312	2,268	1	13,472	27,397	21,438
	GENERAL PLANT RESERVE								
3	390 Structures & Improvements	PLT390	2,105,090	1,282,629	120,184	4	146,268	185,816	118,983
4	Total General Plant Reserve		2,105,090	1,282,629	120,184	4	146,268	185,816	118,983
	GENERAL PLT RESERVE (Equipment)								
5	391 Office Equipment	PLT391	7,359,957	4,484,414	420,195	14	511,393	649,663	415,996
6	392 Transportation Equipment	PLT392	1,235,936	753,054	70,562	2	85,877	109,096	69,857
7	393 Stores Equipment	PLT393	(1,893)	(1,153)	(108)	(0)	(132)	(167)	(107)
8	394 Tools, Shop & Garage Equipment	PLT394	783,589	477,440	44,737	2	54,446	69,167	44,290
9	396 Power Operated Equipment	PLT396	168,032	102,382	9,593	0	11,675	14,832	9,497
	397 Communication Equipment								
10	Communications Equip & Metscan	PLT397O	4,398,714	2,680,131	251,131	9	305,637	388,274	248,622
11	Communications Equip Metscan Adj	PLT397O	(2,063,307)	(1,257,171)	(117,798)	(4)	(143,365)	(182,128)	(116,621)
12	Communications Equip Metscan	PLT397M	157,481	95,997	14,785	0	12,787	15,080	4,429
13	Communications Equip ERT/ITRON	PLT397E	49,882	30,407	4,683	0	4,050	4,777	1,403
14	Total Account 397		2,542,770	1,549,365	152,801	5	179,109	226,003	137,833
15	398 Miscellaneous Equipment	PLT398	13,422	8,178	766	0	933	1,185	759
16	Tot Gen Plt Reserve (Equipment)		12,101,813	7,373,680	698,546	23	843,301	1,069,779	678,124
17	Total Depreciation Reserve		275,704,699	175,018,311	18,817,482	425	19,681,663	20,099,945	14,070,082
19	Net Gas Plant in Service		459,640,565	271,131,630	21,549,926	1,088	31,117,656	43,633,412	30,901,268

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-6

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEPRECIATION RESERVE CON'T						
	TRANSMISSION PLANT RESERVE						
1	379 Other Equipment	PLT379	4,492	1,904	7,669	8,927	17,748
2	Total Transmission Plant Reserve		4,492	1,904	7,669	8,927	17,748
	GENERAL PLANT RESERVE						
3	390 Structures & Improvements	PLT390	22,215	29,989	59,943	51,258	87,801
4	Total General Plant Reserve		22,215	29,989	59,943	51,258	87,801
	GENERAL PLT RESERVE (Equipment)						
5	391 Office Equipment	PLT391	77,670	104,849	209,577	179,211	306,975
6	392 Transportation Equipment	PLT392	13,043	17,607	35,194	30,094	51,549
7	393 Stores Equipment	PLT393	(20)	(27)	(54)	(46)	(79)
8	394 Tools, Shop & Garage Equipment	PLT394	8,269	11,163	22,313	19,080	32,683
9	396 Power Operated Equipment	PLT396	1,773	2,394	4,785	4,091	7,008
	397 Communication Equipment						
10	Communications Equip & Metscan	PLT397O	46,420	62,663	125,255	107,106	183,465
11	Communications Equip Metscan Adj	PLT397O	(21,774)	(29,394)	(58,753)	(50,240)	(86,058)
12	Communications Equip Metscan	PLT397M	315	4,093	6,461	2,419	1,116
13	Communications Equip ERT/ITRON	PLT397E	100	1,296	2,047	766	353
14	Total Account 397		25,060	38,659	75,009	60,051	98,876
15	398 Miscellaneous Equipment	PLT398	142	191	382	327	560
16	Tot Gen Plt Reserve (Equipment)		125,938	174,835	347,207	292,808	497,573
17	Total Depreciation Reserve		2,370,864	3,869,325	6,437,433	5,943,861	9,395,308
19	Net Gas Plant in Service		5,834,331	5,887,780	13,457,104	13,082,073	23,044,297

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-7

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	ADDITIONS TO NET PLANT								
	Cash Working Capital								
1	Purchased Gas		0	0	0	0	0	0	0
2	Other O&M		9,960,037	6,203,213	684,520	26	705,357	797,370	499,238
3	Total Cash Working Capital		9,960,037	6,203,213	684,520	26	705,357	797,370	499,238
	Materials & Supplies								
4	Stores Expense Undistributed	DISTRPLT	205,330	124,686	11,287	0	14,184	17,682	12,606
5	Truck Stock	DISTRPLT	140,504	85,321	7,723	0	9,706	12,100	8,626
6	Meters Stock	PLT3813	42,334	25,806	3,974	0	3,437	4,054	1,191
7	Inventory-Imprest	DISTRPLT	210,158	127,618	11,552	0	14,518	18,098	12,902
8	Mat Management System IC Stock	DISTRPLT	2,719,413	1,651,358	149,481	6	187,858	234,189	166,951
9	Appliances & Parts	PLT386	55,590	29,410	564	0	3,349	6,810	5,329
10	Other Inventory Charges	DISTRPLT	34,740	21,096	1,910	0	2,400	2,992	2,133
11	Total Materials & Supplies		3,408,069	2,065,294	186,491	7	235,452	295,926	209,737
12	Total Additions to Net Plant		13,368,106	8,268,507	871,011	33	940,810	1,093,296	708,975
	DEDUCTIONS TO NET PLANT								
	Deferred Taxes								
13	Intangible Related	INTPLT	5,898,444	3,593,614	336,497	12	409,796	520,469	333,930
14	Production Related	PRODPLT	716,052	378,833	7,263	3	43,138	87,725	68,644
15	Transmission & Distribution Related	DISTRPLT	73,495,972	44,630,265	4,039,934	151	5,077,129	6,329,293	4,512,084
16	General Related	GENPLT	3,812,663	2,323,146	230,081	7	268,867	339,068	205,920
17	Communications Equip Metscan Adj	PLT397O	(537,418)	(327,448)	(30,682)	(1)	(37,341)	(47,438)	(30,376)
18	Deferred Taxes		83,385,714	50,598,411	4,583,093	171	5,761,588	7,229,118	5,090,202
19	Unamortized Pre-1971 ITC	PLANT	10,886	6,605	598	0	752	943	666
20	Customer Contributions	PLT3803	11,088	7,703	1,165	0	876	503	253
	Customer Deposits								
21	Customer Deposits - Firm Customers	CUSTDEP	2,175,434	27,610	159	0	787,831	643,771	150,645
22	Customer Deposits - Marketers	CUSTTR	915,350	10,355	1,392	0	219,031	291,350	96,613
23	Total Customer Deposits		3,090,784	37,964	1,551	0	1,006,862	935,120	247,259
24	Unclaimed Checks	REVCLAIM	254,880	158,988	17,176	1	17,882	20,339	13,056
25	Total Deductions to Net Plant		86,753,351	50,809,671	4,603,583	172	6,787,960	8,186,024	5,351,436
26	Total Rate Base		386,255,320	228,590,466	17,817,354	948	25,270,507	36,540,684	26,258,806

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF RATE BASE CONT-7

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ADDITIONS TO NET PLANT						
	Cash Working Capital						
1	Purchased Gas		0	0	0	0	0
2	Other O&M		90,937	146,085	259,348	214,851	359,091
3	Total Cash Working Capital		90,937	146,085	259,348	214,851	359,091
	Materials & Supplies						
4	Stores Expense Undistributed	DISTRPLT	2,293	2,704	5,500	5,323	9,065
5	Truck Stock	DISTRPLT	1,569	1,850	3,763	3,642	6,203
6	Meters Stock	PLT3813	85	1,100	1,737	650	300
7	Inventory-Imprest	DISTRPLT	2,347	2,767	5,629	5,448	9,278
8	Mat Management System IC Stock	DISTRPLT	30,364	35,810	72,840	70,495	120,062
9	Appliances & Parts	PLT386	1,117	473	1,906	2,219	4,412
10	Other Inventory Charges	DISTRPLT	388	457	931	901	1,534
11	Total Materials & Supplies		38,162	45,162	92,306	88,677	150,854
12	Total Additions to Net Plant		129,099	191,247	351,654	303,528	509,945
	DEDUCTIONS TO NET PLANT						
	Deferred Taxes						
13	Intangible Related	INTPLT	62,317	83,914	167,794	143,802	246,298
14	Production Related	PRODPLT	14,383	6,096	24,555	28,583	56,829
15	Transmission & Distribution Related	DISTRPLT	820,643	967,802	1,968,608	1,905,221	3,244,841
16	General Related	GENPLT	37,350	58,275	112,801	89,804	147,344
17	Communications Equip Metscan Adj	PLT397O	(5,671)	(7,656)	(15,303)	(13,086)	(22,415)
18	Deferred Taxes		929,022	1,108,431	2,258,455	2,154,325	3,672,897
19	Unamortized Pre-1971 ITC	PLANT	121	144	295	282	480
20	Customer Contributions	PLT3803	13	204	204	114	53
	Customer Deposits						
21	Customer Deposits - Firm Customers	CUSTDEP	83,686	148,410	259,427	73,895	0
22	Customer Deposits - Marketers	CUSTTR	2,830	95,623	136,948	44,556	16,653
23	Total Customer Deposits		86,516	244,033	396,375	118,452	16,653
24	Unclaimed Checks	REVCLAIM	2,303	3,713	6,644	5,615	9,162
25	Total Deductions to Net Plant		1,017,977	1,356,526	2,661,972	2,278,787	3,699,245
26	Total Rate Base		4,945,453	4,722,501	11,146,787	11,106,815	19,854,998

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	OPERATING REVENUES-8	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	REVENUES								
	GAS OPERATING REVENUES								
	SALES REVENUES								
1	Firm Sales of Gas		139,756,473	92,594,801	4,783,687	377	9,688,890	11,463,988	6,679,151
2	Special Contracts	DISTR	2,500,200	1,322,750	25,361	10	150,623	306,305	239,679
3	Special Contracts Adjustment	DISTR	418,748	221,542	4,248	2	25,227	51,302	40,143
4	Special Contracts - Other	DISTR	1,002,065	530,150	10,164	4	60,369	122,765	96,062
5	Total Sales of Gas		143,677,486	94,669,244	4,823,459	392	9,925,110	11,944,359	7,055,036
	OTHER OPERATING REVENUES								
	487-Late Payment Charges								
6	High Wint Low Ann Rate G40 & T40	C487R40	79,364	0	0	0	79,364	0	0
7	High Wint Med Ann Rate G41 & T41	C487R41	59,150	0	0	0	0	59,150	0
8	High Wint High Ann Rate G42 & T42	C487R42	25,413	0	0	0	0	0	25,413
9	High Wint Lrg Ann Rate G43 & T43	C487R43	3,357	0	0	0	0	0	0
10	Low Wint Low Ann Rate G50 & T50	C487R50	15,890	0	0	0	0	0	0
11	Low Wint Med Ann Rate G51 & T51	C487T51	16,348	0	0	0	0	0	0
12	Low Wint High Ann Rate G52 & T52	C487R52	8,982	0	0	0	0	0	0
13	Low Wint Lrg Ann Rate G53 & T53	C487R53	7,033	0	0	0	0	0	0
14	Total Account 487		215,536	0	0	0	79,364	59,150	25,413
15	487-Return Check Charges	CUST487	27,736	20,434	1,226	0	2,093	1,971	653
16	488-Rental Revenues-W/H & Conv Burn	CUST488	6,824,456	3,610,532	69,223	27	411,136	836,078	654,220
17	882-Revenue Guardian Care & C/S	CUST882	7,690,936	4,068,950	78,012	30	463,337	942,232	737,285
	493-Rent from Gas Property								
18	Rent from Gas Property	PLANT	16,890	10,248	927	0	1,167	1,464	1,033
19	LNG Tank Lease Revenue	DEMLNG	178,750	94,569	1,813	1	10,769	21,899	17,136
20	I/C Rents	DISTRPLT	871,002	528,914	47,877	2	60,169	75,009	53,473
21	Total Account 493		1,066,642	633,731	50,618	3	72,105	98,371	71,641
22	903-Cust R&C, Shutoff & Turn-Off	DISTRPLT	93,975	57,066	5,166	0	6,492	8,093	5,769
23	Total Other Operating Revenues		15,919,281	8,390,713	204,245	59	1,034,527	1,945,895	1,494,982
24	Total Gas Operating Revenues		159,596,767	103,059,957	5,027,704	452	10,959,636	13,890,254	8,550,018

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

OPERATING REVENUES-8

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	REVENUES						
	GAS OPERATING REVENUES						
	SALES REVENUES						
1	Firm Sales of Gas		925,713	1,771,085	3,164,694	3,174,428	5,509,658
2	Special Contracts	DISTR	50,220	21,286	85,737	99,803	198,426
3	Special Contracts Adjustment	DISTR	8,411	3,565	14,360	16,716	33,234
4	Special Contracts - Other	DISTR	20,128	8,531	34,363	40,000	79,528
5	Total Sales of Gas		1,004,472	1,804,468	3,299,154	3,330,947	5,820,845
	OTHER OPERATING REVENUES						
	487-Late Payment Charges						
6	High Wint Low Ann Rate G40 & T40	C487R40	0	0	0	0	0
7	High Wint Med Ann Rate G41 & T41	C487R41	0	0	0	0	0
8	High Wint High Ann Rate G42 & T42	C487R42	0	0	0	0	0
9	High Wint Lrg Ann Rate G43 & T43	C487R43	3,357	0	0	0	0
10	Low Wint Low Ann Rate G50 & T50	C487R50	0	15,890	0	0	0
11	Low Wint Med Ann Rate G51 & T51	C487T51	0	0	16,348	0	0
12	Low Wint High Ann Rate G52 & T52	C487R52	0	0	0	8,982	0
13	Low Wint Lrg Ann Rate G53 & T53	C487R53	0	0	0	0	7,033
14	Total Account 487		3,357	15,890	16,348	8,982	7,033
15	487-Return Check Charges	CUST487	111	382	562	211	93
16	488-Rental Revenues-W/H & Conv Burn	CUST488	137,079	58,101	234,026	272,418	541,616
17	882-Revenue Guardian Care & C/S	CUST882	154,484	65,478	263,739	307,006	610,384
	493-Rent from Gas Property						
18	Rent from Gas Property	PLANT	188	224	457	437	745
19	LNG Tank Lease Revenue	DEMLNG	3,590	1,522	6,130	7,135	14,186
20	I/C Rents	DISTRPLT	9,725	11,469	23,330	22,579	38,455
21	Total Account 493		13,504	13,215	29,917	30,151	53,386
22	903-Cust R&C, Shutoff & Turn-Off	DISTRPLT	1,049	1,237	2,517	2,436	4,149
23	Total Other Operating Revenues		309,585	154,303	547,108	621,204	1,216,661
24	Total Gas Operating Revenues		1,314,057	1,958,771	3,846,262	3,952,150	7,037,506

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BAY STATE GAS COMPANY
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12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

OPERATION & MAINTENANCE EXP-9

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	OPERATION & MAINTENANCE EXP								
	LIQUEFIED PROPANE GAS PRODUCTION								
	Operation Expense								
1	710-Supervision	TLABPO	13,344	7,060	135	0	804	1,635	1,279
2	717-LPG Gas Expenses	DEMLPG	136	72	1	0	8	17	13
3	719-Handling Expense	DEMLPG	5,728	3,031	58	0	345	702	549
4	723-Fuel for LPG Gas Process	EREMAIN	0	0	0	0	0	0	0
5	728-Liquefied Petroleum Gas	EREMAIN	0	0	0	0	0	0	0
6	735-Miscellaneous Production Exp	DEMLPG	61,004	32,275	619	0	3,675	7,474	5,848
7	Total Operation Expense		80,213	42,437	814	0	4,832	9,827	7,690
	Maintenance								
8	740-Supervision	TLABPM	3,281	1,736	33	0	198	402	314
9	741-Maintenance of Struct & Improv	DEMLPG	3,439	1,819	35	0	207	421	330
10	742-Maintenance of Production Equip	DEMLPG	30,724	16,255	312	0	1,851	3,764	2,945
11	Total Maintenance Expense		37,443	19,810	380	0	2,256	4,587	3,589
12	Total Liquefied Propane Gas Prod Exp		117,656	62,247	1,193	0	7,088	14,414	11,279
	LIQUEFIED NATURAL GAS PRODUCTION								
	Operation Expense								
13	750-Supervision	TLABLO	148,263	78,440	1,504	1	8,932	18,164	14,213
14	754-Liquefaction Expense	DEMLNG	47,443	25,100	481	0	2,858	5,812	4,548
15	757-Vaporization Expense	DEMLNG	8,396	4,442	85	0	506	1,029	805
16	758-Liquefied Natural Gas	EREMAIN	0	0	0	0	0	0	0
17	759-Handling Expense	DEMLNG	7,523	3,980	76	0	453	922	721
18	763-Fuel for Vaporization Expense	EREMAIN	0	0	0	0	0	0	0
19	768-LNG Raw Materials	EREMAIN	0	0	0	0	0	0	0
20	775-Miscellaneous Production Exp	DEMLNG	184,402	97,560	1,870	1	11,109	22,592	17,678
21	777-Lease Expense	DEMLNG	261,547	138,373	2,653	1	15,757	32,043	25,073
22	Total Operation Expense		657,574	347,894	6,670	3	39,615	80,561	63,038
	Maintenance								
23	780-Supervision	TLABLM	2,146	1,135	22	0	129	263	206
24	781-Maintenance of Struct & Improv	DEMLNG	3,163	1,673	32	0	191	388	303
25	782-Maintenance of Production Equip	DEMLNG	75,045	39,703	761	0	4,521	9,194	7,194
26	Total Maintenance Expense		80,354	42,512	815	0	4,841	9,844	7,703
27	Total Liquefied Natural Gas Prod Exp		737,928	390,406	7,485	3	44,456	90,405	70,741

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

OPERATION & MAINTENANCE EXP-9

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	OPERATION & MAINTENANCE EXP						
	LIQUEFIED PROPANE GAS PRODUCTION						
	Operation Expense						
1	710-Supervision	TLABPO	268	114	458	533	1,059
2	717-LPG Gas Expenses	DEMLPG	3	1	5	5	11
3	719-Handling Expense	DEMLPG	115	49	196	229	455
4	723-Fuel for LPG Gas Process	EREMAIN	0	0	0	0	0
5	728-Liquefied Petroleum Gas	EREMAIN	0	0	0	0	0
6	735-Miscellaneous Production Exp	DEMLPG	1,225	519	2,092	2,435	4,842
7	Total Operation Expense		1,611	683	2,751	3,202	6,366
	Maintenance						
8	740-Supervision	TLABPM	66	28	112	131	260
9	741-Maintenance of Struct & Improv	DEMLPG	69	29	118	137	273
10	742-Maintenance of Production Equip	DEMLPG	617	262	1,054	1,226	2,438
11	Total Maintenance Expense		752	319	1,284	1,495	2,972
12	Total Liquefied Propane Gas Prod Exp		2,363	1,002	4,035	4,697	9,338
	LIQUEFIED NATURAL GAS PRODUCTION						
	Operation Expense						
13	750-Supervision	TLABLO	2,978	1,262	5,084	5,918	11,767
14	754-Liquefaction Expense	DEMLNG	953	404	1,627	1,894	3,765
15	757-Vaporization Expense	DEMLNG	169	71	288	335	666
16	758-Liquefied Natural Gas	EREMAIN	0	0	0	0	0
17	759-Handling Expense	DEMLNG	151	64	258	300	597
18	763-Fuel for Vaporization Expense	EREMAIN	0	0	0	0	0
19	768-LNG Raw Materials	EREMAIN	0	0	0	0	0
20	775-Miscellaneous Production Exp	DEMLNG	3,704	1,570	6,324	7,361	14,635
21	777-Lease Expense	DEMLNG	5,254	2,227	8,969	10,440	20,757
22	Total Operation Expense		13,208	5,598	22,550	26,249	52,188
	Maintenance						
23	780-Supervision	TLABLM	43	18	74	86	170
24	781-Maintenance of Struct & Improv	DEMLNG	64	27	108	126	251
25	782-Maintenance of Production Equip	DEMLNG	1,507	639	2,573	2,996	5,956
26	Total Maintenance Expense		1,614	684	2,756	3,208	6,377
27	Total Liquefied Natural Gas Prod Exp		14,822	6,282	25,305	29,457	58,565

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	DELIVERY COMPONENTS OPERATION & MAINT EXP CONT-10	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	OTHER GAS SUPPLY EXPENSES								
	PURCHASED GAS SUPPLY								
	Gas Supply Demand Charges								
1	Base Demand Charges	DBASE	0	0	0	0	0	0	0
2	Remaining Demand Charges	DREMAIN	0	0	0	0	0	0	0
3	Total Demand Gas Costs		0	0	0	0	0	0	0
	Gas Supply Commodity Charges								
4	Base Commodity Charges	EBASE	0	0	0	0	0	0	0
5	Remaining Commodity Charges	EREMAIN	0	0	0	0	0	0	0
6	Total Commodity Gas Costs		0	0	0	0	0	0	0
7	Total Gas Supply Expense		0	0	0	0	0	0	0
8	Total Production Expense		855,584	452,653	8,679	3	51,544	104,819	82,020

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

OPERATION & MAINT EXP CONT-10

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	OTHER GAS SUPPLY EXPENSES						
	PURCHASED GAS SUPPLY						
	Gas Supply Demand Charges						
1	Base Demand Charges	DBASE	0	0	0	0	0
2	Remaining Demand Charges	DREMAIN	0	0	0	0	0
3	Total Demand Gas Costs		0	0	0	0	0
	Gas Supply Commodity Charges						
4	Base Commodity Charges	EBASE	0	0	0	0	0
5	Remaining Commodity Charges	EREMAIN	0	0	0	0	0
6	Total Commodity Gas Costs		0	0	0	0	0
7	Total Gas Supply Expense		0	0	0	0	0
8	Total Production Expense		17,186	7,284	29,340	34,153	67,903

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

OPERATION & MAINT EXP CONT-11

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	TRANSMISSION & DISTRIBUTION EXP								
	Operation Expense								
1	850-Operation Supervision & Engineer	TLABDO	707,572	408,612	36,648	1	49,599	73,541	44,293
2	851-System Control & Load Dispatch	DISTR	0	0	0	0	0	0	0
3	852-Communication System Exp	DISTR	143,882	76,122	1,459	1	8,668	17,627	13,793
4	857-Measuring & Regulating Stat Exp	PLT369	405,485	214,525	4,113	2	24,428	49,677	38,871
5	874-Mains and Services Exp	PLT36780	3,764,532	2,306,379	196,617	8	255,420	308,431	240,999
6	878-Meter & House Regulator Exp	PLT3813	5,633,560	3,434,111	528,895	0	457,429	539,449	158,439
7	879-Customer Installations Exp	CUST879	5,923,626	3,133,941	60,086	23	356,866	725,715	567,863
8	880-Other Expenses	EXP8519	580,567	335,260	28,941	1	40,341	60,024	37,311
9	881-Rents	DISTR	61,576	32,577	625	0	3,710	7,544	5,903
10	Total Operation Expense		17,220,800	9,941,527	857,384	37	1,196,462	1,782,009	1,107,472
	Maintenance								
11	885-Supervision	TLABDM	4,267	2,534	196	0	286	393	292
12	886-Maintenance of Struct & Improv	PLT366	41,025	21,705	416	0	2,472	5,026	3,933
13	887-Maintenance of Mains	PLT367	3,789,693	2,004,967	38,440	15	228,308	464,283	363,296
14	888-Maint of Compressor Station Equip	PLT368	0	0	0	0	0	0	0
15	889-Maint of Meas & Reg Station Equip	PLT369	229,637	121,491	2,329	1	13,834	28,133	22,014
16	892-Maintenance of Services	PLT380	1,687,229	1,224,728	184,286	0	131,854	45,509	35,247
17	893-Maint of Meters and House Regul	PLT3813	436,322	265,974	40,963	0	35,428	41,781	12,271
18	894-Maintenance of Other Equipment	PLT387	403,627	213,542	4,094	2	24,316	49,449	38,693
19	Total Maintenance Expense		6,591,800	3,854,940	270,725	17	436,499	634,573	475,746
20	Total Transmission and Distribution Exp		23,812,600	13,796,468	1,128,110	54	1,632,961	2,416,582	1,583,218

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

OPERATION & MAINT EXP CONT-11

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	TRANSMISSION & DISTRIBUTION EXP						
	Operation Expense						
1	850-Operation Supervision & Engineer	TLABDO	7,976	11,380	24,758	19,458	31,305
2	851-System Control & Load Dispatch	DISTR	0	0	0	0	0
3	852-Communication System Exp	DISTR	2,890	1,225	4,934	5,743	11,419
4	857-Measuring & Regulating Stat Exp	PLT369	8,145	3,452	13,905	16,186	32,181
5	874-Mains and Services Exp	PLT36780	44,919	43,363	90,410	99,879	178,106
6	878-Meter & House Regulator Exp	PLT3813	11,263	146,403	231,141	86,519	39,911
7	879-Customer Installations Exp	CUST879	118,985	50,432	203,134	236,459	470,123
8	880-Other Expenses	EXP8519	6,811	8,958	19,882	16,270	26,767
9	881-Rents	DISTR	1,237	524	2,112	2,458	4,887
10	Total Operation Expense		202,225	265,737	590,276	482,973	794,699
	Maintenance						
11	885-Supervision	TLABDM	56	51	118	122	220
12	886-Maintenance of Struct & Improv	PLT366	824	349	1,407	1,638	3,256
13	887-Maintenance of Mains	PLT367	76,122	32,264	129,957	151,277	300,765
14	888-Maint of Compressor Station Equip	PLT368	0	0	0	0	0
15	889-Maint of Meas & Reg Station Equip	PLT369	4,613	1,955	7,875	9,167	18,225
16	892-Maintenance of Services	PLT380	1,499	26,302	17,041	14,178	6,586
17	893-Maint of Meters and House Regul	PLT3813	872	11,339	17,902	6,701	3,091
18	894-Maintenance of Other Equipment	PLT387	8,107	3,436	13,841	16,112	32,033
19	Total Maintenance Expense		92,093	75,696	188,140	199,194	364,176
20	Total Transmission and Distribution Exp		294,318	341,433	778,415	682,167	1,158,876

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	OPERATION & MAINT EXP CONT-12	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	CUSTOMER ACCOUNTS EXPENSES								
1	901-Supervision	TLABCA	220,334	160,538	21,834	0	16,527	7,790	3,446
2	902-Meter Reading Expenses	CUST902	695,743	540,719	81,154	0	41,749	11,561	3,041
	903-Cust Records & Collection Exp								
3	Cust Billing & Payment Proc Exp	CUST903	2,489,985	1,968,879	278,340	0	147,828	41,493	5,488
4	Collections Expense	CUST903C	2,684,835	1,919,813	278,140	1	262,113	90,209	24,249
5	Service Customer Equipment	DISTRPLT	1,347,741	818,413	74,083	3	93,102	116,064	82,741
6	Call Center Expenses	EXP903T	910,424	657,021	88,014	0	70,215	34,583	15,700
7	Postage Adjustment	CUST903	67,947	53,727	7,595	0	4,034	1,132	150
8	Total Account 903		7,500,932	5,417,854	726,172	4	577,292	283,482	128,327
	904-Uncollectible Accounts								
9	Resid Heating Rate R-3 & R-4	C904R3	1,869,029	1,869,029	0	0	0	0	0
10	Resid Non-Heating Rate R-1 & R-2	C904R1	594,719	0	594,719	0	0	0	0
11	Outdoor Lighting	C904OL	0	0	0	0	0	0	0
12	High Wint Low Ann Rate G40 & T40	C904R40	285,171	0	0	0	285,171	0	0
13	High Wint Med Ann Rate G41 & T41	C904R41	63,638	0	0	0	0	63,638	0
14	High Wint High Ann Rate G42 & T42	C904R42	10,916	0	0	0	0	0	10,916
15	High Wint Lrg Ann Rate G43 & T43	C904R43	207	0	0	0	0	0	0
16	Low Wint Low Ann Rate G50 & T50	C904R50	62,449	0	0	0	0	0	0
17	Low Wint Med Ann Rate G51 & T51	C904T51	23,085	0	0	0	0	0	0
18	Low Wint High Ann Rate G52 & T52	C904R52	4,813	0	0	0	0	0	0
19	Low Wint Lrg Ann Rate G53 & T53	C904R53	2,288	0	0	0	0	0	0
20	Adjustment Bad Debt Gas Sales	EXP904S	623,773	399,768	127,205	0	60,995	13,612	2,335
21	Adj Uncollectible Prop Rate Increase	EXP904S	165,767	106,238	33,805	0	16,209	3,617	621
22	Bad Debt Expense - Cust Service	CUST882	86,737	45,889	880	0	5,225	10,626	8,315
23	Bad Debt Expense - Rental	PLT386	326,029	172,488	3,307	1	19,641	39,943	31,255
24	Adjust Bad Debt Other Revenues	EXP904O	246,232	130,271	2,498	1	14,834	30,166	23,605
25	Total Account 904		4,364,854	2,723,684	762,414	3	402,077	161,602	77,046
26	Total Customer Accounts Expenses		12,781,863	8,842,794	1,591,574	7	1,037,645	464,435	211,861
	SALES EXPENSES								
27	911-Supervision	TLABSA	66,710	42,759	4,292	0	3,683	4,301	3,128
28	912-Demonstrating & Selling Exp	CUST912	159,642	102,717	10,460	0	8,795	10,090	7,315
	913-Advertising Expense								
29	Advertising Expense	CUST913	62,710	40,349	4,109	0	3,455	3,964	2,873
30	Advertising Guardian Care	EXP879	126,327	66,834	1,281	0	7,611	15,477	12,110
31	Advertising Water Heating Program	PLT386	9,334	4,938	95	0	562	1,144	895
32	Total Account 913		198,371	112,122	5,485	1	11,628	20,584	15,878
33	916-Miscellaneous Sales Exp	EXP9123	7,065	4,240	315	0	403	605	458
34	Total Sales Expenses		431,788	261,838	20,551	1	24,509	35,581	26,779

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

OPERATION & MAINT EXP CONT-12

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CUSTOMER ACCOUNTS EXPENSES						
1	901-Supervision	TLABCA	562	3,271	2,680	1,456	2,229
2	902-Meter Reading Expenses	CUST902	375	8,737	5,255	1,625	1,526
	903-Cust Records & Collection Exp						
3	Cust Billing & Payment Proc Exp	CUST903	134	29,467	15,560	2,207	590
4	Collections Expense	CUST903C	3,335	51,744	31,988	9,964	13,279
5	Service Customer Equipment	DISTRPLT	15,049	17,747	36,100	34,937	59,503
6	Call Center Expenses	EXP903T	2,585	13,813	11,676	6,575	10,241
7	Postage Adjustment	CUST903	4	804	425	60	16
8	Total Account 903		21,106	113,575	95,748	53,744	83,629
	904-Uncollectible Accounts						
9	Resid Heating Rate R-3 & R-4	C904R3	0	0	0	0	0
10	Resid Non-Heating Rate R-1 & R-2	C904R1	0	0	0	0	0
11	Outdoor Lighting	C904OL	0	0	0	0	0
12	High Wint Low Ann Rate G40 & T40	C904R40	0	0	0	0	0
13	High Wint Med Ann Rate G41 & T41	C904R41	0	0	0	0	0
14	High Wint High Ann Rate G42 & T42	C904R42	0	0	0	0	0
15	High Wint Lrg Ann Rate G43 & T43	C904R43	207	0	0	0	0
16	Low Wint Low Ann Rate G50 & T50	C904R50	0	62,449	0	0	0
17	Low Wint Med Ann Rate G51 & T51	C904T51	0	0	23,085	0	0
18	Low Wint High Ann Rate G52 & T52	C904R52	0	0	0	4,813	0
19	Low Wint Lrg Ann Rate G53 & T53	C904R53	0	0	0	0	2,288
20	Adjustment Bad Debt Gas Sales	EXP904S	44	13,357	4,938	1,029	489
21	Adj Uncollectible Prop Rate Increase	EXP904S	12	3,550	1,312	274	130
22	Bad Debt Expense - Cust Service	CUST882	1,742	738	2,974	3,462	6,884
23	Bad Debt Expense - Rental	PLT386	6,549	2,776	11,180	13,014	25,875
24	Adjust Bad Debt Other Revenues	EXP904O	4,946	2,096	8,444	9,829	19,542
25	Total Account 904		13,500	84,967	51,933	32,422	55,208
26	Total Customer Accounts Expenses		35,543	210,550	155,617	89,246	142,592
	SALES EXPENSES						
27	911-Supervision	TLABSA	657	744	1,666	1,773	3,707
28	912-Demonstrating & Selling Exp	CUST912	1,536	1,789	3,954	4,196	8,789
	913-Advertising Expense						
29	Advertising Expense	CUST913	603	703	1,553	1,648	3,453
30	Advertising Guardian Care	EXP879	2,537	1,076	4,332	5,043	10,026
31	Advertising Water Heating Program	PLT386	187	79	320	373	741
32	Total Account 913		3,328	1,858	6,205	7,064	14,219
33	916-Miscellaneous Sales Exp	EXP9123	96	72	200	222	454
34	Total Sales Expenses		5,617	4,463	12,026	13,255	27,170

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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	DELIVERY COMPONENTS OPERATION & MAINT EXP CONT-13	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	ADMINISTRATIVE & GENERAL EXP								
	Operation Expense								
1	920-Administrative & General Salaries	REVCLAIM	1,598,771	997,276	107,737	3	112,171	127,580	81,898
	921-Office Supplies & Expenses								
2	Office Supplies & Expenses	REVCLAIM	3,922,563	2,446,804	264,332	8	275,209	313,017	200,936
3	LDAC Unbilled Revenues Adj	REVCLAIM	(342,271)	(213,501)	(23,065)	(1)	(24,014)	(27,313)	(17,533)
4	Total Account 921		3,580,292	2,233,303	241,267	8	251,195	285,704	183,403
5	922-Administrative Exp Transferred-Cr	REVCLAIM	(3,493,020)	(2,178,866)	(235,386)	(7)	(245,072)	(278,740)	(178,932)
	923-Outside Services Employed								
6	Nisource Basis 1 - 50% Gross Plt	BASIS1P	2,499,543	1,516,527	137,215	5	172,674	216,639	152,864
7	N Basis 1 - 50% O&M Ex Gas Costs	BASIS1OM	2,207,768	1,362,547	152,894	4	158,769	180,671	111,716
8	Outside Services Nisource Basis 10	BASIS10	1,465,284	1,149,827	173,016	62	86,594	24,414	3,231
9	Outside Services Nisource Basis 11	BASIS11	719,529	438,408	41,079	1	49,995	63,513	40,669
10	Outside Services Nisource Basis 13	REVCLAIM	2,461,266	1,535,281	165,859	5	172,684	196,407	126,080
11	Out Serv Basis 13 - Facilities Mgt	PLANT	277,276	168,229	15,221	1	19,155	24,032	16,957
12	Out Serv Basis 13 - IT Billing	CUST903	1,599,072	1,264,417	178,750	0	94,935	26,647	3,524
13	Outside Services Nisource Basis 2	BASIS2	621,087	376,827	34,095	1	42,906	53,830	37,984
14	Outside Services Nisource Basis 20	BASIS20	2,685,500	1,659,130	167,107	6	186,422	222,165	146,465
15	Nisource Basis 7 - 50% Deprec Plt	BASIS7P	70,821	42,963	3,882	0	4,891	6,132	4,346
16	Nisource Basis 7 - 50% O&M	BASIS7OM	11,582	7,148	802	0	833	948	586
17	Outside Services Nisource Basis 9	BASIS9	33,207	20,233	1,896	0	2,307	2,931	1,877
18	Outside Services Nisource Co 12	BASCO12	1,753,676	1,128,943	124,008	9	119,418	127,060	81,437
	Outside Serv Nisource Direct Billed								
19	BSG Communications	REVCLAIM	203,926	127,204	13,742	0	14,308	16,273	10,446
20	Regulatory External Affairs	REVCLAIM	302,216	188,516	20,366	1	21,204	24,117	15,481
21	Printing & Inserting	EXP903	204,082	147,407	19,757	0	15,707	7,713	3,491
22	Finance & Acct'g & HR	REVCLAIM	300,413	187,390	20,244	1	21,077	23,973	15,389
23	Regulatory	REVCLAIM	340,303	212,273	22,932	1	23,876	27,156	17,432
24	Legal Energy Distr East	REVCLAIM	511,239	318,899	34,451	1	35,869	40,796	26,189
25	Fleet Management	LABOR	262,072	159,680	14,962	1	18,210	23,133	14,813
26	Nisource Retail Services	EXP879	437,393	231,406	4,437	2	26,351	53,586	41,930
27	Oth Outside Servvice - Direct Billed	REVCLAIM	1,648,368	1,028,214	111,079	4	115,650	131,538	84,439
28	Total Out Serv - Direct Billed		4,210,012	2,600,990	261,971	9	292,250	348,285	229,610
29	Outside Services Employed BSG	REVCLAIM	1,236,425	771,254	83,320	3	86,748	98,666	63,337
30	NIS Gas Dispatching & Control	DISTR	672,581	355,834	6,822	3	40,519	82,399	64,476
31	NIS Gas Acq & Dispat Costs - Sales	GASCOSTS	0	0	0	0	0	0	0
32	NIS Gas Acq & Dispat Costs - Trans	DISTR	159,283	84,270	1,616	1	9,596	19,514	15,270
33	Nisource Payroll & Benefits Adj	REVCLAIM	693,139	432,364	46,709	1	48,631	55,312	35,506
34	Nisource PBOP & Pension	PENSION	603,831	383,627	39,168	1	43,014	47,339	29,436
35	Nisource Charitable Contr Adj	REVCLAIM	(8,000)	(4,990)	(539)	(0)	(561)	(638)	(410)
36	DSM Inplementation Expense Adj	REVCLAIM	(2,214,671)	(1,381,461)	(149,241)	(5)	(155,383)	(176,729)	(113,448)
37	Customer Choice Recoveries Adj	REVCLAIM	60,290	37,607	4,063	0	4,230	4,811	3,088
38	Total Account 923		21,818,500	13,949,974	1,489,711	108	1,480,628	1,624,346	1,054,601
39	924-Property Insurance	PLANT	0	0	0	0	0	0	0
	925-Injuries & Damages								
40	Injuries & Damages	REVCLAIM	2,498,722	1,558,645	168,383	5	175,312	199,396	127,999
41	Corporate Insurance Premiums Adj	REVCLAIM	86,999	54,268	5,863	0	6,104	6,942	4,457
42	Self Insurance Adjustment	REVCLAIM	73,284	45,713	4,938	0	5,142	5,848	3,754
43	Total Account 925		2,659,006	1,658,627	179,184	6	186,557	212,186	136,209

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	OPERATION & MAINT EXP CONT-13	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ADMINISTRATIVE & GENERAL EXP						
	Operation Expense						
1	920-Administrative & General Salaries	REVCLAIM	14,449	23,293	41,672	35,222	57,469
	921-Office Supplies & Expenses						
2	Office Supplies & Expenses	REVCLAIM	35,450	57,149	102,243	86,416	140,999
3	LDAC Unbilled Revenues Adj	REVCLAIM	(3,093)	(4,987)	(8,921)	(7,540)	(12,303)
4	Total Account 921		32,357	52,162	93,321	78,876	128,696
5	922-Administrative Exp Transferred-Cr	REVCLAIM	(31,568)	(50,891)	(91,047)	(76,953)	(125,559)
	923-Outside Services Employed						
6	Nisource Basis 1 - 50% Gross Plt	BASIS1P	27,891	33,166	67,624	64,672	110,267
7	N Basis 1 - 50% O&M Ex Gas Costs	BASIS1OM	20,328	33,299	59,104	48,231	80,205
8	Outside Services Nisource Basis 10	BASIS10	79	17,273	9,142	1,300	347
9	Outside Services Nisource Basis 11	BASIS11	7,593	10,250	20,489	17,520	30,011
10	Outside Services Nisource Basis 13	REVCLAIM	22,244	35,859	64,154	54,223	88,472
11	Out Serv Basis 13 - Facilities Mgt	PLANT	3,094	3,679	7,502	7,174	12,232
12	Out Serv Basis 13 - IT Billing	CUST903	86	18,924	9,993	1,417	379
13	Outside Services Nisource Basis 2	BASIS2	6,930	8,241	16,803	16,070	27,399
14	Outside Services Nisource Basis 20	BASIS20	26,796	37,457	70,965	62,606	106,381
15	Nisource Basis 7 - 50% Deprec Plt	BASIS7P	792	937	1,911	1,837	3,131
16	Nisource Basis 7 - 50% O&M	BASIS7OM	107	175	310	253	421
17	Outside Services Nisource Basis 9	BASIS9	350	473	946	809	1,385
18	Outside Services Nisource Co 12	BASCO12	14,718	24,029	40,927	34,796	58,332
	Outside Serv Nisource Direct Billed						
19	BSG Communications	REVCLAIM	1,843	2,971	5,315	4,493	7,330
20	Regulatory External Affairs	REVCLAIM	2,731	4,403	7,877	6,658	10,863
21	Printing & Inserting	EXP903	574	3,090	2,605	1,462	2,275
22	Finance & Acct'g & HR	REVCLAIM	2,715	4,377	7,830	6,618	10,799
23	Regulatory	REVCLAIM	3,076	4,958	8,870	7,497	12,232
24	Legal Energy Distr East	REVCLAIM	4,620	7,448	13,326	11,263	18,377
25	Fleet Management	LABOR	2,766	3,733	7,463	6,381	10,931
26	Nisource Retail Services	EXP879	8,786	3,724	14,999	17,460	34,713
27	Oth Outside Servvice - Direct Billed	REVCLAIM	14,897	24,015	42,965	36,314	59,252
28	Total Out Serv - Direct Billed		42,008	58,720	111,251	98,146	166,772
29	Outside Services Employed BSG	REVCLAIM	11,174	18,014	32,228	27,239	44,444
30	NIS Gas Dispatching & Control	DISTR	13,510	5,726	23,064	26,848	53,379
31	NIS Gas Acq & Dispat Costs - Sales	GASCOSTS	0	0	0	0	0
32	NIS Gas Acq & Dispat Costs - Trans	DISTR	3,199	1,356	5,462	6,358	12,641
33	Nisource Payroll & Benefits Adj	REVCLAIM	6,264	10,098	18,067	15,270	24,915
34	Nisource PBOP & Pension	PENSION	5,250	8,647	15,010	12,338	20,002
35	Nisource Charitable Contr Adj	REVCLAIM	(72)	(117)	(209)	(176)	(288)
36	DSM Inplementation Expense Adj	REVCLAIM	(20,015)	(32,266)	(57,726)	(48,790)	(79,608)
37	Customer Choice Recoveries Adj	REVCLAIM	545	878	1,571	1,328	2,167
38	Total Account 923		192,871	294,819	518,586	449,469	763,387
39	924-Property Insurance	PLANT	0	0	0	0	0
	925-Injuries & Damages						
40	Injuries & Damages	REVCLAIM	22,582	36,404	65,130	55,048	89,818
41	Corporate Insurance Premiums Adj	REVCLAIM	786	1,268	2,268	1,917	3,127
42	Self Insurance Adjustment	REVCLAIM	662	1,068	1,910	1,614	2,634
43	Total Account 925		24,031	38,740	69,308	58,579	95,580

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	DELIVERY COMPONENTS OPERATION & MAINT EXP CONT-14	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	ADMIN & GENERAL EXP CON'T								
	926-Employees Pensions & Benefits								
1	Employees Pensions & Benefits	LABOR	8,691,067	5,295,457	496,190	17	603,883	767,160	491,232
2	Medical & Dental Benefits Adj	LABOR	712,751	434,278	40,692	1	49,524	62,914	40,286
3	Pension & PBOP Expense	PENSION	5,026,451	3,193,410	326,045	10	358,059	394,063	245,030
4	Total Account 926		14,430,268	8,923,146	862,927	29	1,011,466	1,224,137	776,548
	928-Regulatory Commission Expenses								
5	Regulatory Commission Expenses	REVCLAIM	328,999	205,222	22,170	1	23,083	26,254	16,853
6	Rate Case Expense Adj	REVCLAIM	303,775	189,488	20,471	1	21,313	24,241	15,561
7	Total Account 928		632,774	394,710	42,641	1	44,396	50,495	32,414
8	929-Duplicate Charges-Cr	REVCLAIM	0	0	0	0	0	0	0
	930-Miscellaneous General Exp								
9	Miscellaneous General Exp	REVCLAIM	641,688	400,270	43,242	1	45,021	51,206	32,871
10	Charitable Contributions Adj	REVCLAIM	(134,873)	(84,130)	(9,089)	(0)	(9,463)	(10,763)	(6,909)
11	Research & Develop GRI/GTI Adj	REVCLAIM	283,902	177,091	19,131	1	19,919	22,655	14,543
12	Total Account 930		790,718	493,231	53,285	2	55,477	63,099	40,505
	931 Rents								
13	Rents - General & Admin	REVCLAIM	1,009,786	629,881	68,047	2	70,847	80,580	51,727
14	Metscan Lease Expense	PLT397M	4,817,413	2,936,603	452,273	0	391,160	461,298	135,486
15	Metscan Lease Expense Adj	PLT397M	(2,919,051)	(1,779,398)	(274,049)	0	(237,019)	(279,517)	(82,096)
16	Water Heater Lease Expense	PLT386	185,481	98,130	1,881	1	11,174	22,724	17,781
17	Itron Lease Payment Adj	PLT397E	310,104	189,033	29,113	0	25,180	29,694	8,721
18	Total Account 931		3,403,733	2,074,250	277,266	3	261,342	314,778	131,619
19	Total Operation Expense		45,421,041	28,545,652	3,018,632	152	3,158,160	3,623,586	2,258,265
	Maintenance								
	932 Maintenance of General Plant								
20	Maintenance of General Plant	GENPLT	1,985,210	1,209,636	119,800	4	139,996	176,549	107,220
21	ERC Remediation Adj	GENPLT	(1,168,583)	(712,045)	(70,520)	(2)	(82,408)	(103,925)	(63,115)
22	Total Account 932		816,627	497,590	49,281	1	57,588	72,624	44,106
23	Total Administrative & General Exp		46,237,668	29,043,242	3,067,912	154	3,215,748	3,696,210	2,302,370
24	Total Gas O&M Exp Before Other Adj		84,119,503	52,396,995	5,816,826	218	5,962,406	6,717,627	4,206,247
	ADJUSTMENTS TO O&M EXPENSES								
25	Total Gas Operation & Maintenance Exp		84,119,503	52,396,995	5,816,826	218	5,962,406	6,717,627	4,206,247
26	Payroll - Union Adjustment	OMLAB	1,120,386	696,746	70,758	2	79,007	92,579	57,537
27	Payroll - Non-Union Adjustment	OMLAB	423,781	263,541	26,764	1	29,884	35,018	21,763
28	Incentive Compensation Adjustment	OMLAB	(118,799)	(73,879)	(7,503)	(0)	(8,377)	(9,817)	(6,101)
29	Gain on Sale of Property Adjustment	PLANT	(397,807)	(241,358)	(21,838)	(1)	(27,481)	(34,478)	(24,329)
30	Farm Sales Adjustment	REVCLAIM	14,030	8,752	945	0	984	1,120	719
31	Inflation Adjustment	OTHOMINF	1,134,362	697,889	67,261	2	79,384	96,851	61,956
32	Total Adjusted Gas Oper & Maint Exp		86,295,456	53,748,685	5,953,213	222	6,115,807	6,898,900	4,317,793

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	OPERATION & MAINT EXP CONT-14	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ADMIN & GENERAL EXP CON'T						
	926-Employees Pensions & Benefits						
1	Employees Pensions & Benefits	LABOR	91,717	123,812	247,481	211,623	362,494
2	Medical & Dental Benefits Adj	LABOR	7,522	10,154	20,296	17,355	29,728
3	Pension & PBOP Expense	PENSION	43,702	71,981	124,949	102,702	166,501
4	Total Account 926		142,941	205,946	392,726	331,680	558,724
	928-Regulatory Commission Expenses						
5	Regulatory Commission Expenses	REVCLAIM	2,973	4,793	8,575	7,248	11,826
6	Rate Case Expense Adj	REVCLAIM	2,745	4,426	7,918	6,692	10,919
7	Total Account 928		5,719	9,219	16,493	13,940	22,745
8	929-Duplicate Charges-Cr	REVCLAIM	0	0	0	0	0
	930-Miscellaneous General Exp						
9	Miscellaneous General Exp	REVCLAIM	5,799	9,349	16,726	14,137	23,066
10	Charitable Contributions Adj	REVCLAIM	(1,219)	(1,965)	(3,515)	(2,971)	(4,848)
11	Research & Develop GRI/GTI Adj	REVCLAIM	2,566	4,136	7,400	6,254	10,205
12	Total Account 930		7,146	11,520	20,610	17,420	28,423
	931 Rents						
13	Rents - General & Admin	REVCLAIM	9,126	14,712	26,320	22,246	36,297
14	Metscan Lease Expense	PLT397M	9,631	125,194	197,655	73,985	34,129
15	Metscan Lease Expense Adj	PLT397M	(5,836)	(75,859)	(119,766)	(44,830)	(20,680)
16	Water Heater Lease Expense	PLT386	3,726	1,579	6,361	7,404	14,721
17	Itron Lease Payment Adj	PLT397E	620	8,059	12,723	4,763	2,197
18	Total Account 931		17,267	73,684	123,293	63,567	66,664
19	Total Operation Expense		405,212	658,492	1,184,963	971,799	1,596,129
	Maintenance						
	932 Maintenance of General Plant						
20	Maintenance of General Plant	GENPLT	19,448	30,343	58,734	46,760	76,720
21	ERC Remediation Adj	GENPLT	(11,448)	(17,861)	(34,574)	(27,525)	(45,161)
22	Total Account 932		8,000	12,482	24,161	19,235	31,559
23	Total Administrative & General Exp		413,212	670,973	1,209,124	991,034	1,627,688
24	Total Gas O&M Exp Before Other Adj		765,875	1,234,703	2,184,522	1,809,855	3,024,228
	ADJUSTMENTS TO O&M EXPENSES						
25	Total Gas Operation & Maintenance Exp		765,875	1,234,703	2,184,522	1,809,855	3,024,228
26	Payroll - Union Adjustment	OMLAB	10,487	16,502	30,382	24,901	41,485
27	Payroll - Non-Union Adjustment	OMLAB	3,967	6,242	11,492	9,419	15,692
28	Incentive Compensation Adjustment	OMLAB	(1,112)	(1,750)	(3,222)	(2,640)	(4,399)
29	Gain on Sale of Property Adjustment	PLANT	(4,439)	(5,278)	(10,763)	(10,293)	(17,549)
30	Farm Sales Adjustment	REVCLAIM	127	204	366	309	504
31	Inflation Adjustment	OTHOMINF	11,491	16,203	31,255	26,651	45,419
32	Total Adjusted Gas Oper & Maint Exp		786,395	1,266,826	2,244,033	1,858,202	3,105,380

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEPRECIATION & AMORT EXPENSE-15

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEPRECIATION & AMORTIZATION EXP								
	INTANGIBLE PLANT AMORTIZATION								
	301 Organization								
1	Organization	PLT301	109,644	66,524	6,019	0	7,574	9,503	6,705
2	Adj Organization	PLT301	(97,408)	(59,099)	(5,347)	(0)	(6,729)	(8,442)	(5,957)
3	Total Account 301		12,236	7,424	672	0	845	1,061	748
	303 Misc. Intangible Plant								
4	Misc. Intangible Plant	PLT303	14,354,409	8,746,125	819,522	28	997,390	1,267,063	811,333
5	Adj Nipsco Amortization	PLT303	(10,606,213)	(6,462,354)	(605,530)	(21)	(736,953)	(936,210)	(599,479)
6	Total Account 303		3,748,196	2,283,772	213,992	7	260,436	330,853	211,854
7	Total Intangible Plant Amortization		3,760,432	2,291,196	214,664	7	261,282	331,914	212,602
	PRODUCTION PLANT DEPRECIATION								
8	305 Structures & Improvements	PLT305	20,732	10,969	210	0	1,249	2,540	1,987
9	311 L.P. Gas Equipment	PLT311	22,960	12,147	233	0	1,383	2,813	2,201
10	320 Other Equipment	PLT320	17,479	9,247	177	0	1,053	2,141	1,676
11	321 L.N.G. Equipment	PLT321	159,289	84,273	1,616	1	9,596	19,515	15,270
12	Total Production Plant Depreciation		220,460	116,636	2,236	1	13,281	27,009	21,134
	DISTRIBUTION PLANT DEPRECIATION								
13	365 Right of Way	PLT365	1,723	912	17	0	104	211	165
14	366 Structures & Improvements	PLT366	65,367	34,583	663	0	3,938	8,008	6,266
	367 Gas Mains								
15	Gas Mains - Bare Steel	PLT367BS	121,077	64,057	1,228	0	7,294	14,833	11,607
16	Gas Mains - Joint Clamping	PLT367JC	1,285,330	680,014	13,038	5	77,434	157,468	123,217
17	Gas Mains - Cast Iron	PLT367CI	137,152	72,561	1,391	1	8,263	16,803	13,148
18	Gas Mains - Cathodic Protection	PLT367CP	624,734	330,520	6,337	2	37,637	76,537	59,890
19	Gas Mains - Coated Steel	PLT367CS	3,696,753	1,955,796	37,498	14	222,709	452,897	354,386
20	Gas Mains - Plastic	PLT367P	2,735,845	1,447,420	27,751	11	164,820	335,174	262,269
21	Adj Gas Mains - Plastic	PLT367P	22,864	12,096	232	0	1,377	2,801	2,192
22	Total Account 367		8,623,755	4,562,465	87,474	34	519,534	1,056,514	826,709
23	368 Compressor Station Equipment	PLT368	16,821	8,899	171	0	1,013	2,061	1,613
24	369 Meas. & Reg. Station Equipment	PLT369	334,825	177,142	3,396	1	20,171	41,020	32,098
25	380 Gas Services	PLT380	11,620,315	8,434,972	1,269,221	0	908,105	313,429	242,751
26	381 Gas Meters	PLT381	986,673	601,457	92,632	0	80,115	94,480	27,749
27	382 Meter Installations	PLT382	1,509,627	920,240	141,728	0	122,577	144,556	42,457
28	383 Gas Regulators	PLT383	552,649	336,884	51,884	0	44,874	52,920	15,543
	386 Other Property on Cust's Premises								
29	Gas Water Heaters	PLT3860	992,169	524,915	10,064	4	59,773	121,553	95,113
30	Cascade Diamond Boilers	PLT3862	40,224	21,281	408	0	2,423	4,928	3,856
31	Conversion Burners	PLT3863	325,942	172,442	3,306	1	19,636	39,932	31,246
32	Total Account 386		1,358,335	718,638	13,778	5	81,832	166,412	130,216
33	387 Other Equipment	PLT387	256,386	135,643	2,601	1	15,446	31,410	24,578
34	Total Distribution Plant Depreciation		25,326,476	15,931,835	1,663,565	42	1,797,710	1,911,022	1,350,144

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BAY STATE GAS COMPANY
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DELIVERY COMPONENTS

DEPRECIATION & AMORT EXPENSE-15

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEPRECIATION & AMORTIZATION EXP						
	INTANGIBLE PLANT AMORTIZATION						
	301 Organization						
1	Organization	PLT301	1,223	1,455	2,966	2,837	4,837
2	Adj Organization	PLT301	(1,087)	(1,292)	(2,635)	(2,520)	(4,297)
3	Total Account 301		137	162	331	317	540
	303 Misc. Intangible Plant						
4	Misc. Intangible Plant	PLT303	151,483	204,491	408,747	349,522	598,706
5	Adj Nipsco Amortization	PLT303	(111,928)	(151,094)	(302,016)	(258,256)	(442,373)
6	Total Account 303		39,555	53,396	106,731	91,267	156,333
7	Total Intangible Plant Amortization		39,692	53,559	107,062	91,583	156,873
	PRODUCTION PLANT DEPRECIATION						
8	305 Structures & Improvements	PLT305	416	177	711	828	1,645
9	311 L.P. Gas Equipment	PLT311	461	195	787	917	1,822
10	320 Other Equipment	PLT320	351	149	599	698	1,387
11	321 L.N.G. Equipment	PLT321	3,200	1,356	5,462	6,358	12,642
12	Total Production Plant Depreciation		4,428	1,877	7,560	8,800	17,497
	DISTRIBUTION PLANT DEPRECIATION						
13	365 Right of Way	PLT365	35	15	59	69	137
14	366 Structures & Improvements	PLT366	1,313	557	2,242	2,609	5,188
	367 Gas Mains						
15	Gas Mains - Bare Steel	PLT367BS	2,432	1,031	4,152	4,833	9,609
16	Gas Mains - Joint Clamping	PLT367JC	25,818	10,943	44,077	51,308	102,009
17	Gas Mains - Cast Iron	PLT367CI	2,755	1,168	4,703	5,475	10,885
18	Gas Mains - Cathodic Protection	PLT367CP	12,549	5,319	21,423	24,938	49,581
19	Gas Mains - Coated Steel	PLT367CS	74,255	31,473	126,770	147,567	293,389
20	Gas Mains - Plastic	PLT367P	54,953	23,292	93,818	109,209	217,128
21	Adj Gas Mains - Plastic	PLT367P	459	195	784	913	1,815
22	Total Account 367		173,221	73,419	295,727	344,242	684,416
23	368 Compressor Station Equipment	PLT368	338	143	577	671	1,335
24	369 Meas. & Reg. Station Equipment	PLT369	6,725	2,851	11,482	13,366	26,573
25	380 Gas Services	PLT380	10,327	181,145	117,362	97,644	45,359
26	381 Gas Meters	PLT381	1,973	25,641	40,482	15,153	6,990
27	382 Meter Installations	PLT382	3,018	39,232	61,939	23,185	10,695
28	383 Gas Regulators	PLT383	1,105	14,362	22,675	8,487	3,915
	386 Other Property on Cust's Premises						
29	Gas Water Heaters	PLT3860	19,929	8,447	34,024	39,605	78,743
30	Cascade Diamond Boilers	PLT3862	808	342	1,379	1,606	3,192
31	Conversion Burners	PLT3863	6,547	2,775	11,177	13,011	25,868
32	Total Account 386		27,284	11,564	46,580	54,222	107,803
33	387 Other Equipment	PLT387	5,150	2,183	8,792	10,234	20,348
34	Total Distribution Plant Depreciation		230,488	351,112	607,917	569,883	912,759

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEPREC & AMORT EXP CONT-16

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	TRANSMISSION PLANT DEPRECIATION								
1	379 Other Equipment	PLT379	13,471	7,127	137	0	812	1,650	1,291
2	Total Transmission Plant Depreciation		13,471	7,127	137	0	812	1,650	1,291
	GENERAL PLANT DEPRECIATION								
3	390 Structures & Improvements	PLT390	147,524	89,886	8,422	0	10,250	13,022	8,338
4	Total General Plant Depreciation		147,524	89,886	8,422	0	10,250	13,022	8,338
	GENERAL PLT DEPRECIATION (Equip)								
	391 Office Equipment								
5	Office Equipment	PLT391OE	296,126	180,429	16,906	1	20,576	26,139	16,737
6	Office IT Equipment	PLT391IT	968,356	590,018	55,285	2	67,284	85,477	54,733
7	Total Account 391		1,264,481	770,447	72,192	2	87,860	111,616	71,470
8	392 Transportation Equipment	PLT392	315,313	192,120	18,002	1	21,909	27,833	17,822
9	393 Stores Equipment	PLT393	5,539	3,375	316	0	385	489	313
10	394 Tools, Shop & Garage Equipment	PLT394	78,382	47,758	4,475	0	5,446	6,919	4,430
11	396 Power Operated Equipment	PLT396	47,729	29,081	2,725	0	3,316	4,213	2,698
	397 Communication Equipment								
12	Communications Equipment Other	PLT397O	484,007	294,905	27,633	1	33,630	42,723	27,357
13	Communications Equip ERT/ITRON	PLT397E	160,519	97,849	15,070	0	13,034	15,371	4,514
14	Communications Equip Metscan	PLT397M	159,243	97,071	14,950	0	12,930	15,249	4,479
15	Total Account 397		803,769	489,826	57,653	1	59,594	73,343	36,350
16	398 Miscellaneous Equipment	PLT398	1,213	739	69	0	84	107	69
17	Tot Gen Plt Depreciation (Equip)		2,516,427	1,533,346	155,432	4	178,595	224,519	133,152
18	Adj Depreciation Exp Alloc Mgt. Fee	GENPLT	(64,503)	(39,303)	(3,893)	(0)	(4,549)	(5,736)	(3,484)
19	Adj Amortization of Metscan Devices	PLT397M	2,643,350	1,611,336	248,165	0	214,632	253,117	74,342
20	Total Depreciation & Amortization Exp		34,563,637	21,542,058	2,288,729	54	2,472,014	2,756,516	1,797,520

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEPREC & AMORT EXP CONT-16

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	TRANSMISSION PLANT DEPRECIATION						
1	379 Other Equipment	PLT379	271	115	462	538	1,069
2	Total Transmission Plant Depreciation		271	115	462	538	1,069
	GENERAL PLANT DEPRECIATION						
3	390 Structures & Improvements	PLT390	1,557	2,102	4,201	3,592	6,153
4	Total General Plant Depreciation		1,557	2,102	4,201	3,592	6,153
	GENERAL PLT DEPRECIATION (Equip)						
	391 Office Equipment						
5	Office Equipment	PLT391OE	3,125	4,219	8,432	7,211	12,351
6	Office IT Equipment	PLT391IT	10,219	13,795	27,574	23,579	40,389
7	Total Account 391		13,344	18,014	36,007	30,789	52,740
8	392 Transportation Equipment	PLT392	3,328	4,492	8,979	7,678	13,151
9	393 Stores Equipment	PLT393	58	79	158	135	231
10	394 Tools, Shop & Garage Equipment	PLT394	827	1,117	2,232	1,909	3,269
11	396 Power Operated Equipment	PLT396	504	680	1,359	1,162	1,991
	397 Communication Equipment						
12	Communications Equipment Other	PLT397O	5,108	6,895	13,782	11,785	20,187
13	Communications Equip ERT/ITRON	PLT397E	321	4,172	6,586	2,465	1,137
14	Communications Equip Metscan	PLT397M	318	4,138	6,534	2,446	1,128
15	Total Account 397		5,747	15,205	26,902	16,696	22,453
16	398 Miscellaneous Equipment	PLT398	13	17	35	30	51
17	Tot Gen Plt Depreciation (Equip)		23,821	39,603	75,670	58,399	93,886
18	Adj Depreciation Exp Alloc Mgt. Fee	GENPLT	(632)	(986)	(1,908)	(1,519)	(2,493)
19	Adj Amortization of Metscan Devices	PLT397M	5,285	68,695	108,455	40,596	18,727
20	Total Depreciation & Amortization Exp		304,909	516,076	909,419	771,872	1,204,470

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	DELIVERY COMPONENTS STATE & FED TAXES & OTH EXP-17	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	TAXES OTHER THAN INCOME								
	Payroll Taxes								
1	Payroll Taxes	LABOR	2,387,063	1,454,435	136,282	5	165,861	210,706	134,920
2	Payroll Tax Adjustment	LABOR	87,635	53,396	5,003	0	6,089	7,736	4,953
3	Total Payroll Taxes		2,474,698	1,507,831	141,285	5	171,950	218,441	139,874
	Plant Related Taxes								
	Property Taxes								
4	Property Taxes	PLANT	6,891,745	4,181,371	378,328	14	476,097	597,317	421,477
5	Property Tax Adjustment	PLANT	302,801	183,716	16,623	1	20,918	26,244	18,518
6	Total Property Taxes		7,194,546	4,365,087	394,951	15	497,016	623,561	439,995
	Other Taxes								
7	Other Taxes	PLANT	64,253	38,984	3,527	0	4,439	5,569	3,929
8	Other Tax Adjustment	PLANT	0	0	0	0	0	0	0
9	Total Other Taxes		64,253	38,984	3,527	0	4,439	5,569	3,929
10	Total Plant Related Taxes		7,258,799	4,404,071	398,478	15	501,454	629,130	443,925
	Revenue Related Taxes								
11	Other State Taxes	REVCLAIM	41,985	26,190	2,829	0	2,946	3,350	2,151
12	Total Revenue Related Taxes		41,985	26,190	2,829	0	2,946	3,350	2,151
13	Total Taxes Other Than Income		9,775,482	5,938,091	542,593	20	676,350	850,922	585,949
	FEDERAL & STATE INCOME TAXES								
14	State Tax @ 6.50%		1,162,292	995,501	(277,203)	8	61,856	150,837	71,148
15	Federal Tax @ 35.00%		5,851,691	5,011,966	(1,395,611)	42	311,423	759,407	358,201
16	Amortization of ITC		(364,227)	(220,984)	(19,995)	(1)	(25,162)	(31,568)	(22,275)
17	Deferred Tax Flowback		256,894	155,863	14,102	1	17,747	22,265	15,711
18	Total Income Tax Expense		6,906,650	5,942,346	(1,678,706)	50	365,865	900,941	422,785
19	**INTEREST ON CUSTOMER DEPOSITS**	TOTCDEP	72,506	891	36	0	23,620	21,937	5,800
20	Total Expenses		137,613,732	87,172,071	7,105,866	346	9,653,655	11,429,216	7,129,847
21	Net Operating Income		21,983,036	15,887,885	(2,078,162)	106	1,305,982	2,461,039	1,420,171

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

STATE & FED TAXES & OTH EXP-17

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	TAXES OTHER THAN INCOME						
	Payroll Taxes						
1	Payroll Taxes	LABOR	25,191	34,006	67,972	58,124	99,562
2	Payroll Tax Adjustment	LABOR	925	1,248	2,495	2,134	3,655
3	Total Payroll Taxes		26,116	35,254	70,468	60,258	103,217
	Plant Related Taxes						
	Property Taxes						
4	Property Taxes	PLANT	76,900	91,445	186,454	178,313	304,028
5	Property Tax Adjustment	PLANT	3,379	4,018	8,192	7,835	13,358
6	Total Property Taxes		80,279	95,463	194,646	186,148	317,386
	Other Taxes						
7	Other Taxes	PLANT	717	853	1,738	1,662	2,835
8	Other Tax Adjustment	PLANT	0	0	0	0	0
9	Total Other Taxes		717	853	1,738	1,662	2,835
10	Total Plant Related Taxes		80,996	96,315	196,385	187,810	320,220
	Revenue Related Taxes						
11	Other State Taxes	REVCLAIM	379	612	1,094	925	1,509
12	Total Revenue Related Taxes		379	612	1,094	925	1,509
13	Total Taxes Other Than Income		107,491	132,181	267,947	248,993	424,946
	FEDERAL & STATE INCOME TAXES						
14	State Tax @ 6.50%		(1,801)	(6,281)	6,362	48,994	112,869
15	Federal Tax @ 35.00%		(9,069)	(31,621)	32,032	246,668	568,254
16	Amortization of ITC		(4,064)	(4,833)	(9,854)	(9,424)	(16,068)
17	Deferred Tax Flowback		2,867	3,409	6,950	6,647	11,333
18	Total Income Tax Expense		(12,068)	(39,326)	35,490	292,886	676,388
19	**INTEREST ON CUSTOMER DEPOSITS**	TOTCDEP	2,030	5,725	9,298	2,779	391
20	Total Expenses		1,188,757	1,881,481	3,466,187	3,174,731	5,411,576
21	Net Operating Income		125,300	77,290	380,075	777,419	1,625,931

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF INCOME TAXES-18

FEDERAL & STATE TAX CALCULATION

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Operating Revenues		159,596,767	103,059,957	5,027,704	452	10,959,636	13,890,254	8,550,018
	Operating Expenses								
2	Operation & Maintenance Expense		86,295,456	53,748,685	5,953,213	222	6,115,807	6,898,900	4,317,793
3	Depreciation & Amortization Expense		34,563,637	21,542,058	2,288,729	54	2,472,014	2,756,516	1,797,520
4	Taxes Other Than Income		9,775,482	5,938,091	542,593	20	676,350	850,922	585,949
	Interest Expense								
5	Interest on Customer Deposits		72,506	891	36	0	23,620	21,937	5,800
6	Interest Expense		11,008,277	6,514,828	507,795	27	720,209	1,041,409	748,376
7	Book Taxable Income		17,881,409	15,315,403	(4,264,662)	129	951,637	2,320,570	1,094,580
	Adjustments to Taxable Income								
10	Deductions	PLANT	0	0	0	0	0	0	0
11	Taxable Basis State Franchise Tax		17,881,409	15,315,403	(4,264,662)	129	951,637	2,320,570	1,094,580
	Less:								
12	State Tax @ 6.50%		1,162,292	995,501	(277,203)	8	61,856	150,837	71,148
13	Federal Taxable Basis		16,719,117	14,319,902	(3,987,459)	120	889,781	2,169,733	1,023,432
14	Federal Income Tax @ 35.00%		5,851,691	5,011,966	(1,395,611)	42	311,423	759,407	358,201
15	Federal Income Tax Liability		5,851,691	5,011,966	(1,395,611)	42	311,423	759,407	358,201
16	Amortization of ITC	PLANT	(364,227)	(220,984)	(19,995)	(1)	(25,162)	(31,568)	(22,275)
17	Deferred Tax Flowback	PLANT	256,894	155,863	14,102	1	17,747	22,265	15,711
18	Total Income Tax Expense		6,906,650	5,942,346	(1,678,706)	50	365,865	900,941	422,785
19	Net Income After Tax		21,983,036	15,887,885	(2,078,162)	106	1,305,982	2,461,039	1,420,171

Effective State Tax Rate	6.50%
Federal Tax Rate - Current	35.00%
1 - Incremental Tax Rate	0.60775
Incremental Tax Rate	0.39225
Effective Incremental Federal Rate	0.32725
Factor for Taxable Basis	1.64541
Interest Expense Percentage	2.85%
Purchased Gas Working Capital %	11.564%
Other O&M Working Capital %	0.00%

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF INCOME TAXES-18

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	FEDERAL & STATE TAX CALCULATION						
1	Operating Revenues		1,314,057	1,958,771	3,846,262	3,952,150	7,037,506
	Operating Expenses						
2	Operation & Maintenance Expense		786,395	1,266,826	2,244,033	1,858,202	3,105,380
3	Depreciation & Amortization Expense		304,909	516,076	909,419	771,872	1,204,470
4	Taxes Other Than Income		107,491	132,181	267,947	248,993	424,946
	Interest Expense						
5	Interest on Customer Deposits		2,030	5,725	9,298	2,779	391
6	Interest Expense		140,945	134,591	317,683	316,544	565,867
7	Book Taxable Income		(27,714)	(96,628)	97,882	753,761	1,736,452
	Adjustments to Taxable Income						
10	Deductions	PLANT	0	0	0	0	0
11	Taxable Basis State Franchise Tax		(27,714)	(96,628)	97,882	753,761	1,736,452
	Less:						
12	State Tax @ 6.50%		(1,801)	(6,281)	6,362	48,994	112,869
13	Federal Taxable Basis		(25,912)	(90,347)	91,520	704,766	1,623,582
14	Federal Income Tax @ 35.00%		(9,069)	(31,621)	32,032	246,668	568,254
15	Federal Income Tax Liability		(9,069)	(31,621)	32,032	246,668	568,254
16	Amortization of ITC	PLANT	(4,064)	(4,833)	(9,854)	(9,424)	(16,068)
17	Deferred Tax Flowback	PLANT	2,867	3,409	6,950	6,647	11,333
18	Total Income Tax Expense		(12,068)	(39,326)	35,490	292,886	676,388
19	Net Income After Tax		125,300	77,290	380,075	777,419	1,625,931

Effective State Tax Rate
Federal Tax Rate - Current
1 - Incremental Tax Rate
Incremental Tax Rate
Effective Incremental Federal Rate
Factor for Taxable Basis
Interest Expense Percentage
Purchased Gas Working Capital %
Other O&M Working Capital %

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF LABOR ALLOC-19

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEVELOPMENT OF LABOR ALLOCATOR								
	LIQUEFIED PROPANE PROD LABOR								
	Operation Labor								
1	710-Supervision	LABPO	11,677	6,178	118	0	703	1,431	1,119
2	717-LPG Gas Expenses	EXP717	98	52	1	0	6	12	9
3	719-Handling Expense	EXP719	4,430	2,344	45	0	267	543	425
4	735-Miscellaneous Production Exp	EXP735	34,788	18,405	353	0	2,096	4,262	3,335
5	Total Operation Labor		50,994	26,979	517	0	3,072	6,247	4,889
	Maintenance Labor								
6	740-Supervision	LABPM	2,791	1,477	28	0	168	342	268
7	741-Maintenance of Struct & Improv	EXP741	1,251	662	13	0	75	153	120
8	742-Maintenance of Production Equip	EXP742	12,427	6,575	126	0	749	1,522	1,191
9	Total Maintenance Labor		16,470	8,713	167	0	992	2,018	1,579
10	Total Liquefied Propane Prod Labor		67,464	35,692	684	0	4,064	8,265	6,467
	LIQUEFIED NATURAL GAS LABOR								
	Operation Labor								
11	750-Supervision	LABLO	129,742	68,641	1,316	1	7,816	15,895	12,438
12	754-Liquefaction Expense	EXP754	37,215	19,689	377	0	2,242	4,559	3,568
13	757-Vaporization Expense	EXP757	6,586	3,484	67	0	397	807	631
14	759-Handling Expense	EXP759	5,818	3,078	59	0	351	713	558
15	775-Miscellaneous Production Exp	EXP775	105,157	55,634	1,067	0	6,335	12,883	10,081
16	777-Lease Expense	EXP777	0	0	0	0	0	0	0
17	Total Operation Labor		284,519	150,527	2,886	1	17,141	34,857	27,275
	Maintenance Labor								
18	780-Supervision	LABLM	1,826	966	19	0	110	224	175
19	781-Maintenance of Struct & Improv	EXP781	1,151	609	12	0	69	141	110
20	782-Maintenance of Production Equip	EXP782	30,354	16,059	308	0	1,829	3,719	2,910
21	Total Maintenance Labor		33,331	17,634	338	0	2,008	4,083	3,195
22	Total Liquefied Natural Gas Prod Labor		317,850	168,161	3,224	1	19,149	38,940	30,470
23	Total Production Labor		385,314	203,853	3,908	2	23,213	47,206	36,938

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVELOPMENT OF LABOR ALLOC-19

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEVELOPMENT OF LABOR ALLOCATOR						
	LIQUEFIED PROPANE PROD LABOR						
	Operation Labor						
1	710-Supervision	LABPO	235	99	400	466	927
2	717-LPG Gas Expenses	EXP717	2	1	3	4	8
3	719-Handling Expense	EXP719	89	38	152	177	352
4	735-Miscellaneous Production Exp	EXP735	699	296	1,193	1,389	2,761
5	Total Operation Labor		1,024	434	1,749	2,036	4,047
	Maintenance Labor						
6	740-Supervision	LABPM	56	24	96	111	222
7	741-Maintenance of Struct & Improv	EXP741	25	11	43	50	99
8	742-Maintenance of Production Equip	EXP742	250	106	426	496	986
9	Total Maintenance Labor		331	140	565	657	1,307
10	Total Liquefied Propane Prod Labor		1,355	574	2,313	2,693	5,354
	LIQUEFIED NATURAL GAS LABOR						
	Operation Labor						
11	750-Supervision	LABLO	2,606	1,105	4,449	5,179	10,297
12	754-Liquefaction Expense	EXP754	748	317	1,276	1,486	2,954
13	757-Vaporization Expense	EXP757	132	56	226	263	523
14	759-Handling Expense	EXP759	117	50	200	232	462
15	775-Miscellaneous Production Exp	EXP775	2,112	895	3,606	4,198	8,346
16	777-Lease Expense	EXP777	0	0	0	0	0
17	Total Operation Labor		5,715	2,422	9,757	11,357	22,581
	Maintenance Labor						
18	780-Supervision	LABLM	37	16	63	73	145
19	781-Maintenance of Struct & Improv	EXP781	23	10	39	46	91
20	782-Maintenance of Production Equip	EXP782	610	258	1,041	1,212	2,409
21	Total Maintenance Labor		670	284	1,143	1,331	2,645
22	Total Liquefied Natural Gas Prod Labor		6,384	2,706	10,900	12,688	25,226
23	Total Production Labor		7,740	3,280	13,213	15,381	30,580

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVEL OF LABOR ALLOC CON'T-20

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	TRANSMISSION & DISTRIB LABOR								
	Operation Labor								
1	850-Operation Supervision & Engineer	LABDO	516,364	298,192	26,745	1	36,196	53,668	32,323
2	851-System Control & Load Dispatch	EXP851	0	0	0	0	0	0	0
3	852-Communication System Exp	EXP852	0	0	0	0	0	0	0
4	857-Measuring & Regulating Stat Exp	EXP857	247,504	130,944	2,511	1	14,911	30,322	23,727
5	874-Mains and Services Exp	EXP874	1,872,344	1,147,111	97,790	4	127,037	153,403	119,864
6	878-Meter & House Regulator Exp	EXP878	3,903,793	2,379,678	366,499	0	316,977	373,813	109,791
7	879-Customer Installations Exp	EXP879	3,699,668	1,957,338	37,527	14	222,885	453,254	354,665
8	880-Other Expenses	EXP880	367,296	212,102	18,310	1	25,522	37,974	23,605
9	881-Rents	EXP881	0	0	0	0	0	0	0
10	Total Operation Labor		10,606,968	6,125,365	549,382	21	743,527	1,102,434	663,975
	Maintenance Labor								
11	885-Supervision	LABDM	4,263	2,531	196	0	286	392	292
12	886-Maintenance of Struct & Improv	EXP886	21,780	11,523	221	0	1,312	2,668	2,088
13	887-Maintenance of Mains	EXP887	2,193,154	1,160,305	22,246	9	132,125	268,688	210,245
14	888-Maint of Compressor Station Equip	EXP888	0	0	0	0	0	0	0
15	889-Maint of Meas & Reg Station Equip	EXP889	179,726	95,085	1,823	1	10,828	22,019	17,229
16	892-Maintenance of Services	EXP892	1,261,488	915,691	137,785	0	98,583	34,026	26,353
17	893-Maint of Meters and House Regul	EXP893	312,751	190,647	29,362	0	25,395	29,948	8,796
18	894-Maintenance of Other Equipment	EXP894	256,706	135,812	2,604	1	15,465	31,450	24,609
19	Total Maintenance Labor		4,229,868	2,511,595	194,237	10	283,994	389,190	289,611
20	Total Transmission and Distribution Labor		14,836,836	8,636,961	743,619	32	1,027,521	1,491,624	953,587

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVEL OF LABOR ALLOC CON'T-20

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	TRANSMISSION & DISTRIB LABOR						
	Operation Labor						
1	850-Operation Supervision & Engineer	LABDO	5,820	8,305	18,068	14,200	22,845
2	851-System Control & Load Dispatch	EXP851	0	0	0	0	0
3	852-Communication System Exp	EXP852	0	0	0	0	0
4	857-Measuring & Regulating Stat Exp	EXP857	4,971	2,107	8,487	9,880	19,643
5	874-Mains and Services Exp	EXP874	22,341	21,567	44,967	49,676	88,583
6	878-Meter & House Regulator Exp	EXP878	7,805	101,451	160,170	59,954	27,657
7	879-Customer Installations Exp	EXP879	74,313	31,498	126,870	147,683	293,621
8	880-Other Expenses	EXP880	4,309	5,667	12,578	10,293	16,934
9	881-Rents	EXP881	0	0	0	0	0
10	Total Operation Labor		119,560	170,594	371,140	291,686	469,283
	Maintenance Labor						
11	885-Supervision	LABDM	55	51	118	122	219
12	886-Maintenance of Struct & Improv	EXP886	437	185	747	869	1,729
13	887-Maintenance of Mains	EXP887	44,053	18,672	75,208	87,546	174,058
14	888-Maint of Compressor Station Equip	EXP888	0	0	0	0	0
15	889-Maint of Meas & Reg Station Equip	EXP889	3,610	1,530	6,163	7,174	14,264
16	892-Maintenance of Services	EXP892	1,121	19,665	12,741	10,600	4,924
17	893-Maint of Meters and House Regul	EXP893	625	8,128	12,832	4,803	2,216
18	894-Maintenance of Other Equipment	EXP894	5,156	2,186	8,803	10,247	20,373
19	Total Maintenance Labor		55,058	50,416	116,611	121,363	217,782
20	Total Transmission and Distribution Labor		174,618	221,010	487,751	413,049	687,066

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVEL OF LABOR ALLOC CON'T-21

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	CUSTOMER ACCOUNTS LABOR								
1	901-Supervision	LABCA	221,538	161,416	21,953	0	16,617	7,832	3,465
2	902-Meter Reading Expenses	EXP902	647,138	502,943	75,485	0	38,833	10,753	2,829
3	903-Cust Records & Collection Exp	EXP903	4,970,313	3,590,011	481,181	3	382,529	187,843	85,033
4	Total Customer Accounts Labor		5,838,988	4,254,370	578,619	3	437,979	206,428	91,327
	SALES EXPENSES LABOR								
5	911-Supervision	LABSA	80,141	51,368	5,156	0	4,424	5,167	3,758
6	912-Demonstrating & Selling Exp	EXP912	117,959	75,897	7,729	0	6,499	7,456	5,405
7	913-Advertising Exp	EXP913	0	0	0	0	0	0	0
8	916-Miscellaneous Sales Exp	EXP916	7,065	4,240	315	0	403	605	458
9	Total Sales Expenses Labor		205,166	131,506	13,199	0	11,326	13,228	9,620

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVEL OF LABOR ALLOC CON'T-21

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CUSTOMER ACCOUNTS LABOR						
1	901-Supervision	LABCA	565	3,288	2,695	1,464	2,241
2	902-Meter Reading Expenses	EXP902	349	8,127	4,888	1,511	1,419
3	903-Cust Records & Collection Exp	EXP903	13,985	75,258	63,445	35,612	55,415
4	Total Customer Accounts Labor		14,900	86,673	71,028	38,587	59,075
	SALES EXPENSES LABOR						
5	911-Supervision	LABSA	789	894	2,001	2,130	4,454
6	912-Demonstrating & Selling Exp	EXP912	1,135	1,322	2,922	3,101	6,494
7	913-Advertising Exp	EXP913	0	0	0	0	0
8	916-Miscellaneous Sales Exp	EXP916	96	72	201	222	454
9	Total Sales Expenses Labor		2,020	2,288	5,124	5,453	11,402

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVEL OF LABOR ALLOC CON'T-22

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	ADMINISTRATIVE & GENERAL LABOR								
	Operation Labor								
1	920-Administrative & General Salaries	EXP920	949,392	592,209	63,977	2	66,610	75,761	48,633
2	921-Office Supplies & Expenses	EXP921	5,208	3,249	351	0	365	416	267
3	922-Administrative Exp Transferred-Cr	EXP922	0	0	0	0	0	0	0
4	923-Outside Services Employed	EXP923	212	136	14	0	14	16	10
5	924-Property Insurance	EXP924	0	0	0	0	0	0	0
6	925-Injuries & Damages	EXP925	21,845	13,627	1,472	0	1,533	1,743	1,119
7	926-Employees Pensions & Benefits	EXP926	13,038	8,062	780	0	914	1,106	702
8	928-Regulatory Commission Expenses	EXP928	0	0	0	0	0	0	0
9	929-Duplicate Charges-Cr	EXP929	0	0	0	0	0	0	0
10	930-Miscellaneous General Exp	EXP930	103,166	64,353	6,952	0	7,238	8,233	5,285
11	931 Rents	EXP931	0	0	0	0	0	0	0
12	Total Operation Labor		1,092,863	681,635	73,547	2	76,674	87,274	56,016
	Maintenance Labor								
13	932 Maintenance of General Plant	EXP932	287,235	175,019	17,334	1	20,256	25,544	15,513
14	Total Administrative & General Labor		1,380,097	856,654	90,880	3	96,930	112,818	71,529
15	Total Gas Operation & Maintenance Labor		22,646,401	14,083,344	1,430,225	39	1,596,969	1,871,304	1,163,001
	CONSTRUCION LABOR CAPITILIZED								
	Distribution Related								
16	Distribution/Transmission	DISTR	3,541,199	1,873,499	35,920	14	213,338	433,839	339,474
17	Metscan	PLT397M	8,430	5,139	791	0	684	807	237
18	ERT	PLT397E	794,442	484,276	74,584	0	64,506	76,073	22,343
19	Conversion Burners	CUST3863	12,391	6,555	126	0	746	1,518	1,188
20	Total Capitilized Labor		4,356,461	2,369,470	111,421	14	279,275	512,237	363,242
21	Sum of Allocated Labor Expense		27,002,862	16,452,813	1,541,647	53	1,876,244	2,383,542	1,526,242

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

DEVEL OF LABOR ALLOC CON'T-22

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ADMINISTRATIVE & GENERAL LABOR						
	Operation Labor						
1	920-Administrative & General Salaries	EXP920	8,580	13,832	24,746	20,916	34,127
2	921-Office Supplies & Expenses	EXP921	47	76	136	115	187
3	922-Administrative Exp Transferred-Cr	EXP922	0	0	0	0	0
4	923-Outside Services Employed	EXP923	2	3	5	4	7
5	924-Property Insurance	EXP924	0	0	0	0	0
6	925-Injuries & Damages	EXP925	197	318	569	481	785
7	926-Employees Pensions & Benefits	EXP926	129	186	355	300	505
8	928-Regulatory Commission Expenses	EXP928	0	0	0	0	0
9	929-Duplicate Charges-Cr	EXP929	0	0	0	0	0
10	930-Miscellaneous General Exp	EXP930	932	1,503	2,689	2,273	3,708
11	931 Rents	EXP931	0	0	0	0	0
12	Total Operation Labor		9,888	15,918	28,500	24,088	39,320
	Maintenance Labor						
13	932 Maintenance of General Plant	EXP932	2,814	4,390	8,498	6,766	11,100
14	Total Administrative & General Labor		12,702	20,308	36,998	30,854	50,420
15	Total Gas Operation & Maintenance Labor		211,979	333,560	614,115	503,323	838,543
	CONSTRUCION LABOR CAPITILIZED						
	Distribution Related						
16	Distribution/Transmission	DISTR	71,130	30,148	121,435	141,357	281,044
17	Metscan	PLT397M	17	219	346	129	60
18	ERT	PLT397E	1,588	20,646	32,595	12,201	5,628
19	Conversion Burners	CUST3863	249	105	425	495	983
20	Total Capitilized Labor		72,984	51,119	154,802	154,182	287,715
21	Sum of Allocated Labor Expense		284,963	384,679	768,916	657,506	1,126,258

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

REVENUE REQUIREMENTS-23

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	PRESENT RATES								
1	Rate Base		386,255,320	228,590,466	17,817,354	948	25,270,507	36,540,684	26,258,806
2	Net Operating Income (Present Rates)		21,983,036	15,887,885	(2,078,162)	106	1,305,982	2,461,039	1,420,171
3	Rate of Return (Present Rates)		5.69%	6.95%	-11.66%	11.13%	5.17%	6.74%	5.41%
4	Relative Rate of Return		1.000	1.221	-2.049	1.956	0.908	1.183	0.950
5	Sales Revenues (Present Rates)		139,756,473	92,594,801	4,783,687	377	9,688,890	11,463,988	6,679,151
6	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
7	Sale Revenue $/Therm (Present Rates)		$0.3819	$0.3738	$0.7481	$0.1382	$0.4156	$0.2967	$0.3820
	CLAIMED RATE OF RETURN								
8	Claimed Rate of Return		9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%
9	Return Req for Claimed Rate of Return		34,956,106	20,687,437	1,612,471	86	2,286,981	3,306,932	2,376,422
10	Sales Revenue Required Claimed ROR		161,102,537	100,492,047	10,856,303	345	11,303,039	12,855,832	8,252,580
11	Revenue Deficiency Sales Revenues		21,346,064	7,897,247	6,072,616	(32)	1,614,149	1,391,844	1,573,428
12	Percent Increase Required		15.27%	8.53%	126.94%	-8.61%	16.66%	12.14%	23.56%
13	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
14	Sales Revenue Required $/Therm		$0.4402	$0.4057	$1.6978	$0.1263	$0.4849	$0.3327	$0.4720
15	Revenue Deficiency $/Therm		$0.0583	$0.0319	$0.9497	-$0.0119	$0.0692	$0.0360	$0.0900

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

REVENUE REQUIREMENTS-23

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	PRESENT RATES						
1	Rate Base		4,945,453	4,722,501	11,146,787	11,106,815	19,854,998
2	Net Operating Income (Present Rates)		125,300	77,290	380,075	777,419	1,625,931
3	Rate of Return (Present Rates)		2.53%	1.64%	3.41%	7.00%	8.19%
4	Relative Rate of Return		0.445	0.288	0.599	1.230	1.439
5	Sales Revenues (Present Rates)		925,713	1,771,085	3,164,694	3,174,428	5,509,658
6	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
7	Sale Revenue $/Therm (Present Rates)		$0.2089	$0.3983	$0.2307	$0.4762	$1.7469
	CLAIMED RATE OF RETURN						
8	Claimed Rate of Return		9.05%	9.05%	9.05%	9.05%	9.05%
9	Return Req for Claimed Rate of Return		447,563	427,386	1,008,784	1,005,167	1,796,877
10	Sales Revenue Required Claimed ROR		1,455,970	2,347,139	4,199,180	3,549,167	5,790,935
11	Revenue Deficiency Sales Revenues		530,257	576,054	1,034,486	374,739	281,278
12	Percent Increase Required		57.28%	32.53%	32.69%	11.80%	5.11%
13	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
14	Sales Revenue Required $/Therm		$0.3285	$0.5279	$0.3061	$0.5324	$1.8361
15	Revenue Deficiency $/Therm		$0.1196	$0.1296	$0.0754	$0.0562	$0.0892

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	ALLOCATION FACTOR TABLE-24	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEMAND RELATED								
1	PRODUCTION ALLOCATORS								
2	Design Day Remaining Demands - Sales		369,418	257,370	1,878	0	31,505	47,004	18,466
3	LPG Production Allocator - Prod Function		369,418	257,370	1,878	0	31,505	47,004	18,466
4	LNG Production Allocator - Prod Function		369,418	257,370	1,878	0	31,505	47,004	18,466
5	LPG & LNG Prod Alloc - Distr Function		100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
6	LPG & LNG Distr Pressure Support %		28.6%						
7									
8	Design Day Base Demands - Sales Cust		28,184	17,260	1,344	1	757	1,609	920
9	Design Day Remaining Demands - Sales		369,418	257,370	1,878	0	31,505	47,004	18,466
10	Total Design Day Sendout - Sales Cust		397,602	274,630	3,222	1	32,262	48,613	19,386
11									
12									
13	GAS COST ALLOCATORS								
14	Base Demand Gas Costs	DBASE	6,288,068	3,862,967	300,841	169	168,590	358,374	205,273
15	Remaining Demand Gas Costs	DREMAIN	45,807,643	31,913,801	232,905	0	3,906,613	5,828,405	2,289,761
16									
17									
18									
	DISTRIBUTION ALLOCATORS								
1	Distribution Allocator	DISTR	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
2									
3	Pension & PBOP Expense Allocator	PENSION	175,912,241	111,760,758	11,410,682	357	12,531,108	13,791,129	8,575,385
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ALLOCATION FACTOR TABLE-24						
	DEMAND RELATED						
1	PRODUCTION ALLOCATORS						
2	Design Day Remaining Demands - Sales		4,337	1,551	4,381	1,289	1,637
3	LPG Production Allocator - Prod Function		4,337	1,551	4,381	1,289	1,637
4	LNG Production Allocator - Prod Function		4,337	1,551	4,381	1,289	1,637
5	LPG & LNG Prod Alloc - Distr Function		2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
6	LPG & LNG Distr Pressure Support %						
7							
8	Design Day Base Demands - Sales Cust		554	874	2,853	1,598	414
9	Design Day Remaining Demands - Sales		4,337	1,551	4,381	1,289	1,637
10	Total Design Day Sendout - Sales Cust		4,891	2,425	7,234	2,887	2,051
11							
12							
13	GAS COST ALLOCATORS						
14	Base Demand Gas Costs	DBASE	122,834	195,298	638,567	342,813	92,342
15	Remaining Demand Gas Costs	DREMAIN	537,777	192,307	543,192	159,796	203,086
16							
17							
18							
	DISTRIBUTION ALLOCATORS						
1	Distribution Allocator	DISTR	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
2							
3	Pension & PBOP Expense Allocator	PENSION	1,529,435	2,519,135	4,372,869	3,594,281	5,827,100
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

ALLOCATION FACTOR TABLE CONT-25

COMMODITY RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Base Commodity Gas Costs	EBASE	80,774,205	49,657,716	3,867,284	2,167	2,158,849	4,619,659	2,632,837
2	Remaining Commodity Gas Costs	EREMAIN	191,688,704	134,395,424	1,128,159	0	14,855,080	23,713,567	10,221,852
3									
4									
5									
6									
7	Annual Therm Firm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
8	Annual Therm Firm Transportation		127,549,264	79,549	1,908	0	1,900,026	15,524,113	26,651,718
9	Total Annual Therm Firm Throughput		493,498,312	247,783,289	6,396,166	2,728	25,211,236	54,160,592	44,135,406
10									
11	Annual Base Therm - Sales Actual		378,169,527	256,470,043	6,394,258	2,728	24,381,470	40,254,087	18,083,791
12	Weather Normalization Adj Base -Sales		(12,220,479)	(8,766,303)	0	0	(1,070,260)	(1,617,608)	(600,103)
13									
14	Annual Base Therm - Trans Actual		129,319,171	81,962	1,908	0	1,982,789	16,124,058	27,584,660
15	Weather Normalization Adj Base -Trans		(1,769,907)	(2,413)	0	0	(82,763)	(599,945)	(932,942)
16									
17	Annual Therm Firm Sales Sendout		369,645,503	250,205,798	6,458,846	2,756	23,546,677	39,026,746	17,660,291
18	Annual Therm Firm Trans Sendout		128,837,641	80,353	1,927	0	1,919,218	15,680,922	26,920,927
19	Tot Ann Therm Firm Throughput Sendout		498,483,144	250,286,151	6,460,773	2,756	25,465,895	54,707,668	44,581,218
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

ALLOCATION FACTOR TABLE CONT-25

COMMODITY RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Base Commodity Gas Costs	EBASE	1,577,413	2,506,976	8,208,799	4,357,592	1,184,913
2	Remaining Commodity Gas Costs	EREMAIN	1,678,560	945,632	2,525,235	933,008	1,292,187
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6							
7	Annual Therm Firm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
8	Annual Therm Firm Transportation		5,036,085	797,782	7,650,476	18,839,377	51,068,230
9	Total Annual Therm Firm Throughput		9,468,031	5,243,986	21,369,383	25,505,268	54,222,227
10							
11	Annual Base Therm - Sales Actual		4,598,151	4,446,204	13,718,907	6,665,891	3,153,997
12	Weather Normalization Adj Base -Sales		(166,205)	0	0	0	0
13							
14	Annual Base Therm - Trans Actual		5,187,929	797,782	7,650,476	18,839,377	51,068,230
15	Weather Normalization Adj Base -Trans		(151,844)	0	0	0	0
16							
17	Annual Therm Firm Sales Sendout		4,476,713	4,491,115	13,857,482	6,733,223	3,185,856
18	Annual Therm Firm Trans Sendout		5,086,955	805,840	7,727,754	19,029,674	51,584,071
19	Tot Ann Therm Firm Throughput Sendout		9,563,668	5,296,955	21,585,236	25,762,897	54,769,927
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

ALLOCATION FACTOR TABLE CONT-26

CUSTOMER RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 380 Gas Services	CUST380	228,746,364	166,042,757	24,984,666	0	17,876,084	6,169,869	4,778,556
2	Acct 381 Gas Meters	CUST381	24,915,976	15,188,303	2,339,184	0	2,023,106	2,385,861	700,742
3	Acct 382 Meter Installations	CUST382	45,198,411	27,552,090	4,243,357	0	3,669,983	4,328,031	1,271,169
4	Acct 383 Gas Regulators	CUST383	13,612,047	8,297,644	1,277,938	0	1,105,260	1,303,439	382,828
5	Customer Deposits	CUSTDEP	2,065,320	26,212	151	0	747,953	611,185	143,020
6	Transportation Customers	CUSTTR	38,807	439	59	0	9,286	12,352	4,096
7	Acct 386.0 Gas Water Heaters	CUST3860	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
9	Acct 386.3 Conversion Burners	CUST3863	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
10	Acct 487-Return Check Charges	CUST487	27,736	20,434	1,226	0	2,093	1,971	653
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
12	Acct 882-Revenue Guardian Care & C/S	CUST882	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
13	Acct 902 Meter Reading Expense	CUST902	283,675	220,467	33,089	0	17,023	4,714	1,240
14	Acct 903-Cust Records & Collection Exp	CUST903	281,020	222,208	31,413	0	16,684	4,683	619
15	Acct 912-Demonstrating & Selling Exp	CUST912	100.0000%	64.3422%	6.5521%	0.0000%	5.5093%	6.3206%	4.5820%
16	Acct 913-Advertising Expense	CUST913	100.0000%	64.3422%	6.5521%	0.0000%	5.5093%	6.3206%	4.5820%
17	Acct 879-Customer Installations Exp	CUST879	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
18	Acct 903 Collections Expense	CUST903C	11,447,296	8,185,483	1,185,903	3	1,117,566	384,625	103,390
19	Number of Meters		282,127	220,467	33,089	0	16,910	4,443	1,015
20	Average Number of Bills		281,032	222,208	31,413	12	16,684	4,683	619
21	Average Number of Customers		279,901	219,642	33,050	12	16,541	4,664	617
22									
23	**TOTAL ANNUAL BILL COUNTS**		3,372,382	2,666,494	376,961	144	200,206	56,195	7,432
24	Bi-Monthly Sales Bills		23,554	0	23,554	0	0	0	0
25	Sales Bills		3,309,471	2,665,888	353,282	144	190,733	43,802	3,331
26	Farm Sales Bills		484	166	66	0	170	24	0
27	Transportation Bills		36,729	428	59	0	9,141	11,985	3,777
28	Farm Transportation Bills		80	12	0	0	12	23	24
29	Daily Metered Transportation Bills		2,064	0	0	0	150	361	300
30									
31	**TOTAL ANNUAL CUSTOMER COUNTS**		3,358,808	2,635,699	396,597	143	198,495	55,963	7,406
32	Bi-Monthly Sales Customers		47,645	0	47,645	0	0	0	0
33	Sales Customers		3,271,874	2,635,095	348,628	143	189,039	43,587	3,310
34	Farm Sales Customers		482	165	65	0	170	24	0
35	Transportation Customers		36,667	427	59	0	9,124	11,968	3,772
36	Farm Transportation Customers		80	12	0	0	12	23	24
37	Daily Metered Transportation Customers		2,060	0	0	0	150	361	300

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

ALLOCATION FACTOR TABLE CONT-26

CUSTOMER RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 380 Gas Services	CUST380	203,287	3,565,851	2,310,269	1,922,133	892,892
2	Acct 381 Gas Meters	CUST381	49,813	647,509	1,022,284	382,655	176,519
3	Acct 382 Meter Installations	CUST382	90,363	1,174,602	1,854,457	694,148	320,211
4	Acct 383 Gas Regulators	CUST383	27,214	353,746	558,492	209,051	96,435
5	Customer Deposits	CUSTDEP	79,450	140,898	246,296	70,155	0
6	Transportation Customers	CUSTTR	120	4,054	5,806	1,889	706
7	Acct 386.0 Gas Water Heaters	CUST3860	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
9	Acct 386.3 Conversion Burners	CUST3863	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
10	Acct 487-Return Check Charges	CUST487	111	382	562	211	93
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
12	Acct 882-Revenue Guardian Care & C/S	CUST882	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
13	Acct 902 Meter Reading Expense	CUST902	153	3,563	2,143	663	622
14	Acct 903-Cust Records & Collection Exp	CUST903	15	3,326	1,756	249	67
15	Acct 912-Demonstrating & Selling Exp	CUST912	0.9620%	1.1208%	2.4771%	2.6285%	5.5055%
16	Acct 913-Advertising Expense	CUST913	0.9620%	1.1208%	2.4771%	2.6285%	5.5055%
17	Acct 879-Customer Installations Exp	CUST879	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
18	Acct 903 Collections Expense	CUST903C	14,220	220,619	136,388	42,482	56,618
19	Number of Meters		63	3,546	2,076	427	91
20	Average Number of Bills		15	3,326	1,756	249	67
21	Average Number of Customers		15	3,300	1,746	248	66
22							
23	**TOTAL ANNUAL BILL COUNTS**		181	39,908	21,073	2,989	799
24	Bi-Monthly Sales Bills		0	0	0	0	0
25	Sales Bills		61	35,789	15,250	1,100	91
26	Farm Sales Bills		0	58	0	0	0
27	Transportation Bills		0	4,039	5,734	1,566	0
28	Farm Transportation Bills		0	0	0	9	0
29	Daily Metered Transportation Bills		120	22	89	314	708
30							
31	**TOTAL ANNUAL CUSTOMER COUNTS**		181	39,595	20,955	2,979	795
32	Bi-Monthly Sales Customers		0	0	0	0	0
33	Sales Customers		61	35,483	15,149	1,090	89
34	Farm Sales Customers		0	58	0	0	0
35	Transportation Customers		0	4,032	5,719	1,566	0
36	Farm Transportation Customers		0	0	0	9	0
37	Daily Metered Transportation Customers		120	22	87	314	706

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

ALLOCATION FACTOR TABLE CONT-27

INTERNALLY DEVELOPED

UNCOLLECTIBLE ACCOUNTS

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Residential Heating Rate R-3 & R-4	C904R3	331,590,664	100,492,047	0	0	0	0	0
2	Residential Non-Heating Rate R-1 & R-2	C904R1	16,939,871	0	10,856,303	0	0	0	0
3	Outdoor Lighting	C904OL	2,693	0	0	345	0	0	0
4	High Winter Low Annual Rate G40 & T40	C904R40	33,620,240	0	0	0	11,303,039	0	0
5	High Winter Med Annual Rate G41 & T41	C904R41	48,311,134	0	0	0	0	12,855,832	0
6	High Winter High Annual Rate G42 & T42	C904R42	23,925,108	0	0	0	0	0	8,252,580
7	High Wint Large Annual Rate G43 & T43	C904R43	5,446,019	0	0	0	0	0	0
8	Low Winter Low Annual Rate G50 & T50	C904R50	6,359,348	0	0	0	0	0	0
9	Low Winter Med Annual Rate G51 & T51	C904T51	16,288,662	0	0	0	0	0	0
10	Low Winter High Annual Rate G52 & T52	C904R52	9,387,490	0	0	0	0	0	0
11	Low Wint Large Annual Rate G53 & T53	C904R53	8,599,628	0	0	0	0	0	0
12									
13	LATE PAYMENT CHARGES								
14									
15	High Winter Low Annual Rate G40 & T40	C487R40	33,620,240	0	0	0	11,303,039	0	0
16	High Winter Med Annual Rate G41 & T41	C487R41	48,311,134	0	0	0	0	12,855,832	0
17	High Winter High Annual Rate G42 & T42	C487R42	23,925,108	0	0	0	0	0	8,252,580
18	High Wint Large Annual Rate G43 & T43	C487R43	5,446,019	0	0	0	0	0	0
19	Low Winter Low Annual Rate G50 & T50	C487R50	6,359,348	0	0	0	0	0	0
20	Low Winter Med Annual Rate G51 & T51	C487T51	16,288,662	0	0	0	0	0	0
21	Low Winter High Annual Rate G52 & T52	C487R52	9,387,490	0	0	0	0	0	0
22	Low Wint Large Annual Rate G53 & T53	C487R53	8,599,628	0	0	0	0	0	0
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

ALLOCATION FACTOR TABLE CONT-27

INTERNALLY DEVELOPED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	UNCOLLECTIBLE ACCOUNTS						
1	Residential Heating Rate R-3 & R-4	C904R3	0	0	0	0	0
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0	0	0	0	0
3	Outdoor Lighting	C904OL	0	0	0	0	0
4	High Winter Low Annual Rate G40 & T40	C904R40	0	0	0	0	0
5	High Winter Med Annual Rate G41 & T41	C904R41	0	0	0	0	0
6	High Winter High Annual Rate G42 & T42	C904R42	0	0	0	0	0
7	High Wint Large Annual Rate G43 & T43	C904R43	1,455,970	0	0	0	0
8	Low Winter Low Annual Rate G50 & T50	C904R50	0	2,347,139	0	0	0
9	Low Winter Med Annual Rate G51 & T51	C904T51	0	0	4,199,180	0	0
10	Low Winter High Annual Rate G52 & T52	C904R52	0	0	0	3,549,167	0
11	Low Wint Large Annual Rate G53 & T53	C904R53	0	0	0	0	5,790,935
12							
13	LATE PAYMENT CHARGES						
14							
15	High Winter Low Annual Rate G40 & T40	C487R40	0	0	0	0	0
16	High Winter Med Annual Rate G41 & T41	C487R41	0	0	0	0	0
17	High Winter High Annual Rate G42 & T42	C487R42	0	0	0	0	0
18	High Wint Large Annual Rate G43 & T43	C487R43	1,455,970	0	0	0	0
19	Low Winter Low Annual Rate G50 & T50	C487R50	0	2,347,139	0	0	0
20	Low Winter Med Annual Rate G51 & T51	C487T51	0	0	4,199,180	0	0
21	Low Winter High Annual Rate G52 & T52	C487R52	0	0	0	3,549,167	0
22	Low Wint Large Annual Rate G53 & T53	C487R53	0	0	0	0	5,790,935
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DELIVERY COMPONENTS

ALLOCATION FACTOR TABLE CONT-27

		ALLOC	TOTAL COMPANY INPUT
	INTERNALLY DEVELOPED		
	UNCOLLECTIBLE ACCOUNTS		
1	Residential Heating Rate R-3 & R-4	C904R3	Page 23 , Line 10, Col 2
2	Residential Non-Heating Rate R-1 & R-2	C904R1	Page 23 , Line 10, Col 3
3	Outdoor Lighting	C904OL	Page 23 , Line 10, Col 4
4	High Winter Low Annual Rate G40 & T40	C904R40	Page 23 , Line 10, Col 5
5	High Winter Med Annual Rate G41 & T41	C904R41	Page 23 , Line 10, Col 6
6	High Winter High Annual Rate G42 & T42	C904R42	Page 23 , Line 10, Col 7
7	High Wint Large Annual Rate G43 & T43	C904R43	Page 23 , Line 10, Col 8
8	Low Winter Low Annual Rate G50 & T50	C904R50	Page 23 , Line 10, Col 9
9	Low Winter Med Annual Rate G51 & T51	C904T51	Page 23 , Line 10, Col 10
10	Low Winter High Annual Rate G52 & T52	C904R52	Page 23 , Line 10, Col 11
11	Low Wint Large Annual Rate G53 & T53	C904R53	Page 23 , Line 10, Col 12
12			
13	LATE PAYMENT CHARGES		
14			
15	High Winter Low Annual Rate G40 & T40	C487R40	Page 23 , Line 10, Col 5
16	High Winter Med Annual Rate G41 & T41	C487R41	Page 23 , Line 10, Col 6
17	High Winter High Annual Rate G42 & T42	C487R42	Page 23 , Line 10, Col 7
18	High Wint Large Annual Rate G43 & T43	C487R43	Page 23 , Line 10, Col 8
19	Low Winter Low Annual Rate G50 & T50	C487R50	Page 23 , Line 10, Col 9
20	Low Winter Med Annual Rate G51 & T51	C487T51	Page 23 , Line 10, Col 10
21	Low Winter High Annual Rate G52 & T52	C487R52	Page 23 , Line 10, Col 11
22	Low Wint Large Annual Rate G53 & T53	C487R53	Page 23 , Line 10, Col 12
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	INTERNALLY DEVELOPED-28	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Plant In Service	PLANT	754,551,098	446,149,941	40,367,407	1,513	50,799,320	63,733,357	44,971,350
2	Sum of Allocated Labor Expense	LABOR	28,074,804	16,452,813	1,541,647	53	1,876,244	2,383,542	1,526,242
3	Acct 301 Organization	PLT301	689,189	407,502	36,871	1	46,399	58,212	41,076
4	Acct 303 Misc. Intangible Plant	PLT303	34,573,711	20,261,399	1,898,515	65	2,310,567	2,935,297	1,879,545
5	Acct 305 Structures & Improvements	PLT305	2,368,951	358,447	6,872	3	40,817	83,004	64,950
6	Acct 311 L.P. Gas Equipment	PLT311	4,339,415	656,599	12,589	5	74,768	152,046	118,974
7	Acct 320 Other Equipment	PLT320	819,245	123,960	2,377	1	14,116	28,705	22,461
8	Acct 321 L.N.G. Equipment	PLT321	15,428,067	2,334,429	44,757	17	265,825	540,575	422,993
9	Acct 365 Right of Way	PLT365	79,051	41,823	802	0	4,762	9,685	7,578
10	Acct 366 Structures & Improvements	PLT366	2,108,612	1,115,578	21,388	8	127,032	258,330	202,140
11	Acct 367 Gas Mains	PLT367	309,786,822	163,895,149	3,142,289	1,207	18,662,957	37,952,606	29,697,435
12	Acct 368 Compressor Station Equipment	PLT368	327,265	173,142	3,320	1	19,716	40,094	31,373
13	Acct 369 Meas. & Reg. Station Equip	PLT369	12,355,156	6,536,592	125,323	48	744,330	1,513,655	1,184,416
14	Acct 380 Gas Services	PLT380	228,746,364	166,042,757	24,984,666	0	17,876,084	6,169,869	4,778,556
15	Acct 381 Gas Meters	PLT381	24,915,974	15,188,301	2,339,184	0	2,023,106	2,385,861	700,742
16	Acct 382 Meter Installations	PLT382	45,198,411	27,552,090	4,243,357	0	3,669,983	4,328,031	1,271,169
17	Acct 383 Gas Regulators	PLT383	13,612,047	8,297,644	1,277,938	0	1,105,260	1,303,439	382,828
18	Acct 386 Gas Water Heaters	PLT3860	14,053,382	7,435,052	142,549	55	846,639	1,721,708	1,347,215
19	Acct 386 Cascade Diamond Boilers	PLT3862	569,752	301,432	5,779	2	34,324	69,801	54,619
20	Acct 386 Conversion Burners	PLT3863	7,835,153	4,145,249	79,475	31	472,025	959,900	751,110
21	Acct 387 Other Equipment	PLT387	1,719,559	909,746	17,442	7	103,594	210,667	164,844
22	Acct 379 Other Equipment	PLT379	510,252	269,953	5,176	2	30,740	62,512	48,915
23	Acct 390 Structures & Improvements	PLT390	7,303,824	4,280,295	401,068	14	488,116	620,092	397,061
24	Acct 391 Office Equipment	PLT391	11,420,359	6,692,728	627,116	21	763,225	969,585	620,850
25	Acct 392 Transportation Equipment	PLT392	2,363,594	1,385,148	129,790	4	157,959	200,668	128,493
26	Acct 393 Stores Equipment	PLT393	50,473	29,579	2,772	0	3,373	4,285	2,744
27	Acct 394 Tools, Shop & Garage Equip	PLT394	1,847,938	1,082,956	101,474	3	123,498	156,889	100,460
28	Acct 396 Power Operated Equipment	PLT396	406,425	238,179	22,318	1	27,161	34,505	22,095
29	Acct 397 Communication Equip-Other	PLT397O	7,400,316	4,336,843	406,367	14	494,564	628,284	402,306
30	Acct 398 Miscellaneous Equipment	PLT398	25,220	14,780	1,385	0	1,685	2,141	1,371
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	137,472	20,801	399	0	2,369	4,817	3,769
32	Acct 717-LPG Gas Expenses	EXP717	476	72	1	0	8	17	13
33	Acct 719-Handling Expense	EXP719	20,028	3,031	58	0	345	702	549
34	Acct 735-Miscellaneous Production Exp	EXP735	213,302	32,275	619	0	3,675	7,474	5,848
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	47,828	7,237	139	0	824	1,676	1,311
36	Acct 741-Maintenance of Struct & Improv	EXP741	12,023	1,819	35	0	207	421	330
37	Acct 742-Maintenance of Production Eq	EXP742	107,427	16,255	312	0	1,851	3,764	2,945
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	541,175	81,886	1,570	1	9,324	18,962	14,837
39	Acct 754-Liquefaction Expense	EXP754	165,884	25,100	481	0	2,858	5,812	4,548
40	Acct 757-Vaporization Expense	EXP757	29,356	4,442	85	0	506	1,029	805

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED-28

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Plant In Service	PLANT	8,205,195	9,757,106	19,894,537	19,025,935	32,439,605
2	Sum of Allocated Labor Expense	LABOR	284,963	384,679	768,916	657,506	1,126,258
3	Acct 301 Organization	PLT301	7,494	8,912	18,171	17,378	29,630
4	Acct 303 Misc. Intangible Plant	PLT303	350,928	473,726	946,909	809,709	1,386,971
5	Acct 305 Structures & Improvements	PLT305	13,609	5,768	23,234	27,045	53,771
6	Acct 311 L.P. Gas Equipment	PLT311	24,929	10,566	42,559	49,541	98,497
7	Acct 320 Other Equipment	PLT320	4,706	1,995	8,035	9,353	18,595
8	Acct 321 L.N.G. Equipment	PLT321	88,630	37,566	151,312	176,135	350,188
9	Acct 365 Right of Way	PLT365	1,588	673	2,711	3,156	6,274
10	Acct 366 Structures & Improvements	PLT366	42,355	17,952	72,309	84,171	167,348
11	Acct 367 Gas Mains	PLT367	6,222,526	2,637,410	10,623,268	12,366,039	24,585,934
12	Acct 368 Compressor Station Equipment	PLT368	6,574	2,786	11,223	13,064	25,973
13	Acct 369 Meas. & Reg. Station Equip	PLT369	248,172	105,187	423,685	493,192	980,555
14	Acct 380 Gas Services	PLT380	203,287	3,565,851	2,310,269	1,922,133	892,892
15	Acct 381 Gas Meters	PLT381	49,813	647,509	1,022,284	382,655	176,519
16	Acct 382 Meter Installations	PLT382	90,363	1,174,602	1,854,457	694,148	320,211
17	Acct 383 Gas Regulators	PLT383	27,214	353,746	558,492	209,051	96,435
18	Acct 386 Gas Water Heaters	PLT3860	282,283	119,645	481,921	560,982	1,115,333
19	Acct 386 Cascade Diamond Boilers	PLT3862	11,444	4,851	19,538	22,743	45,218
20	Acct 386 Conversion Burners	PLT3863	157,381	66,706	268,685	312,763	621,829
21	Acct 387 Other Equipment	PLT387	34,540	14,640	58,967	68,641	136,471
22	Acct 379 Other Equipment	PLT379	10,249	4,344	17,498	20,368	40,496
23	Acct 390 Structures & Improvements	PLT390	74,135	100,076	200,038	171,054	293,003
24	Acct 391 Office Equipment	PLT391	115,918	156,481	312,782	267,462	458,143
25	Acct 392 Transportation Equipment	PLT392	23,991	32,386	64,734	55,355	94,819
26	Acct 393 Stores Equipment	PLT393	512	692	1,382	1,182	2,025
27	Acct 394 Tools, Shop & Garage Equip	PLT394	18,757	25,320	50,612	43,278	74,133
28	Acct 396 Power Operated Equipment	PLT396	4,125	5,569	11,131	9,518	16,304
29	Acct 397 Communication Equip-Other	PLT397O	75,114	101,399	202,681	173,314	296,874
30	Acct 398 Miscellaneous Equipment	PLT398	256	346	691	591	1,012
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	790	335	1,348	1,569	3,120
32	Acct 717-LPG Gas Expenses	EXP717	3	1	5	5	11
33	Acct 719-Handling Expense	EXP719	115	49	196	229	455
34	Acct 735-Miscellaneous Production Exp	EXP735	1,225	519	2,092	2,435	4,842
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	275	116	469	546	1,086
36	Acct 741-Maintenance of Struct & Improv	EXP741	69	29	118	137	273
37	Acct 742-Maintenance of Production Eq	EXP742	617	262	1,054	1,226	2,438
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	3,109	1,318	5,308	6,178	12,284
39	Acct 754-Liquefaction Expense	EXP754	953	404	1,627	1,894	3,765
40	Acct 757-Vaporization Expense	EXP757	169	71	288	335	666

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DELIVERY COMPONENTS

	INTERNALLY DEVELOPED-28	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Plant In Service	PLANT	Page 4 , Line 18
2	Sum of Allocated Labor Expense	LABOR	Page 22 , Line 21
3	Acct 301 Organization	PLT301	Page 2 , Line 3
4	Acct 303 Misc. Intangible Plant	PLT303	Page 2 , Line 4
5	Acct 305 Structures & Improvements	PLT305	Page 2 , Line 13
6	Acct 311 L.P. Gas Equipment	PLT311	Page 2 , Line 14
7	Acct 320 Other Equipment	PLT320	Page 2 , Line 18
8	Acct 321 L.N.G. Equipment	PLT321	Page 2 , Line 19
9	Acct 365 Right of Way	PLT365	Page 3 , Line 2
10	Acct 366 Structures & Improvements	PLT366	Page 3 , Line 3
11	Acct 367 Gas Mains	PLT367	Page 3 , Line 11
12	Acct 368 Compressor Station Equipment	PLT368	Page 3 , Line 12
13	Acct 369 Meas. & Reg. Station Equip	PLT369	Page 3 , Line 13
14	Acct 380 Gas Services	PLT380	Page 3 , Line 14
15	Acct 381 Gas Meters	PLT381	Page 3 , Line 15
16	Acct 382 Meter Installations	PLT382	Page 3 , Line 16
17	Acct 383 Gas Regulators	PLT383	Page 3 , Line 17
18	Acct 386 Gas Water Heaters	PLT3860	Page 3 , Line 18
19	Acct 386 Cascade Diamond Boilers	PLT3862	Page 3 , Line 19
20	Acct 386 Conversion Burners	PLT3863	Page 3 , Line 20
21	Acct 387 Other Equipment	PLT387	Page 3 , Line 22
22	Acct 379 Other Equipment	PLT379	Page 3 , Line 24
23	Acct 390 Structures & Improvements	PLT390	Page 4 , Line 2
24	Acct 391 Office Equipment	PLT391	Page 4 , Line 6
25	Acct 392 Transportation Equipment	PLT392	Page 4 , Line 7
26	Acct 393 Stores Equipment	PLT393	Page 4 , Line 8
27	Acct 394 Tools, Shop & Garage Equip	PLT394	Page 4 , Line 9
28	Acct 396 Power Operated Equipment	PLT396	Page 4 , Line 10
29	Acct 397 Communication Equip-Other	PLT397O	Page 4 , Line 11 & 12
30	Acct 398 Miscellaneous Equipment	PLT398	Page 4 , Line 16
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	Pg 19, Ln 2 to 4
32	Acct 717-LPG Gas Expenses	EXP717	Page 9 , Line 2
33	Acct 719-Handling Expense	EXP719	Page 9 , Line 3
34	Acct 735-Miscellaneous Production Exp	EXP735	Page 9 , Line 6
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	Pg 19, Ln 9 to 10
36	Acct 741-Maintenance of Struct & Improv	EXP741	Page 9 , Line 9
37	Acct 742-Maintenance of Production Eq	EXP742	Page 9 , Line 10
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	Pg 19, Ln 14 to 18
39	Acct 754-Liquefaction Expense	EXP754	Page 9 , Line 14
40	Acct 757-Vaporization Expense	EXP757	Page 9 , Line 15

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-29	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 759-Handling Expense	EXP759	26,304	3,980	76	0	453	922	721
2	Acct 775-Miscellaneous Production Exp	EXP775	644,763	97,560	1,870	1	11,109	22,592	17,678
3	Acct 777-Lease Expense	EXP777	914,499	138,373	2,653	1	15,757	32,043	25,073
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	110,159	16,668	320	0	1,898	3,860	3,020
5	Acct 781-Maintenance of Struct & Improv	EXP781	11,060	1,673	32	0	191	388	303
6	Acct 782-Maintenance of Production Eq	EXP782	262,396	39,703	761	0	4,521	9,194	7,194
7	Total Intangible Plant	INTPLT	35,262,900	20,668,902	1,935,386	66	2,356,966	2,993,509	1,920,621
8	Total Production Plant	PRODPLT	23,368,270	3,535,866	67,792	26	402,634	818,788	640,691
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	10,090,604	5,827,173	522,637	20	707,331	1,048,766	631,652
10	Acct 851-Sys Control & Load Dispatch	EXP851	0	0	0	0	0	0	0
11	Acct 852-Communication System Exp	EXP852	143,882	76,122	1,459	1	8,668	17,627	13,793
12	Acct 857-Measuring & Regul Stat Exp	EXP857	405,485	214,525	4,113	2	24,428	49,677	38,871
13	Acct 874-Mains and Services Exp	EXP874	3,764,532	2,306,379	196,617	8	255,420	308,431	240,999
14	Acct 878-Meter & House Regulator Exp	EXP878	5,633,560	3,434,111	528,895	0	457,429	539,449	158,439
15	Acct 879-Customer Installations Exp	EXP879	5,923,626	3,133,941	60,086	23	356,866	725,715	567,863
16	Acct 880-Other Expenses	EXP880	580,567	335,260	28,941	1	40,341	60,024	37,311
17	Acct 881-Rents	EXP881	61,576	32,577	625	0	3,710	7,544	5,903
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	4,225,605	2,509,064	194,041	10	283,708	388,798	289,319
19	Acct 886-Maintenance of Struct & Improv	EXP886	41,025	21,705	416	0	2,472	5,026	3,933
20	Acct 887-Maintenance of Mains	EXP887	3,789,693	2,004,967	38,440	15	228,308	464,283	363,296
21	Acct 888-Maint of Compressor Station Eq	EXP888	0	0	0	0	0	0	0
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	229,637	121,491	2,329	1	13,834	28,133	22,014
23	Acct 892-Maintenance of Services	EXP892	1,687,229	1,224,728	184,286	0	131,854	45,509	35,247
24	Acct 893-Mnt of Meters and House Regul	EXP893	436,322	265,974	40,963	0	35,428	41,781	12,271
25	Acct 894-Maintenance of Other Equip	EXP894	403,627	213,542	4,094	2	24,316	49,449	38,693
26	Customer Accts Labor Accts 902 to 903	LABCA	5,617,451	4,092,955	556,665	3	421,361	198,596	87,862
27	Acct 902-Meter Reading Expenses	EXP902	695,743	540,719	81,154	0	41,749	11,561	3,041
28	Acct 903-Cust Records & Collection Exp	EXP903	7,500,932	5,417,854	726,172	4	577,292	283,482	128,327
29	Sales Expenses Labor Accts 912 to 916	LABSA	125,024	80,137	8,044	0	6,902	8,061	5,863
30	Acct 912-Demonstrating & Selling Exp	EXP912	159,642	102,717	10,460	0	8,795	10,090	7,315
31	Acct 913-Advertising Exp	EXP913	198,371	112,122	5,485	1	11,628	20,584	15,878
32	Acct 916-Miscellaneous Sales Exp	EXP916	7,065	4,240	315	0	403	605	458
33	Acct 920-Administrative & General Sal	EXP920	1,745,741	997,276	107,737	3	112,171	127,580	81,898
34	Acct 921-Office Supplies & Expenses	EXP921	3,909,418	2,233,303	241,267	8	251,195	285,704	183,403
35	Acct 922-Administrative Exp Transf-Cr	EXP922	(3,814,124)	(2,178,866)	(235,386)	(7)	(245,072)	(278,740)	(178,932)
36	Acct 923-Outside Services Employed	EXP923	24,687,388	13,949,974	1,489,711	108	1,480,628	1,624,346	1,054,601
37	Acct 924-Property Insurance	EXP924	0	0	0	0	0	0	0
38	Acct 925-Injuries & Damages	EXP925	2,903,441	1,658,627	179,184	6	186,557	212,186	136,209
39	Acct 926-Employees Pensions & Benef	EXP926	14,803,575	8,923,146	862,927	29	1,011,466	1,224,137	776,548
40	Acct 928-Regulatory Commission Exp	EXP928	690,943	394,710	42,641	1	44,396	50,495	32,414

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-29

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 759-Handling Expense	EXP759	151	64	258	300	597
2	Acct 775-Miscellaneous Production Exp	EXP775	3,704	1,570	6,324	7,361	14,635
3	Acct 777-Lease Expense	EXP777	5,254	2,227	8,969	10,440	20,757
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	633	268	1,080	1,258	2,500
5	Acct 781-Maintenance of Struct & Improv	EXP781	64	27	108	126	251
6	Acct 782-Maintenance of Production Eq	EXP782	1,507	639	2,573	2,996	5,956
7	Total Intangible Plant	INTPLT	358,422	482,638	965,080	827,086	1,416,600
8	Total Production Plant	PRODPLT	134,244	56,899	229,186	266,784	530,416
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	113,739	162,290	353,072	277,486	446,438
10	Acct 851-Sys Control & Load Dispatch	EXP851	0	0	0	0	0
11	Acct 852-Communication System Exp	EXP852	2,890	1,225	4,934	5,743	11,419
12	Acct 857-Measuring & Regul Stat Exp	EXP857	8,145	3,452	13,905	16,186	32,181
13	Acct 874-Mains and Services Exp	EXP874	44,919	43,363	90,410	99,879	178,106
14	Acct 878-Meter & House Regulator Exp	EXP878	11,263	146,403	231,141	86,519	39,911
15	Acct 879-Customer Installations Exp	EXP879	118,985	50,432	203,134	236,459	470,123
16	Acct 880-Other Expenses	EXP880	6,811	8,958	19,882	16,270	26,767
17	Acct 881-Rents	EXP881	1,237	524	2,112	2,458	4,887
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	55,003	50,365	116,494	121,240	217,563
19	Acct 886-Maintenance of Struct & Improv	EXP886	824	349	1,407	1,638	3,256
20	Acct 887-Maintenance of Mains	EXP887	76,122	32,264	129,957	151,277	300,765
21	Acct 888-Maint of Compressor Station Eq	EXP888	0	0	0	0	0
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	4,613	1,955	7,875	9,167	18,225
23	Acct 892-Maintenance of Services	EXP892	1,499	26,302	17,041	14,178	6,586
24	Acct 893-Mnt of Meters and House Regul	EXP893	872	11,339	17,902	6,701	3,091
25	Acct 894-Maintenance of Other Equip	EXP894	8,107	3,436	13,841	16,112	32,033
26	Customer Accts Labor Accts 902 to 903	LABCA	14,334	83,385	68,333	37,123	56,834
27	Acct 902-Meter Reading Expenses	EXP902	375	8,737	5,255	1,625	1,526
28	Acct 903-Cust Records & Collection Exp	EXP903	21,106	113,575	95,748	53,744	83,629
29	Sales Expenses Labor Accts 912 to 916	LABSA	1,231	1,394	3,122	3,323	6,948
30	Acct 912-Demonstrating & Selling Exp	EXP912	1,536	1,789	3,954	4,196	8,789
31	Acct 913-Advertising Exp	EXP913	3,328	1,858	6,205	7,064	14,219
32	Acct 916-Miscellaneous Sales Exp	EXP916	96	72	200	222	454
33	Acct 920-Administrative & General Sal	EXP920	14,449	23,293	41,672	35,222	57,469
34	Acct 921-Office Supplies & Expenses	EXP921	32,357	52,162	93,321	78,876	128,696
35	Acct 922-Administrative Exp Transf-Cr	EXP922	(31,568)	(50,891)	(91,047)	(76,953)	(125,559)
36	Acct 923-Outside Services Employed	EXP923	192,871	294,819	518,586	449,469	763,387
37	Acct 924-Property Insurance	EXP924	0	0	0	0	0
38	Acct 925-Injuries & Damages	EXP925	24,031	38,740	69,308	58,579	95,580
39	Acct 926-Employees Pensions & Benef	EXP926	142,941	205,946	392,726	331,680	558,724
40	Acct 928-Regulatory Commission Exp	EXP928	5,719	9,219	16,493	13,940	22,745

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DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-29	ALLOC	TOTAL COMPANY INPUT
1	Acct 759-Handling Expense	EXP759	Page 9 , Line 17
2	Acct 775-Miscellaneous Production Exp	EXP775	Page 9 , Line 20
3	Acct 777-Lease Expense	EXP777	Page 9 , Line 21
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	Pg 19, Ln 21 to 22
5	Acct 781-Maintenance of Struct & Improv	EXP781	Page 9 , Line 24
6	Acct 782-Maintenance of Production Eq	EXP782	Page 9 , Line 25
7	Total Intangible Plant	INTPLT	Page 2 , Line 5
8	Total Production Plant	PRODPLT	Page 2 , Line 20
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	Pg 20, Ln 2 to 9
10	Acct 851-Sys Control & Load Dispatch	EXP851	Page 11 , Line 2
11	Acct 852-Communication System Exp	EXP852	Page 11 , Line 3
12	Acct 857-Measuring & Regul Stat Exp	EXP857	Page 11 , Line 4
13	Acct 874-Mains and Services Exp	EXP874	Page 11 , Line 5
14	Acct 878-Meter & House Regulator Exp	EXP878	Page 11 , Line 6
15	Acct 879-Customer Installations Exp	EXP879	Page 11 , Line 7
16	Acct 880-Other Expenses	EXP880	Page 11 , Line 8
17	Acct 881-Rents	EXP881	Page 11 , Line 9
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	Pg 20, Ln 12 to 18
19	Acct 886-Maintenance of Struct & Improv	EXP886	Page 11 , Line 12
20	Acct 887-Maintenance of Mains	EXP887	Page 11 , Line 13
21	Acct 888-Maint of Compressor Station Eq	EXP888	Page 11 , Line 14
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	Page 11 , Line 15
23	Acct 892-Maintenance of Services	EXP892	Page 11 , Line 16
24	Acct 893-Mnt of Meters and House Regul	EXP893	Page 11 , Line 17
25	Acct 894-Maintenance of Other Equip	EXP894	Page 11 , Line 18
26	Customer Accts Labor Accts 902 to 903	LABCA	Pg 21, Ln 2 to 3
27	Acct 902-Meter Reading Expenses	EXP902	Page 12 , Line 2
28	Acct 903-Cust Records & Collection Exp	EXP903	Page 12 , Line 8
29	Sales Expenses Labor Accts 912 to 916	LABSA	Pg 21, Ln 6 to 8
30	Acct 912-Demonstrating & Selling Exp	EXP912	Page 12 , Line 28
31	Acct 913-Advertising Exp	EXP913	Page 12 , Line 32
32	Acct 916-Miscellaneous Sales Exp	EXP916	Page 12 , Line 33
33	Acct 920-Administrative & General Sal	EXP920	Page 13 , Line 1
34	Acct 921-Office Supplies & Expenses	EXP921	Page 13 , Line 4
35	Acct 922-Administrative Exp Transf-Cr	EXP922	Page 13 , Line 5
36	Acct 923-Outside Services Employed	EXP923	Page 13 , Line 38
37	Acct 924-Property Insurance	EXP924	Page 13 , Line 39
38	Acct 925-Injuries & Damages	EXP925	Page 13 , Line 43
39	Acct 926-Employees Pensions & Benef	EXP926	Page 14 , Line 4
40	Acct 928-Regulatory Commission Exp	EXP928	Page 14 , Line 7

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-30

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 929-Duplicate Charges-Cr	EXP929	0	0	0	0	0	0	0
2	Acct 930-Miscellaneous General Exp	EXP930	863,406	493,231	53,285	2	55,477	63,099	40,505
3	Acct 931 Rents	EXP931	3,496,560	2,074,250	277,266	3	261,342	314,778	131,619
4	Acct 932 Maintenance of General Plant	EXP932	846,177	497,590	49,281	1	57,588	72,624	44,106
5	Total LPG Gas Operating Labor	TLABPO	178,302	26,979	517	0	3,072	6,247	4,889
6	Tot LPG Gas Maintenence Labor	TLABPM	57,587	8,713	167	0	992	2,018	1,579
7	Total LNG Gas Operating Labor	TLABLO	994,820	150,527	2,886	1	17,141	34,857	27,275
8	Tot LNG Gas Maintenence Labor	TLABLM	116,542	17,634	338	0	2,008	4,083	3,195
9	Total Transm & Distr Operating Labor	TLABDO	10,606,968	6,125,365	549,382	21	743,527	1,102,434	663,975
10	Total Transm & Distr Maintenance Labor	TLABDM	4,229,868	2,511,595	194,237	10	283,994	389,190	289,611
11	Total Customer Accounts Labor	TLABCA	5,838,988	4,254,370	578,619	3	437,979	206,428	91,327
12	Total Sales Expense Labor	TLABSA	205,166	131,506	13,199	0	11,326	13,228	9,620
13	Total General Plant	GENPLT	33,883,089	19,924,780	1,973,320	58	2,305,971	2,908,067	1,766,100
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	175,912,241	100,492,047	10,856,303	345	11,303,039	12,855,832	8,252,580
15	Sales Expense Accounts 912 to 913	EXP9123	358,013	214,839	15,945	1	20,423	30,674	23,193
16	Acct 367 Mains and Acct 380 Services	PLT36780	538,533,185	329,937,906	28,126,955	1,207	36,539,041	44,122,475	34,475,991
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	83,726,431	51,038,035	7,860,479	0	6,798,349	8,017,331	2,354,739
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	312,472,794	217,080,792	32,845,145	0	24,674,433	14,187,200	7,133,295
19	Transm & Distr Oper Accts 851 to 879	EXP8519	15,871,085	9,165,078	791,170	34	1,102,812	1,640,899	1,019,966
20	Total Customer Deposits	TOTCDEP	3,090,784	37,964	1,551	0	1,006,862	935,120	247,259
21	Acct 386 Other Property on Cust's Prem	PLT386	22,458,288	11,881,733	227,803	88	1,352,989	2,751,410	2,152,944
22	Total Transmission & Distribution Plant	DISTRPLT	662,036,839	402,020,393	36,390,910	1,363	45,733,749	57,012,993	40,643,938
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	8,489,829	1,869,029	594,719	0	285,171	63,638	10,916
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	412,767	218,377	4,187	2	24,867	50,569	39,570
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	2,554,359	1,351,404	25,910	10	153,886	312,940	244,871
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	20,020,721	10,592,119	203,078	78	1,206,139	2,452,779	1,919,268
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	5,690,941	3,010,837	57,725	22	342,848	697,209	545,557
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	8,274,626	4,377,756	83,933	32	498,501	1,013,741	793,240
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	146,116,729	77,304,202	1,482,119	570	8,802,732	17,901,054	14,007,349
30	Acct 367-Gas Mains - Plastic	PLT367P	126,075,826	66,701,405	1,278,837	491	7,595,377	15,445,803	12,086,146
31	Acct 391-Office Equipment	PLT391OE	5,917,985	3,468,145	324,969	11	395,500	502,435	321,722
32	Acct 391-Office IT Equipment	PLT391IT	5,502,374	3,224,583	302,147	10	367,725	467,150	299,128
33	Acct 397-Comm Equip Metscan	PLT397M	644,449	392,844	60,503	0	52,327	61,710	18,125
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	2,248,171	1,370,442	211,065	0	182,545	215,277	63,228
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	367,132	55,551	1,065	0	6,326	12,864	10,066
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	1,768,764	267,633	5,131	2	30,476	61,975	48,494
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	753,385	113,995	2,186	1	12,981	26,397	20,656
38	Total Gas Operation & Maintenance Labor	OMLAB	23,718,343	14,083,344	1,430,225	39	1,596,969	1,871,304	1,163,001
39	Inflation Adjustment Residual O&M	OTHOMINF	36,141,958	21,102,330	2,033,795	64	2,400,359	2,928,532	1,873,386

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-30

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 929-Duplicate Charges-Cr	EXP929	0	0	0	0	0
2	Acct 930-Miscellaneous General Exp	EXP930	7,146	11,520	20,610	17,420	28,423
3	Acct 931 Rents	EXP931	17,267	73,684	123,293	63,567	66,664
4	Acct 932 Maintenance of General Plant	EXP932	8,000	12,482	24,161	19,235	31,559
5	Total LPG Gas Operating Labor	TLABPO	1,024	434	1,749	2,036	4,047
6	Tot LPG Gas Maintenence Labor	TLABPM	331	140	565	657	1,307
7	Total LNG Gas Operating Labor	TLABLO	5,715	2,422	9,757	11,357	22,581
8	Tot LNG Gas Maintenence Labor	TLABLM	670	284	1,143	1,331	2,645
9	Total Transm & Distr Operating Labor	TLABDO	119,560	170,594	371,140	291,686	469,283
10	Total Transm & Distr Maintenance Labor	TLABDM	55,058	50,416	116,611	121,363	217,782
11	Total Customer Accounts Labor	TLABCA	14,900	86,673	71,028	38,587	59,075
12	Total Sales Expense Labor	TLABSA	2,020	2,288	5,124	5,453	11,402
13	Total General Plant	GENPLT	320,341	499,801	967,453	770,214	1,263,717
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	1,455,970	2,347,139	4,199,180	3,549,167	5,790,935
15	Sales Expense Accounts 912 to 913	EXP9123	4,864	3,647	10,160	11,260	23,008
16	Acct 367 Mains and Acct 380 Services	PLT36780	6,425,813	6,203,261	12,933,537	14,288,172	25,478,826
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	167,390	2,175,857	3,435,233	1,285,854	593,165
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	370,677	5,741,708	5,745,502	3,207,987	1,486,057
19	Transm & Distr Oper Accts 851 to 879	EXP8519	186,201	244,875	543,524	444,787	731,740
20	Total Customer Deposits	TOTCDEP	86,516	244,033	396,375	118,452	16,653
21	Acct 386 Other Property on Cust's Prem	PLT386	451,108	191,202	770,144	896,488	1,782,380
22	Total Transmission & Distribution Plant	DISTRPLT	7,392,187	8,717,767	17,732,818	17,161,850	29,228,872
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	207	62,449	23,085	4,813	2,288
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	8,291	3,514	14,155	16,477	32,759
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	51,308	21,747	87,595	101,965	202,724
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	402,146	170,449	686,554	799,185	1,588,925
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	114,311	48,451	195,155	227,170	451,656
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	166,208	70,447	283,755	330,306	656,708
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	2,934,970	1,243,984	5,010,662	5,832,673	11,596,414
30	Acct 367-Gas Mains - Plastic	PLT367P	2,532,419	1,073,363	4,323,416	5,032,682	10,005,887
31	Acct 391-Office Equipment	PLT391OE	60,068	81,088	162,082	138,598	237,408
32	Acct 391-Office IT Equipment	PLT391IT	55,850	75,393	150,700	128,864	220,735
33	Acct 397-Comm Equip Metscan	PLT397M	1,288	16,748	26,441	9,897	4,566
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	4,495	58,425	92,241	34,527	15,927
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	2,109	894	3,601	4,191	8,333
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	10,161	4,307	17,347	20,193	40,148
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	4,328	1,834	7,389	8,601	17,100
38	Total Gas Operation & Maintenance Labor	OMLAB	211,979	333,560	614,115	503,323	838,543
39	Inflation Adjustment Residual O&M	OTHOMINF	347,452	489,938	945,066	805,860	1,373,359

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DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-30	ALLOC	TOTAL COMPANY INPUT
1	Acct 929-Duplicate Charges-Cr	EXP929	Page 14 , Line 8
2	Acct 930-Miscellaneous General Exp	EXP930	Page 14 , Line 12
3	Acct 931 Rents	EXP931	Page 14 , Line 18
4	Acct 932 Maintenance of General Plant	EXP932	Page 14 , Line 22
5	Total LPG Gas Operating Labor	TLABPO	Page 19 , Line 5
6	Tot LPG Gas Maintenence Labor	TLABPM	Page 19 , Line 11
7	Total LNG Gas Operating Labor	TLABLO	Page 19 , Line 19
8	Tot LNG Gas Maintenence Labor	TLABLM	Page 19 , Line 23
9	Total Transm & Distr Operating Labor	TLABDO	Page 20 , Line 10
10	Total Transm & Distr Maintenance Labor	TLABDM	Page 20 , Line 19
11	Total Customer Accounts Labor	TLABCA	Page 21 , Line 4
12	Total Sales Expense Labor	TLABSA	Page 21 , Line 9
13	Total General Plant	GENPLT	Pg 4 , Ln 3 & 17
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	See Allocator Descriptions
15	Sales Expense Accounts 912 to 913	EXP9123	Pg 12 , Ln 28 & 32
16	Acct 367 Mains and Acct 380 Services	PLT36780	Pg 3 , Ln 11 & 14
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	Pg 3 , Line 15, 16 & 17
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	Pg 3 , Line 14, 15, 16 & 17
19	Transm & Distr Oper Accts 851 to 879	EXP8519	Pg 11 , Line 2 to 7
20	Total Customer Deposits	TOTCDEP	Page 7 , Line 23
21	Acct 386 Other Property on Cust's Prem	PLT386	Page 3 , Line 21
22	Total Transmission & Distribution Plant	DISTRPLT	Page 3 , Line 23 & 25
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	Pg 12 , Line 9 to 19
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	Page 12 , Line 22 & 23
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	Page 3 , Line 4
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	Page 3 , Line 5
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	Page 3 , Line 6
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	Page 3 , Line 7
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	Page 3 , Line 8
30	Acct 367-Gas Mains - Plastic	PLT367P	Page 3 , Line 9
31	Acct 391-Office Equipment	PLT391OE	Page 4 , Line 4
32	Acct 391-Office IT Equipment	PLT391IT	Page 4 , Line 5
33	Acct 397-Comm Equip Metscan	PLT397M	Page 4 , Line 13
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	Page 4 , Line 14
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	Page 2 , Line 6 & 7
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	Page 2 , Line 10 & 11
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	Page 2 , Line 15 & 16
38	Total Gas Operation & Maintenance Labor	OMLAB	Page 22 , Line 15
39	Inflation Adjustment Residual O&M	OTHOMINF	See Allocator Descriptions

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	DELIVERY COMPONENTS INTERNALLY DEVELOPED CONT-31	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Supply Expense	GASCOSTS	324,558,618	0	0	0	0	0	0
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	6,522,561	4,707,105	630,563	3	503,043	247,767	112,478
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11	**NiSource Service Charges Allocators**								
12	Basis 1 - 50% Gross Plant	BASIS1P	754,551,098	446,149,941	40,367,407	1,513	50,799,320	63,733,357	44,971,350
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	73,838,274	39,226,111	4,401,643	111	4,570,775	5,201,301	3,216,169
14	Basis 10 - Number of Annual Customers	BASIS10	3,358,808	2,635,699	396,597	143	198,495	55,963	7,406
15	Basis 11 - Labor	BASIS11	28,074,804	16,452,813	1,541,647	53	1,876,244	2,383,542	1,526,242
16	Basis 2 - Gross Plant	BASIS2	754,551,098	446,149,941	40,367,407	1,513	50,799,320	63,733,357	44,971,350
17	Basis 20 - Total Direct Billed	BASIS20	4,524,370	2,600,990	261,971	9	292,250	348,285	229,610
18	Basis 7 - 50% Deprec Plant	BASIS7P	718,484,245	425,201,738	38,419,140	1,445	48,410,533	60,683,926	43,009,051
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	398,396,892	39,226,111	4,401,643	111	4,570,775	5,201,301	3,216,169
20	Basis 9 - Labor	BASIS9	28,074,804	16,452,813	1,541,647	53	1,876,244	2,383,542	1,526,242
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	20,141,561	12,142,527	1,333,787	96	1,284,415	1,366,613	875,908
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-31

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Supply Expense	GASCOSTS	0	0	0	0	0
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	18,517	98,958	83,648	47,108	73,372
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11	**NISource Service Charges Allocators**						
12	Basis 1 - 50% Gross Plant	BASIS1P	8,205,195	9,757,106	19,894,537	19,025,935	32,439,605
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	585,229	958,634	1,701,520	1,388,510	2,308,996
14	Basis 10 - Number of Annual Customers	BASIS10	181	39,595	20,955	2,979	795
15	Basis 11 - Labor	BASIS11	284,963	384,679	768,916	657,506	1,126,258
16	Basis 2 - Gross Plant	BASIS2	8,205,195	9,757,106	19,894,537	19,025,935	32,439,605
17	Basis 20 - Total Direct Billed	BASIS20	42,008	58,720	111,251	98,146	166,772
18	Basis 7 - 50% Deprec Plant	BASIS7P	7,838,253	9,269,237	18,913,179	18,181,358	30,989,343
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	585,229	958,634	1,701,520	1,388,510	2,308,996
20	Basis 9 - Labor	BASIS9	284,963	384,679	768,916	657,506	1,126,258
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	158,298	258,452	440,192	374,258	627,402
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DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-31	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Supply Expense	GASCOSTS	Page 10 , Line 7
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	Pg 12 , Line 3 to 5
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11	**NiSource Service Charges Allocators**		
12	Basis 1 - 50% Gross Plant	BASIS1P	Page 4 , Line 18
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	See Allocator Descriptions
14	Basis 10 - Number of Annual Customers	BASIS10	Page 26 , Line 31
15	Basis 11 - Labor	BASIS11	Page 22 , Line 21
16	Basis 2 - Gross Plant	BASIS2	Page 4 , Line 18
17	Basis 20 - Total Direct Billed	BASIS20	Page 13 , Line 28
18	Basis 7 - 50% Deprec Plant	BASIS7P	See Allocator Descriptions
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	See Allocator Descriptions
20	Basis 9 - Labor	BASIS9	Page 22 , Line 21
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	Page 13 , Ln 6 to 17 & 28
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-32

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	REVENUES FROM GAS SALES								
1	Revenues Firm Sales of Gas		478,651,282	323,429,755	10,830,018	2,726	31,946,429	46,870,369	22,321,850
2	Annual Base Revenues - Sales Actual		122,553,551	90,306,804	5,317,329	479	9,322,851	8,796,996	2,913,844
3	Annual Base Rev - Trans Actual		17,846,899	23,420	1,127	0	646,079	3,200,449	4,286,966
4	GAF Direct Revenues		307,478,651	211,649,336	5,037,827	2,066	20,118,078	31,776,012	13,793,415
5	Production & Storage Revenues		9,129,632	6,662,418	66,089	7	602,472	924,653	396,525
6	GAF Indirect Bad Debt Revenues		7,118,165	4,941,538	109,207	47	438,488	717,301	324,983
7	Weather Normalztn Adj Base Rev-Sales		(2,307,187)	(1,714,352)	0	0	(250,352)	(253,911)	(82,199)
8	Weather Normalztn Adj Base Rev-Trans		(248,396)	(504)	0	0	(19,193)	(94,414)	(127,701)
9	GAF Deferred Direct Gas Revenues		17,079,967	11,561,095	298,440	127	1,088,006	1,803,283	816,017
10	GAF Indirect Revenues		19,129,611	13,280,067	293,486	125	1,178,409	1,927,700	873,371
	REVENUE REQUIREMENT INPUTS								
1	Claimed Rate of Return		9.050%	9.050%	9.050%	9.050%	9.050%	9.050%	9.050%
2	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
3	Annual Booked Therm Throughput		493,498,312	247,783,289	6,396,166	2,728	25,211,236	54,160,592	44,135,406
4	Proposed Sales Revenues		161,102,537	100,492,047	10,856,303	345	11,303,039	12,855,832	8,252,580
5	Total Annual Bills		3,395,936	2,666,494	400,515	144	200,206	56,195	7,432

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-32

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	REVENUES FROM GAS SALES						
1	Revenues Firm Sales of Gas		4,903,279	5,775,878	15,241,815	9,011,447	8,317,714
2	Annual Base Revenues - Sales Actual		488,932	1,654,681	2,437,223	913,027	401,385
3	Annual Base Rev - Trans Actual		664,767	254,714	1,207,966	2,393,361	5,168,050
4	GAF Direct Revenues		3,381,173	3,503,816	10,545,356	5,181,132	2,490,440
5	Production & Storage Revenues		92,312	71,008	168,782	91,183	54,183
6	GAF Indirect Bad Debt Revenues		82,200	84,141	242,185	121,626	56,450
7	Weather Normalztn Adj Base Rev-Sales		(6,373)	0	0	0	0
8	Weather Normalztn Adj Base Rev-Trans		(6,584)	0	0	0	0
9	GAF Deferred Direct Gas Revenues		206,853	207,518	640,304	311,118	147,207
10	GAF Indirect Revenues		220,906	226,123	650,856	326,863	151,705
	REVENUE REQUIREMENT INPUTS						
1	Claimed Rate of Return		9.050%	9.050%	9.050%	9.050%	9.050%
2	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
3	Annual Booked Therm Throughput		9,468,031	5,243,986	21,369,383	25,505,268	54,222,227
4	Proposed Sales Revenues		1,455,970	2,347,139	4,199,180	3,549,167	5,790,935
5	Total Annual Bills		181	39,908	21,073	2,989	799

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

RATIO TABLE-33

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	CAPACITY RELATED								
1	PRODUCTION ALLOCATORS								
2	Design Day Remaining Demands - Sales		1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
3	LPG Production Allocator - Prod Function		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
4	LNG Production Allocator - Prod Function		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5	LPG & LNG Prod Alloc - Distr Function		1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
6	LPG & LNG Distr Pressure Support %		28.6%						
7									
8									
9	PROD-PRESSURE SUPP ALLOC								
10	LPG Prod & Presure Support Alloc	DEMLPG	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
11	LNG Prod & Presure Support Alloc	DEMLNG	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
12									
13	GAS COST ALLOCATORS								
14	Base Demand Gas Costs	DBASE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
15	Remaining Demand Gas Costs	DREMAIN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
16									
17									
18									
	DISTRIBUTION ALLOCATORS								
1	Distribution Allocator	DISTR	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
2									
3	Pension & PBOP Expense Allocator	PENSION	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

RATIO TABLE-33

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CAPACITY RELATED						
1	PRODUCTION ALLOCATORS						
2	Design Day Remaining Demands - Sales		0.01174	0.00420	0.01186	0.00349	0.00443
3	LPG Production Allocator - Prod Function		0.00000	0.00000	0.00000	0.00000	0.00000
4	LNG Production Allocator - Prod Function		0.00000	0.00000	0.00000	0.00000	0.00000
5	LPG & LNG Prod Alloc - Distr Function		0.02009	0.00851	0.03429	0.03992	0.07936
6	LPG & LNG Distr Pressure Support %						
7							
8							
9	PROD-PRESSURE SUPP ALLOC						
10	LPG Prod & Presure Support Alloc	DEMLPG	0.00574	0.00243	0.00981	0.01142	0.02270
11	LNG Prod & Presure Support Alloc	DEMLNG	0.00574	0.00243	0.00981	0.01142	0.02270
12							
13	GAS COST ALLOCATORS						
14	Base Demand Gas Costs	DBASE	0.00000	0.00000	0.00000	0.00000	0.00000
15	Remaining Demand Gas Costs	DREMAIN	0.00000	0.00000	0.00000	0.00000	0.00000
16							
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18							
	DISTRIBUTION ALLOCATORS						
1	Distribution Allocator	DISTR	0.02009	0.00851	0.03429	0.03992	0.07936
2							
3	Pension & PBOP Expense Allocator	PENSION	0.00869	0.01432	0.02486	0.02043	0.03313
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

RATIO TABLE CONT-34

COMMODITY RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Base Commodity Gas Costs	EBASE	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2	Remaining Commodity Gas Costs	EREMAIN	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
3									
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7	Annual Therm Firm Sales Sendout		1.00000	0.67688	0.01747	0.00001	0.06370	0.10558	0.04778
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

RATIO TABLE CONT-34

COMMODITY RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Base Commodity Gas Costs	EBASE	0.00000	0.00000	0.00000	0.00000	0.00000
2	Remaining Commodity Gas Costs	EREMAIN	0.00000	0.00000	0.00000	0.00000	0.00000
3							
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7	Annual Therm Firm Sales Sendout		0.01211	0.01215	0.03749	0.01822	0.00862
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

RATIO TABLE CONT-35

CUSTOMER RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 380 Gas Services	CUST380	1.00000	0.72588	0.10922	0.00000	0.07815	0.02697	0.02089
2	Acct 381 Gas Meters	CUST381	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
3	Acct 382 Meter Installations	CUST382	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
4	Acct 383 Gas Regulators	CUST383	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
5	Customer Deposits	CUSTDEP	1.00000	0.01269	0.00007	0.00000	0.36215	0.29593	0.06925
6	Transportation Customers	CUSTTR	1.00000	0.01131	0.00152	0.00000	0.23929	0.31829	0.10555
7	Acct 386.0 Gas Water Heaters	CUST3860	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
9	Acct 386.3 Conversion Burners	CUST3863	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
10	Acct 487-Return Check Charges	CUST487	1.00000	0.73673	0.04420	0.00000	0.07546	0.07106	0.02354
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
12	Acct 882-Revenue Guardian Care & C/S	CUST882	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
13	Acct 902 Meter Reading Expense	CUST902	1.00000	0.77718	0.11664	0.00000	0.06001	0.01662	0.00437
14	Acct 903-Cust Records & Collection Exp	CUST903	1.00000	0.79072	0.11178	0.00000	0.05937	0.01666	0.00220
15	Acct 912-Demonstrating & Selling Exp	CUST912	1.00000	0.64342	0.06552	0.00000	0.05509	0.06321	0.04582
16	Acct 913-Advertising Expense	CUST913	1.00000	0.64342	0.06552	0.00000	0.05509	0.06321	0.04582
17	Acct 879-Customer Installations Exp	CUST879	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
18	Acct 903 Collections Expense	CUST903C	1.00000	0.71506	0.10360	0.00000	0.09763	0.03360	0.00903
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

RATIO TABLE CONT-35

CUSTOMER RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 380 Gas Services	CUST380	0.00089	0.01559	0.01010	0.00840	0.00390
2	Acct 381 Gas Meters	CUST381	0.00200	0.02599	0.04103	0.01536	0.00708
3	Acct 382 Meter Installations	CUST382	0.00200	0.02599	0.04103	0.01536	0.00708
4	Acct 383 Gas Regulators	CUST383	0.00200	0.02599	0.04103	0.01536	0.00708
5	Customer Deposits	CUSTDEP	0.03847	0.06822	0.11925	0.03397	0.00000
6	Transportation Customers	CUSTTR	0.00309	0.10447	0.14961	0.04868	0.01819
7	Acct 386.0 Gas Water Heaters	CUST3860	0.02009	0.00851	0.03429	0.03992	0.07936
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	0.02009	0.00851	0.03429	0.03992	0.07936
9	Acct 386.3 Conversion Burners	CUST3863	0.02009	0.00851	0.03429	0.03992	0.07936
10	Acct 487-Return Check Charges	CUST487	0.00400	0.01377	0.02026	0.00761	0.00335
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	0.02009	0.00851	0.03429	0.03992	0.07936
12	Acct 882-Revenue Guardian Care & C/S	CUST882	0.02009	0.00851	0.03429	0.03992	0.07936
13	Acct 902 Meter Reading Expense	CUST902	0.00054	0.01256	0.00755	0.00234	0.00219
14	Acct 903-Cust Records & Collection Exp	CUST903	0.00005	0.01183	0.00625	0.00089	0.00024
15	Acct 912-Demonstrating & Selling Exp	CUST912	0.00962	0.01121	0.02477	0.02628	0.05506
16	Acct 913-Advertising Expense	CUST913	0.00962	0.01121	0.02477	0.02628	0.05506
17	Acct 879-Customer Installations Exp	CUST879	0.02009	0.00851	0.03429	0.03992	0.07936
18	Acct 903 Collections Expense	CUST903C	0.00124	0.01927	0.01191	0.00371	0.00495
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	UNCOLLECTIBLE ACCOUNTS								
1	Residential Heating Rate R-3 & R-4	C904R3	0.30306	0.30306	0.00000	0.00000	0.00000	0.00000	0.00000
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0.64087	0.00000	0.64087	0.00000	0.00000	0.00000	0.00000
3	Outdoor Lighting	C904OL	0.12796	0.00000	0.00000	0.12796	0.00000	0.00000	0.00000
4	High Winter Low Annual Rate G40 & T40	C904R40	0.33620	0.00000	0.00000	0.00000	0.33620	0.00000	0.00000
5	High Winter Med Annual Rate G41 & T41	C904R41	0.26610	0.00000	0.00000	0.00000	0.00000	0.26610	0.00000
6	High Winter High Annual Rate G42 & T42	C904R42	0.34493	0.00000	0.00000	0.00000	0.00000	0.00000	0.34493
7	High Wint Large Annual Rate G43 & T43	C904R43	0.26735	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8	Low Winter Low Annual Rate G50 & T50	C904R50	0.36908	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9	Low Winter Med Annual Rate G51 & T51	C904T51	0.25780	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
10	Low Winter High Annual Rate G52 & T52	C904R52	0.37807	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Low Wint Large Annual Rate G53 & T53	C904R53	0.67339	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
12									
13	LATE PAYMENT CHARGES								
14									
15	High Winter Low Annual Rate G40 & T40	C487R40	0.33620	0.00000	0.00000	0.00000	0.33620	0.00000	0.00000
16	High Winter Med Annual Rate G41 & T41	C487R41	0.26610	0.00000	0.00000	0.00000	0.00000	0.26610	0.00000
17	High Winter High Annual Rate G42 & T42	C487R42	0.34493	0.00000	0.00000	0.00000	0.00000	0.00000	0.34493
18	High Wint Large Annual Rate G43 & T43	C487R43	0.26735	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
19	Low Winter Low Annual Rate G50 & T50	C487R50	0.36908	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	Low Winter Med Annual Rate G51 & T51	C487T51	0.25780	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	Low Winter High Annual Rate G52 & T52	C487R52	0.37807	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	Low Wint Large Annual Rate G53 & T53	C487R53	0.67339	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	UNCOLLECTIBLE ACCOUNTS						
1	Residential Heating Rate R-3 & R-4	C904R3	0.00000	0.00000	0.00000	0.00000	0.00000
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0.00000	0.00000	0.00000	0.00000	0.00000
3	Outdoor Lighting	C904OL	0.00000	0.00000	0.00000	0.00000	0.00000
4	High Winter Low Annual Rate G40 & T40	C904R40	0.00000	0.00000	0.00000	0.00000	0.00000
5	High Winter Med Annual Rate G41 & T41	C904R41	0.00000	0.00000	0.00000	0.00000	0.00000
6	High Winter High Annual Rate G42 & T42	C904R42	0.00000	0.00000	0.00000	0.00000	0.00000
7	High Wint Large Annual Rate G43 & T43	C904R43	0.26735	0.00000	0.00000	0.00000	0.00000
8	Low Winter Low Annual Rate G50 & T50	C904R50	0.00000	0.36908	0.00000	0.00000	0.00000
9	Low Winter Med Annual Rate G51 & T51	C904T51	0.00000	0.00000	0.25780	0.00000	0.00000
10	Low Winter High Annual Rate G52 & T52	C904R52	0.00000	0.00000	0.00000	0.37807	0.00000
11	Low Wint Large Annual Rate G53 & T53	C904R53	0.00000	0.00000	0.00000	0.00000	0.67339
12							
13	LATE PAYMENT CHARGES						
14							
15	High Winter Low Annual Rate G40 & T40	C487R40	0.00000	0.00000	0.00000	0.00000	0.00000
16	High Winter Med Annual Rate G41 & T41	C487R41	0.00000	0.00000	0.00000	0.00000	0.00000
17	High Winter High Annual Rate G42 & T42	C487R42	0.00000	0.00000	0.00000	0.00000	0.00000
18	High Wint Large Annual Rate G43 & T43	C487R43	0.26735	0.00000	0.00000	0.00000	0.00000
19	Low Winter Low Annual Rate G50 & T50	C487R50	0.00000	0.36908	0.00000	0.00000	0.00000
20	Low Winter Med Annual Rate G51 & T51	C487T51	0.00000	0.00000	0.25780	0.00000	0.00000
21	Low Winter High Annual Rate G52 & T52	C487R52	0.00000	0.00000	0.00000	0.37807	0.00000
22	Low Wint Large Annual Rate G53 & T53	C487R53	0.00000	0.00000	0.00000	0.00000	0.67339
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DELIVERY COMPONENTS

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	TOTAL COMPANY INPUT
	UNCOLLECTIBLE ACCOUNTS		
1	Residential Heating Rate R-3 & R-4	C904R3	Page 23 , Line 10, Col 2
2	Residential Non-Heating Rate R-1 & R-2	C904R1	Page 23 , Line 10, Col 3
3	Outdoor Lighting	C904OL	Page 23 , Line 10, Col 4
4	High Winter Low Annual Rate G40 & T40	C904R40	Page 23 , Line 10, Col 5
5	High Winter Med Annual Rate G41 & T41	C904R41	Page 23 , Line 10, Col 6
6	High Winter High Annual Rate G42 & T42	C904R42	Page 23 , Line 10, Col 7
7	High Wint Large Annual Rate G43 & T43	C904R43	Page 23 , Line 10, Col 8
8	Low Winter Low Annual Rate G50 & T50	C904R50	Page 23 , Line 10, Col 9
9	Low Winter Med Annual Rate G51 & T51	C904T51	Page 23 , Line 10, Col 10
10	Low Winter High Annual Rate G52 & T52	C904R52	Page 23 , Line 10, Col 11
11	Low Wint Large Annual Rate G53 & T53	C904R53	Page 23 , Line 10, Col 12
12			
13	LATE PAYMENT CHARGES		
14			
15	High Winter Low Annual Rate G40 & T40	C487R40	Page 23 , Line 10, Col 5
16	High Winter Med Annual Rate G41 & T41	C487R41	Page 23 , Line 10, Col 6
17	High Winter High Annual Rate G42 & T42	C487R42	Page 23 , Line 10, Col 7
18	High Wint Large Annual Rate G43 & T43	C487R43	Page 23 , Line 10, Col 8
19	Low Winter Low Annual Rate G50 & T50	C487R50	Page 23 , Line 10, Col 9
20	Low Winter Med Annual Rate G51 & T51	C487T51	Page 23 , Line 10, Col 10
21	Low Winter High Annual Rate G52 & T52	C487R52	Page 23 , Line 10, Col 11
22	Low Wint Large Annual Rate G53 & T53	C487R53	Page 23 , Line 10, Col 12
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	INTERNALLY DEVELOPED-37	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Plant In Service	PLANT	0.97455	0.59128	0.05350	0.00000	0.06732	0.08447	0.05960
2	Sum of Allocated Labor Expense	LABOR	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
3	Acct 301 Organization	PLT301	0.97455	0.59128	0.05350	0.00000	0.06732	0.08447	0.05960
4	Acct 303 Misc. Intangible Plant	PLT303	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
5	Acct 305 Structures & Improvements	PLT305	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
6	Acct 311 L.P. Gas Equipment	PLT311	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
7	Acct 320 Other Equipment	PLT320	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
8	Acct 321 L.N.G. Equipment	PLT321	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
9	Acct 365 Right of Way	PLT365	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
10	Acct 366 Structures & Improvements	PLT366	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
11	Acct 367 Gas Mains	PLT367	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
12	Acct 368 Compressor Station Equipment	PLT368	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
13	Acct 369 Meas. & Reg. Station Equip	PLT369	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
14	Acct 380 Gas Services	PLT380	1.00000	0.72588	0.10922	0.00000	0.07815	0.02697	0.02089
15	Acct 381 Gas Meters	PLT381	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
16	Acct 382 Meter Installations	PLT382	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
17	Acct 383 Gas Regulators	PLT383	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
18	Acct 386 Gas Water Heaters	PLT3860	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
19	Acct 386 Cascade Diamond Boilers	PLT3862	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
20	Acct 386 Conversion Burners	PLT3863	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
21	Acct 387 Other Equipment	PLT387	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
22	Acct 379 Other Equipment	PLT379	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
23	Acct 390 Structures & Improvements	PLT390	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
24	Acct 391 Office Equipment	PLT391	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
25	Acct 392 Transportation Equipment	PLT392	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
26	Acct 393 Stores Equipment	PLT393	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
27	Acct 394 Tools, Shop & Garage Equip	PLT394	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
28	Acct 396 Power Operated Equipment	PLT396	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
29	Acct 397 Communication Equip-Other	PLT397O	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
30	Acct 398 Miscellaneous Equipment	PLT398	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
32	Acct 717-LPG Gas Expenses	EXP717	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
33	Acct 719-Handling Expense	EXP719	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
34	Acct 735-Miscellaneous Production Exp	EXP735	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
36	Acct 741-Maintenance of Struct & Improv	EXP741	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
37	Acct 742-Maintenance of Production Eq	EXP742	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
39	Acct 754-Liquefaction Expense	EXP754	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
40	Acct 757-Vaporization Expense	EXP757	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED-37

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Plant In Service	PLANT	0.01087	0.01293	0.02637	0.02521	0.04299
2	Sum of Allocated Labor Expense	LABOR	0.01015	0.01370	0.02739	0.02342	0.04012
3	Acct 301 Organization	PLT301	0.01087	0.01293	0.02637	0.02521	0.04299
4	Acct 303 Misc. Intangible Plant	PLT303	0.01015	0.01370	0.02739	0.02342	0.04012
5	Acct 305 Structures & Improvements	PLT305	0.00574	0.00243	0.00981	0.01142	0.02270
6	Acct 311 L.P. Gas Equipment	PLT311	0.00574	0.00243	0.00981	0.01142	0.02270
7	Acct 320 Other Equipment	PLT320	0.00574	0.00243	0.00981	0.01142	0.02270
8	Acct 321 L.N.G. Equipment	PLT321	0.00574	0.00243	0.00981	0.01142	0.02270
9	Acct 365 Right of Way	PLT365	0.02009	0.00851	0.03429	0.03992	0.07936
10	Acct 366 Structures & Improvements	PLT366	0.02009	0.00851	0.03429	0.03992	0.07936
11	Acct 367 Gas Mains	PLT367	0.02009	0.00851	0.03429	0.03992	0.07936
12	Acct 368 Compressor Station Equipment	PLT368	0.02009	0.00851	0.03429	0.03992	0.07936
13	Acct 369 Meas. & Reg. Station Equip	PLT369	0.02009	0.00851	0.03429	0.03992	0.07936
14	Acct 380 Gas Services	PLT380	0.00089	0.01559	0.01010	0.00840	0.00390
15	Acct 381 Gas Meters	PLT381	0.00200	0.02599	0.04103	0.01536	0.00708
16	Acct 382 Meter Installations	PLT382	0.00200	0.02599	0.04103	0.01536	0.00708
17	Acct 383 Gas Regulators	PLT383	0.00200	0.02599	0.04103	0.01536	0.00708
18	Acct 386 Gas Water Heaters	PLT3860	0.02009	0.00851	0.03429	0.03992	0.07936
19	Acct 386 Cascade Diamond Boilers	PLT3862	0.02009	0.00851	0.03429	0.03992	0.07936
20	Acct 386 Conversion Burners	PLT3863	0.02009	0.00851	0.03429	0.03992	0.07936
21	Acct 387 Other Equipment	PLT387	0.02009	0.00851	0.03429	0.03992	0.07936
22	Acct 379 Other Equipment	PLT379	0.02009	0.00851	0.03429	0.03992	0.07936
23	Acct 390 Structures & Improvements	PLT390	0.01015	0.01370	0.02739	0.02342	0.04012
24	Acct 391 Office Equipment	PLT391	0.01015	0.01370	0.02739	0.02342	0.04012
25	Acct 392 Transportation Equipment	PLT392	0.01015	0.01370	0.02739	0.02342	0.04012
26	Acct 393 Stores Equipment	PLT393	0.01015	0.01370	0.02739	0.02342	0.04012
27	Acct 394 Tools, Shop & Garage Equip	PLT394	0.01015	0.01370	0.02739	0.02342	0.04012
28	Acct 396 Power Operated Equipment	PLT396	0.01015	0.01370	0.02739	0.02342	0.04012
29	Acct 397 Communication Equip-Other	PLT397O	0.01015	0.01370	0.02739	0.02342	0.04012
30	Acct 398 Miscellaneous Equipment	PLT398	0.01015	0.01370	0.02739	0.02342	0.04012
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	0.00574	0.00243	0.00981	0.01142	0.02270
32	Acct 717-LPG Gas Expenses	EXP717	0.00574	0.00243	0.00981	0.01142	0.02270
33	Acct 719-Handling Expense	EXP719	0.00574	0.00243	0.00981	0.01142	0.02270
34	Acct 735-Miscellaneous Production Exp	EXP735	0.00574	0.00243	0.00981	0.01142	0.02270
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	0.00574	0.00243	0.00981	0.01142	0.02270
36	Acct 741-Maintenance of Struct & Improv	EXP741	0.00574	0.00243	0.00981	0.01142	0.02270
37	Acct 742-Maintenance of Production Eq	EXP742	0.00574	0.00243	0.00981	0.01142	0.02270
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	0.00574	0.00243	0.00981	0.01142	0.02270
39	Acct 754-Liquefaction Expense	EXP754	0.00574	0.00243	0.00981	0.01142	0.02270
40	Acct 757-Vaporization Expense	EXP757	0.00574	0.00243	0.00981	0.01142	0.02270

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DELIVERY COMPONENTS

	INTERNALLY DEVELOPED-37	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Plant In Service	PLANT	Page 4 , Line 18
2	Sum of Allocated Labor Expense	LABOR	Page 22 , Line 21
3	Acct 301 Organization	PLT301	Page 2 , Line 3
4	Acct 303 Misc. Intangible Plant	PLT303	Page 2 , Line 4
5	Acct 305 Structures & Improvements	PLT305	Page 2 , Line 13
6	Acct 311 L.P. Gas Equipment	PLT311	Page 2 , Line 14
7	Acct 320 Other Equipment	PLT320	Page 2 , Line 18
8	Acct 321 L.N.G. Equipment	PLT321	Page 2 , Line 19
9	Acct 365 Right of Way	PLT365	Page 3 , Line 2
10	Acct 366 Structures & Improvements	PLT366	Page 3 , Line 3
11	Acct 367 Gas Mains	PLT367	Page 3 , Line 11
12	Acct 368 Compressor Station Equipment	PLT368	Page 3 , Line 12
13	Acct 369 Meas. & Reg. Station Equip	PLT369	Page 3 , Line 13
14	Acct 380 Gas Services	PLT380	Page 3 , Line 14
15	Acct 381 Gas Meters	PLT381	Page 3 , Line 15
16	Acct 382 Meter Installations	PLT382	Page 3 , Line 16
17	Acct 383 Gas Regulators	PLT383	Page 3 , Line 17
18	Acct 386 Gas Water Heaters	PLT3860	Page 3 , Line 18
19	Acct 386 Cascade Diamond Boilers	PLT3862	Page 3 , Line 19
20	Acct 386 Conversion Burners	PLT3863	Page 3 , Line 20
21	Acct 387 Other Equipment	PLT387	Page 3 , Line 22
22	Acct 379 Other Equipment	PLT379	Page 3 , Line 24
23	Acct 390 Structures & Improvements	PLT390	Page 4 , Line 2
24	Acct 391 Office Equipment	PLT391	Page 4 , Line 6
25	Acct 392 Transportation Equipment	PLT392	Page 4 , Line 7
26	Acct 393 Stores Equipment	PLT393	Page 4 , Line 8
27	Acct 394 Tools, Shop & Garage Equip	PLT394	Page 4 , Line 9
28	Acct 396 Power Operated Equipment	PLT396	Page 4 , Line 10
29	Acct 397 Communication Equip-Other	PLT397O	Page 4 , Line 11 & 12
30	Acct 398 Miscellaneous Equipment	PLT398	Page 4 , Line 16
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	Pg 19, Ln 2 to 4
32	Acct 717-LPG Gas Expenses	EXP717	Page 9 , Line 2
33	Acct 719-Handling Expense	EXP719	Page 9 , Line 3
34	Acct 735-Miscellaneous Production Exp	EXP735	Page 9 , Line 6
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	Pg 19, Ln 9 to 10
36	Acct 741-Maintenance of Struct & Improv	EXP741	Page 9 , Line 9
37	Acct 742-Maintenance of Production Eq	EXP742	Page 9 , Line 10
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	Pg 19, Ln 14 to 18
39	Acct 754-Liquefaction Expense	EXP754	Page 9 , Line 14
40	Acct 757-Vaporization Expense	EXP757	Page 9 , Line 15

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-38

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 759-Handling Expense	EXP759	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
2	Acct 775-Miscellaneous Production Exp	EXP775	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
3	Acct 777-Lease Expense	EXP777	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
5	Acct 781-Maintenance of Struct & Improv	EXP781	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
6	Acct 782-Maintenance of Production Eq	EXP782	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
7	Total Intangible Plant	INTPLT	0.96207	0.58614	0.05488	0.00000	0.06684	0.08489	0.05447
8	Total Production Plant	PRODPLT	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	1.00000	0.57749	0.05179	0.00000	0.07010	0.10393	0.06260
10	Acct 851-Sys Control & Load Dispatch	EXP851	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 852-Communication System Exp	EXP852	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
12	Acct 857-Measuring & Regul Stat Exp	EXP857	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
13	Acct 874-Mains and Services Exp	EXP874	1.00000	0.61266	0.05223	0.00000	0.06785	0.08193	0.06402
14	Acct 878-Meter & House Regulator Exp	EXP878	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
15	Acct 879-Customer Installations Exp	EXP879	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
16	Acct 880-Other Expenses	EXP880	1.00000	0.57747	0.04985	0.00000	0.06949	0.10339	0.06427
17	Acct 881-Rents	EXP881	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	1.00000	0.59378	0.04592	0.00000	0.06714	0.09201	0.06847
19	Acct 886-Maintenance of Struct & Improv	EXP886	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
20	Acct 887-Maintenance of Mains	EXP887	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
21	Acct 888-Maint of Compressor Station Eq	EXP888	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
23	Acct 892-Maintenance of Services	EXP892	1.00000	0.72588	0.10922	0.00000	0.07815	0.02697	0.02089
24	Acct 893-Mnt of Meters and House Regul	EXP893	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
25	Acct 894-Maintenance of Other Equip	EXP894	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
26	Customer Accts Labor Accts 902 to 903	LABCA	1.00000	0.72861	0.09910	0.00000	0.07501	0.03535	0.01564
27	Acct 902-Meter Reading Expenses	EXP902	1.00000	0.77718	0.11664	0.00000	0.06001	0.01662	0.00437
28	Acct 903-Cust Records & Collection Exp	EXP903	1.00000	0.72229	0.09681	0.00000	0.07696	0.03779	0.01711
29	Sales Expenses Labor Accts 912 to 916	LABSA	1.00000	0.64097	0.06434	0.00000	0.05520	0.06448	0.04689
30	Acct 912-Demonstrating & Selling Exp	EXP912	1.00000	0.64342	0.06552	0.00000	0.05509	0.06321	0.04582
31	Acct 913-Advertising Exp	EXP913	1.00000	0.56521	0.02765	0.00000	0.05862	0.10376	0.08004
32	Acct 916-Miscellaneous Sales Exp	EXP916	1.00000	0.60009	0.04454	0.00000	0.05705	0.08568	0.06478
33	Acct 920-Administrative & General Sal	EXP920	0.91581	0.57126	0.06171	0.00000	0.06425	0.07308	0.04691
34	Acct 921-Office Supplies & Expenses	EXP921	0.91581	0.57126	0.06171	0.00000	0.06425	0.07308	0.04691
35	Acct 922-Administrative Exp Transf-Cr	EXP922	0.91581	0.57126	0.06171	0.00000	0.06425	0.07308	0.04691
36	Acct 923-Outside Services Employed	EXP923	0.88379	0.56506	0.06034	0.00000	0.05998	0.06580	0.04272
37	Acct 924-Property Insurance	EXP924	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
38	Acct 925-Injuries & Damages	EXP925	0.91581	0.57126	0.06171	0.00000	0.06425	0.07308	0.04691
39	Acct 926-Employees Pensions & Benef	EXP926	0.97478	0.60277	0.05829	0.00000	0.06833	0.08269	0.05246
40	Acct 928-Regulatory Commission Exp	EXP928	0.91581	0.57126	0.06171	0.00000	0.06425	0.07308	0.04691

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-38

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 759-Handling Expense	EXP759	0.00574	0.00243	0.00981	0.01142	0.02270
2	Acct 775-Miscellaneous Production Exp	EXP775	0.00574	0.00243	0.00981	0.01142	0.02270
3	Acct 777-Lease Expense	EXP777	0.00574	0.00243	0.00981	0.01142	0.02270
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	0.00574	0.00243	0.00981	0.01142	0.02270
5	Acct 781-Maintenance of Struct & Improv	EXP781	0.00574	0.00243	0.00981	0.01142	0.02270
6	Acct 782-Maintenance of Production Eq	EXP782	0.00574	0.00243	0.00981	0.01142	0.02270
7	Total Intangible Plant	INTPLT	0.01016	0.01369	0.02737	0.02345	0.04017
8	Total Production Plant	PRODPLT	0.00574	0.00243	0.00981	0.01142	0.02270
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	0.01127	0.01608	0.03499	0.02750	0.04424
10	Acct 851-Sys Control & Load Dispatch	EXP851	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 852-Communication System Exp	EXP852	0.02009	0.00851	0.03429	0.03992	0.07936
12	Acct 857-Measuring & Regul Stat Exp	EXP857	0.02009	0.00851	0.03429	0.03992	0.07936
13	Acct 874-Mains and Services Exp	EXP874	0.01193	0.01152	0.02402	0.02653	0.04731
14	Acct 878-Meter & House Regulator Exp	EXP878	0.00200	0.02599	0.04103	0.01536	0.00708
15	Acct 879-Customer Installations Exp	EXP879	0.02009	0.00851	0.03429	0.03992	0.07936
16	Acct 880-Other Expenses	EXP880	0.01173	0.01543	0.03425	0.02802	0.04611
17	Acct 881-Rents	EXP881	0.02009	0.00851	0.03429	0.03992	0.07936
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	0.01302	0.01192	0.02757	0.02869	0.05149
19	Acct 886-Maintenance of Struct & Improv	EXP886	0.02009	0.00851	0.03429	0.03992	0.07936
20	Acct 887-Maintenance of Mains	EXP887	0.02009	0.00851	0.03429	0.03992	0.07936
21	Acct 888-Maint of Compressor Station Eq	EXP888	0.00000	0.00000	0.00000	0.00000	0.00000
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	0.02009	0.00851	0.03429	0.03992	0.07936
23	Acct 892-Maintenance of Services	EXP892	0.00089	0.01559	0.01010	0.00840	0.00390
24	Acct 893-Mnt of Meters and House Regul	EXP893	0.00200	0.02599	0.04103	0.01536	0.00708
25	Acct 894-Maintenance of Other Equip	EXP894	0.02009	0.00851	0.03429	0.03992	0.07936
26	Customer Accts Labor Accts 902 to 903	LABCA	0.00255	0.01484	0.01216	0.00661	0.01012
27	Acct 902-Meter Reading Expenses	EXP902	0.00054	0.01256	0.00755	0.00234	0.00219
28	Acct 903-Cust Records & Collection Exp	EXP903	0.00281	0.01514	0.01276	0.00716	0.01115
29	Sales Expenses Labor Accts 912 to 916	LABSA	0.00984	0.01115	0.02497	0.02658	0.05558
30	Acct 912-Demonstrating & Selling Exp	EXP912	0.00962	0.01121	0.02477	0.02628	0.05506
31	Acct 913-Advertising Exp	EXP913	0.01678	0.00937	0.03128	0.03561	0.07168
32	Acct 916-Miscellaneous Sales Exp	EXP916	0.01359	0.01019	0.02838	0.03145	0.06427
33	Acct 920-Administrative & General Sal	EXP920	0.00828	0.01334	0.02387	0.02018	0.03292
34	Acct 921-Office Supplies & Expenses	EXP921	0.00828	0.01334	0.02387	0.02018	0.03292
35	Acct 922-Administrative Exp Transf-Cr	EXP922	0.00828	0.01334	0.02387	0.02018	0.03292
36	Acct 923-Outside Services Employed	EXP923	0.00781	0.01194	0.02101	0.01821	0.03092
37	Acct 924-Property Insurance	EXP924	0.00000	0.00000	0.00000	0.00000	0.00000
38	Acct 925-Injuries & Damages	EXP925	0.00828	0.01334	0.02387	0.02018	0.03292
39	Acct 926-Employees Pensions & Benef	EXP926	0.00966	0.01391	0.02653	0.02241	0.03774
40	Acct 928-Regulatory Commission Exp	EXP928	0.00828	0.01334	0.02387	0.02018	0.03292

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DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-38	ALLOC	TOTAL COMPANY INPUT
1	Acct 759-Handling Expense	EXP759	Page 9 , Line 17
2	Acct 775-Miscellaneous Production Exp	EXP775	Page 9 , Line 20
3	Acct 777-Lease Expense	EXP777	Page 9 , Line 21
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	Pg 19, Ln 21 to 22
5	Acct 781-Maintenance of Struct & Improv	EXP781	Page 9 , Line 24
6	Acct 782-Maintenance of Production Eq	EXP782	Page 9 , Line 25
7	Total Intangible Plant	INTPLT	Page 2 , Line 5
8	Total Production Plant	PRODPLT	Page 2 , Line 20
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	Pg 20, Ln 2 to 9
10	Acct 851-Sys Control & Load Dispatch	EXP851	Page 11 , Line 2
11	Acct 852-Communication System Exp	EXP852	Page 11 , Line 3
12	Acct 857-Measuring & Regul Stat Exp	EXP857	Page 11 , Line 4
13	Acct 874-Mains and Services Exp	EXP874	Page 11 , Line 5
14	Acct 878-Meter & House Regulator Exp	EXP878	Page 11 , Line 6
15	Acct 879-Customer Installations Exp	EXP879	Page 11 , Line 7
16	Acct 880-Other Expenses	EXP880	Page 11 , Line 8
17	Acct 881-Rents	EXP881	Page 11 , Line 9
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	Pg 20, Ln 12 to 18
19	Acct 886-Maintenance of Struct & Improv	EXP886	Page 11 , Line 12
20	Acct 887-Maintenance of Mains	EXP887	Page 11 , Line 13
21	Acct 888-Maint of Compressor Station Eq	EXP888	Page 11 , Line 14
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	Page 11 , Line 15
23	Acct 892-Maintenance of Services	EXP892	Page 11 , Line 16
24	Acct 893-Mnt of Meters and House Regul	EXP893	Page 11 , Line 17
25	Acct 894-Maintenance of Other Equip	EXP894	Page 11 , Line 18
26	Customer Accts Labor Accts 902 to 903	LABCA	Pg 21, Ln 2 to 3
27	Acct 902-Meter Reading Expenses	EXP902	Page 12 , Line 2
28	Acct 903-Cust Records & Collection Exp	EXP903	Page 12 , Line 8
29	Sales Expenses Labor Accts 912 to 916	LABSA	Pg 21, Ln 6 to 8
30	Acct 912-Demonstrating & Selling Exp	EXP912	Page 12 , Line 28
31	Acct 913-Advertising Exp	EXP913	Page 12 , Line 32
32	Acct 916-Miscellaneous Sales Exp	EXP916	Page 12 , Line 33
33	Acct 920-Administrative & General Sal	EXP920	Page 13 , Line 1
34	Acct 921-Office Supplies & Expenses	EXP921	Page 13 , Line 4
35	Acct 922-Administrative Exp Transf-Cr	EXP922	Page 13 , Line 5
36	Acct 923-Outside Services Employed	EXP923	Page 13 , Line 38
37	Acct 924-Property Insurance	EXP924	Page 13 , Line 39
38	Acct 925-Injuries & Damages	EXP925	Page 13 , Line 43
39	Acct 926-Employees Pensions & Benef	EXP926	Page 14 , Line 4
40	Acct 928-Regulatory Commission Exp	EXP928	Page 14 , Line 7

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-39

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 929-Duplicate Charges-Cr	EXP929	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 930-Miscellaneous General Exp	EXP930	0.91581	0.57126	0.06171	0.00000	0.06425	0.07308	0.04691
3	Acct 931 Rents	EXP931	0.97345	0.59323	0.07930	0.00000	0.07474	0.09003	0.03764
4	Acct 932 Maintenance of General Plant	EXP932	0.96508	0.58804	0.05824	0.00000	0.06806	0.08583	0.05212
5	Total LPG Gas Operating Labor	TLABPO	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
6	Tot LPG Gas Maintenence Labor	TLABPM	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
7	Total LNG Gas Operating Labor	TLABLO	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
8	Tot LNG Gas Maintenence Labor	TLABLM	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
9	Total Transm & Distr Operating Labor	TLABDO	1.00000	0.57749	0.05179	0.00000	0.07010	0.10393	0.06260
10	Total Transm & Distr Maintenance Labor	TLABDM	1.00000	0.59378	0.04592	0.00000	0.06714	0.09201	0.06847
11	Total Customer Accounts Labor	TLABCA	1.00000	0.72861	0.09910	0.00000	0.07501	0.03535	0.01564
12	Total Sales Expense Labor	TLABSA	1.00000	0.64097	0.06434	0.00000	0.05520	0.06448	0.04689
13	Total General Plant	GENPLT	0.96508	0.58804	0.05824	0.00000	0.06806	0.08583	0.05212
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	0.91581	0.57126	0.06171	0.00000	0.06425	0.07308	0.04691
15	Sales Expense Accounts 912 to 913	EXP9123	1.00000	0.60009	0.04454	0.00000	0.05705	0.08568	0.06478
16	Acct 367 Mains and Acct 380 Services	PLT36780	1.00000	0.61266	0.05223	0.00000	0.06785	0.08193	0.06402
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	1.00000	0.69472	0.10511	0.00000	0.07897	0.04540	0.02283
19	Transm & Distr Oper Accts 851 to 879	EXP8519	1.00000	0.57747	0.04985	0.00000	0.06949	0.10339	0.06427
20	Total Customer Deposits	TOTCDEP	1.00000	0.01228	0.00050	0.00000	0.32576	0.30255	0.08000
21	Acct 386 Other Property on Cust's Prem	PLT386	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
22	Total Transmission & Distribution Plant	DISTRPLT	1.00000	0.60725	0.05497	0.00000	0.06908	0.08612	0.06139
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	0.34351	0.22015	0.07005	0.00000	0.03359	0.00750	0.00129
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
30	Acct 367-Gas Mains - Plastic	PLT367P	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
31	Acct 391-Office Equipment	PLT391OE	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
32	Acct 391-Office IT Equipment	PLT391IT	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
33	Acct 397-Comm Equip Metscan	PLT397M	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	0.28600	0.15131	0.00290	0.00000	0.01723	0.03504	0.02742
38	Total Gas Operation & Maintenance Labor	OMLAB	0.95481	0.59377	0.06030	0.00000	0.06733	0.07890	0.04903
39	Inflation Adjustment Residual O&M	OTHOMINF	0.94904	0.58387	0.05627	0.00000	0.06641	0.08103	0.05183

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-39	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 929-Duplicate Charges-Cr	EXP929	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 930-Miscellaneous General Exp	EXP930	0.00828	0.01334	0.02387	0.02018	0.03292
3	Acct 931 Rents	EXP931	0.00494	0.02107	0.03526	0.01818	0.01907
4	Acct 932 Maintenance of General Plant	EXP932	0.00945	0.01475	0.02855	0.02273	0.03730
5	Total LPG Gas Operating Labor	TLABPO	0.00574	0.00243	0.00981	0.01142	0.02270
6	Tot LPG Gas Maintenence Labor	TLABPM	0.00574	0.00243	0.00981	0.01142	0.02270
7	Total LNG Gas Operating Labor	TLABLO	0.00574	0.00243	0.00981	0.01142	0.02270
8	Tot LNG Gas Maintenence Labor	TLABLM	0.00574	0.00243	0.00981	0.01142	0.02270
9	Total Transm & Distr Operating Labor	TLABDO	0.01127	0.01608	0.03499	0.02750	0.04424
10	Total Transm & Distr Maintenance Labor	TLABDM	0.01302	0.01192	0.02757	0.02869	0.05149
11	Total Customer Accounts Labor	TLABCA	0.00255	0.01484	0.01216	0.00661	0.01012
12	Total Sales Expense Labor	TLABSA	0.00984	0.01115	0.02497	0.02658	0.05558
13	Total General Plant	GENPLT	0.00945	0.01475	0.02855	0.02273	0.03730
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	0.00828	0.01334	0.02387	0.02018	0.03292
15	Sales Expense Accounts 912 to 913	EXP9123	0.01359	0.01019	0.02838	0.03145	0.06427
16	Acct 367 Mains and Acct 380 Services	PLT36780	0.01193	0.01152	0.02402	0.02653	0.04731
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	0.00200	0.02599	0.04103	0.01536	0.00708
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	0.00119	0.01838	0.01839	0.01027	0.00476
19	Transm & Distr Oper Accts 851 to 879	EXP8519	0.01173	0.01543	0.03425	0.02802	0.04611
20	Total Customer Deposits	TOTCDEP	0.02799	0.07895	0.12824	0.03832	0.00539
21	Acct 386 Other Property on Cust's Prem	PLT386	0.02009	0.00851	0.03429	0.03992	0.07936
22	Total Transmission & Distribution Plant	DISTRPLT	0.01117	0.01317	0.02679	0.02592	0.04415
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	0.00002	0.00736	0.00272	0.00057	0.00027
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	0.02009	0.00851	0.03429	0.03992	0.07936
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	0.02009	0.00851	0.03429	0.03992	0.07936
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	0.02009	0.00851	0.03429	0.03992	0.07936
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	0.02009	0.00851	0.03429	0.03992	0.07936
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	0.02009	0.00851	0.03429	0.03992	0.07936
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	0.02009	0.00851	0.03429	0.03992	0.07936
30	Acct 367-Gas Mains - Plastic	PLT367P	0.02009	0.00851	0.03429	0.03992	0.07936
31	Acct 391-Office Equipment	PLT391OE	0.01015	0.01370	0.02739	0.02342	0.04012
32	Acct 391-Office IT Equipment	PLT391IT	0.01015	0.01370	0.02739	0.02342	0.04012
33	Acct 397-Comm Equip Metscan	PLT397M	0.00200	0.02599	0.04103	0.01536	0.00708
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	0.00200	0.02599	0.04103	0.01536	0.00708
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	0.00574	0.00243	0.00981	0.01142	0.02270
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	0.00574	0.00243	0.00981	0.01142	0.02270
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	0.00574	0.00243	0.00981	0.01142	0.02270
38	Total Gas Operation & Maintenance Labor	OMLAB	0.00894	0.01406	0.02589	0.02122	0.03535
39	Inflation Adjustment Residual O&M	OTHOMINF	0.00961	0.01356	0.02615	0.02230	0.03800

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DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-39	ALLOC	TOTAL COMPANY INPUT
1	Acct 929-Duplicate Charges-Cr	EXP929	Page 14 , Line 8
2	Acct 930-Miscellaneous General Exp	EXP930	Page 14 , Line 12
3	Acct 931 Rents	EXP931	Page 14 , Line 18
4	Acct 932 Maintenance of General Plant	EXP932	Page 14 , Line 22
5	Total LPG Gas Operating Labor	TLABPO	Page 19 , Line 5
6	Tot LPG Gas Maintenence Labor	TLABPM	Page 19 , Line 11
7	Total LNG Gas Operating Labor	TLABLO	Page 19 , Line 19
8	Tot LNG Gas Maintenence Labor	TLABLM	Page 19 , Line 23
9	Total Transm & Distr Operating Labor	TLABDO	Page 20 , Line 10
10	Total Transm & Distr Maintenance Labor	TLABDM	Page 20 , Line 19
11	Total Customer Accounts Labor	TLABCA	Page 21 , Line 4
12	Total Sales Expense Labor	TLABSA	Page 21 , Line 9
13	Total General Plant	GENPLT	Pg 4 , Ln 3 & 17
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	See Allocator Descriptions
15	Sales Expense Accounts 912 to 913	EXP9123	Pg 12 , Ln 28 & 32
16	Acct 367 Mains and Acct 380 Services	PLT36780	Pg 3 , Ln 11 & 14
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	Pg 3 , Line 15, 16 & 17
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	Pg 3 , Line 14, 15, 16 & 17
19	Transm & Distr Oper Accts 851 to 879	EXP8519	Pg 11 , Line 2 to 7
20	Total Customer Deposits	TOTCDEP	Page 7 , Line 23
21	Acct 386 Other Property on Cust's Prem	PLT386	Page 3 , Line 21
22	Total Transmission & Distribution Plant	DISTRPLT	Page 3 , Line 23 & 25
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	Pg 12 , Line 9 to 19
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	Page 12 , Line 22 & 23
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	Page 3 , Line 4
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	Page 3 , Line 5
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	Page 3 , Line 6
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	Page 3 , Line 7
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	Page 3 , Line 8
30	Acct 367-Gas Mains - Plastic	PLT367P	Page 3 , Line 9
31	Acct 391-Office Equipment	PLT391OE	Page 4 , Line 4
32	Acct 391-Office IT Equipment	PLT391IT	Page 4 , Line 5
33	Acct 397-Comm Equip Metscan	PLT397M	Page 4 , Line 13
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	Page 4 , Line 14
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	Page 2 , Line 6 & 7
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	Page 2 , Line 10 & 11
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	Page 2 , Line 15 & 16
38	Total Gas Operation & Maintenance Labor	OMLAB	Page 22 , Line 15
39	Inflation Adjustment Residual O&M	OTHOMINF	See Allocator Descriptions

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-40	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Supply Expense	GASCOSTS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	1.00000	0.72167	0.09667	0.00000	0.07712	0.03799	0.01724
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11	**NiSource Service Charges Allocators**								
12	Basis 1 - 50% Gross Plant	BASIS1P	0.97455	0.59128	0.05350	0.00000	0.06732	0.08447	0.05960
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	0.86079	0.53124	0.05961	0.00000	0.06190	0.07044	0.04356
14	Basis 10 - Number of Annual Customers	BASIS10	1.00000	0.78471	0.11808	0.00004	0.05910	0.01666	0.00220
15	Basis 11 - Labor	BASIS11	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
16	Basis 2 - Gross Plant	BASIS2	0.97455	0.59128	0.05350	0.00000	0.06732	0.08447	0.05960
17	Basis 20 - Total Direct Billed	BASIS20	0.93052	0.57488	0.05790	0.00000	0.06459	0.07698	0.05075
18	Basis 7 - 50% Deprec Plant	BASIS7P	0.97555	0.59180	0.05347	0.00000	0.06738	0.08446	0.05986
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	0.15954	0.09846	0.01105	0.00000	0.01147	0.01306	0.00807
20	Basis 9 - Labor	BASIS9	0.96182	0.58603	0.05491	0.00000	0.06683	0.08490	0.05436
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	0.93647	0.60286	0.06622	0.00000	0.06377	0.06785	0.04349
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-40

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Supply Expense	GASCOSTS	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	0.00284	0.01517	0.01282	0.00722	0.01125
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11	**NiSource Service Charges Allocators**						
12	Basis 1 - 50% Gross Plant	BASIS1P	0.01087	0.01293	0.02637	0.02521	0.04299
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	0.00793	0.01298	0.02304	0.01880	0.03127
14	Basis 10 - Number of Annual Customers	BASIS10	0.00005	0.01179	0.00624	0.00089	0.00024
15	Basis 11 - Labor	BASIS11	0.01015	0.01370	0.02739	0.02342	0.04012
16	Basis 2 - Gross Plant	BASIS2	0.01087	0.01293	0.02637	0.02521	0.04299
17	Basis 20 - Total Direct Billed	BASIS20	0.00928	0.01298	0.02459	0.02169	0.03686
18	Basis 7 - 50% Deprec Plant	BASIS7P	0.01091	0.01290	0.02632	0.02531	0.04313
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	0.00147	0.00241	0.00427	0.00349	0.00580
20	Basis 9 - Labor	BASIS9	0.01015	0.01370	0.02739	0.02342	0.04012
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	0.00786	0.01283	0.02185	0.01858	0.03115
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DELIVERY COMPONENTS

	INTERNALLY DEVELOPED CONT-40	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Supply Expense	GASCOSTS	Page 10 , Line 7
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	Pg 12 , Line 3 to 5
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7			
8			
9			
10			
11	**NISource Service Charges Allocators**		
12	Basis 1 - 50% Gross Plant	BASIS1P	Page 4 , Line 18
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	See Allocator Descriptions
14	Basis 10 - Number of Annual Customers	BASIS10	Page 26 , Line 31
15	Basis 11 - Labor	BASIS11	Page 26 , Line 31
16	Basis 2 - Gross Plant	BASIS2	Page 22 , Line 21
17	Basis 20 - Total Direct Billed	BASIS20	Page 4 , Line 18
18	Basis 7 - 50% Deprec Plant	BASIS7P	Page 13 , Line 28
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	See Allocator Descriptions
20	Basis 9 - Labor	BASIS9	See Allocator Descriptions
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	Page 22 , Line 21
22			
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-41

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	REVENUES FROM GAS SALES								
1	Revenues Firm Sales of Gas		1.00000	0.67571	0.02263	0.00001	0.06674	0.09792	0.04663
2									
3									
4									
5									
6									
7									
8									
9									
10									

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DELIVERY COMPONENTS

INTERNALLY DEVELOPED CONT-41

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	REVENUES FROM GAS SALES						
1	Revenues Firm Sales of Gas		0.01024	0.01207	0.03184	0.01883	0.01738
2							
3							
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

SUMMARY OF RESULTS

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEVELOPMENT OF RATE BASE								
1	Gas Plant in Service		19,205,834	13,395,569	105,218	0	1,637,374	2,428,692	953,430
2	Less: Depreciation Reserve		7,687,563	5,363,492	42,931	0	655,336	970,524	380,922
3	Net Gas Plant in Service		11,518,271	8,032,077	62,288	0	982,038	1,458,168	572,508
	ADD:								
4	Cash Working Capital		1,493,576	1,108,591	59,757	1	136,128	97,485	31,738
5	Materials & Supplies		0	0	0	0	0	0	0
6	Total Additions to Net Plant		1,493,576	1,108,591	59,757	1	136,128	97,485	31,738
	DEDUCT:								
7	Deferred Taxes		2,136,824	1,490,786	11,912	0	182,158	269,808	105,899
8	Unamortized Pre-1971 ITC		284	198	2	0	24	36	14
9	Customer Contributions		0	0	0	0	0	0	0
10	Customer Deposits		0	0	0	0	0	0	0
11	Unclaimed Checks		23,430	17,828	877	0	1,943	1,480	511
12	Total Deductions to Net Plant		2,160,539	1,508,813	12,790	0	184,125	271,324	106,424
13	Total Rate Base		10,851,309	7,631,856	109,255	1	934,041	1,284,329	497,823
	DEVELOPMENT OF RETURN								
14	Revenues from Sales of Gas		338,894,809	230,834,955	6,046,332	2,349	22,257,539	35,406,381	15,642,699
15	Other Operating Revenues		916,396	311,206	2,271	0	194,796	219,965	70,591
16	Total Gas Operating Revenues		339,811,205	231,146,160	6,048,603	2,349	22,452,335	35,626,346	15,713,290
	LESS: OPERATING EXPENSES								
17	Operation & Maintenance Expense		337,791,165	229,660,789	6,064,883	2,348	22,298,304	35,372,986	15,625,359
18	Depreciation & Amortization Expense		790,215	551,974	4,742	0	67,339	99,109	38,869
19	Taxes Other Than Income		291,685	204,200	1,980	0	24,839	36,129	14,147
20	Interest on Customer Deposits		0	0	0	0	0	0	0
21	Income Taxes		243,874	198,755	(10,260)	0	13,581	31,621	7,991
22	Total Operating Expenses		339,116,939	230,615,718	6,061,346	2,349	22,404,063	35,539,846	15,686,366
23	Operating Income		694,266	530,442	(12,743)	0	48,271	86,500	26,924
24	Rate of Return		6.40%	6.95%	-11.66%	11.13%	5.17%	6.74%	5.41%
25	Index Rate of Return		1.000	1.086	-1.823	1.740	0.808	1.053	0.845

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

SUMMARY OF RESULTS

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEVELOPMENT OF RATE BASE						
1	Gas Plant in Service		223,889	82,374	227,736	66,911	84,641
2	Less: Depreciation Reserve		89,446	33,159	91,153	26,772	33,829
3	Net Gas Plant in Service		134,443	49,215	136,583	40,140	50,811
	ADD:						
4	Cash Working Capital		6,972	21,073	22,217	6,037	3,577
5	Materials & Supplies		0	0	0	0	0
6	Total Additions to Net Plant		6,972	21,073	22,217	6,037	3,577
	DEDUCT:						
7	Deferred Taxes		24,867	9,212	25,337	7,442	9,404
8	Unamortized Pre-1971 ITC		3	1	3	1	1
9	Customer Contributions		0	0	0	0	0
10	Customer Deposits		0	0	0	0	0
11	Unclaimed Checks		116	272	275	71	57
12	Total Deductions to Net Plant		24,986	9,485	25,615	7,514	9,463
13	Total Rate Base		116,429	60,803	133,184	38,663	44,925
	DEVELOPMENT OF RETURN						
14	Revenues from Sales of Gas		3,977,566	4,004,792	12,077,121	5,837,019	2,808,057
15	Other Operating Revenues		14,443	29,038	52,363	16,333	5,390
16	Total Gas Operating Revenues		3,992,010	4,033,830	12,129,484	5,853,352	2,813,447
	LESS: OPERATING EXPENSES						
17	Operation & Maintenance Expense		3,976,906	4,028,508	12,111,690	5,845,868	2,803,521
18	Depreciation & Amortization Expense		9,125	3,484	9,368	2,747	3,457
19	Taxes Other Than Income		3,320	1,339	3,457	1,011	1,262
20	Interest on Customer Deposits		0	0	0	0	0
21	Income Taxes		(291)	(496)	426	1,019	1,528
22	Total Operating Expenses		3,989,060	4,032,835	12,124,943	5,850,646	2,809,768
23	Operating Income		2,950	995	4,541	2,706	3,679
24	Rate of Return		2.53%	1.64%	3.41%	7.00%	8.19%
25	Index Rate of Return		0.396	0.256	0.533	1.094	1.280

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE-2

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	GAS PLANT IN SERVICE								
	INTANGIBLE PLANT								
	301 Organization								
1	Organization	PLANT	112,833	78,698	618	0	9,619	14,268	5,601
2	Adj Organization	PLANT	(95,290)	(66,463)	(522)	(0)	(8,124)	(12,050)	(4,730)
3	Total Account 301		17,542	12,235	96	0	1,496	2,218	871
4	303 Misc. Intangible Plant	LABOR	1,320,081	927,615	10,705	0	112,289	160,052	62,506
5	Total Intangible Plant		1,337,623	939,850	10,801	0	113,784	162,270	63,377
	PRODUCTION PLANT								
	304 Land & Land Rights								
6	LNG Related	DEMLNG	188,664	131,440	959	0	16,090	24,005	9,431
7	LPG Related	DEMLPG	73,469	51,185	373	0	6,266	9,348	3,672
8	LNG & LPG Related	PLT304L	32,458	22,613	165	0	2,768	4,130	1,622
9	Total Account 304		294,591	205,238	1,498	0	25,124	37,483	14,726
	305 Structures & Improvements								
10	LNG Related	DEMLNG	799,649	557,108	4,065	0	68,196	101,746	39,972
11	LPG Related	DEMLPG	463,249	322,741	2,355	0	39,507	58,943	23,156
12	LNG & LPG Related	PLT305L	428,534	298,555	2,179	0	36,547	54,526	21,421
13	Total Account 305		1,691,431	1,178,404	8,599	0	144,250	215,214	84,549
14	311 L.P. Gas Equipment	DEMLPG	3,098,342	2,158,585	15,751	0	264,235	394,227	154,876
	320 Other Equipment								
15	LNG Related	DEMLNG	412,449	287,349	2,097	0	35,175	52,479	20,617
16	LPG Related	DEMLPG	125,468	87,412	638	0	10,700	15,964	6,272
17	LNG & LPG Related	PLT320L	47,024	32,761	239	0	4,010	5,983	2,351
18	Total Account 320		584,941	407,523	2,974	0	49,885	74,427	29,239
19	321 L.N.G. Equipment	DEMLNG	11,015,640	7,674,491	56,000	0	939,445	1,401,608	550,636
20	Total Production Plant		16,684,945	11,624,242	84,821	0	1,422,939	2,122,959	834,026

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE-2

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	GAS PLANT IN SERVICE						
	INTANGIBLE PLANT						
	301 Organization						
1	Organization	PLANT	1,315	484	1,338	393	497
2	Adj Organization	PLANT	(1,111)	(409)	(1,130)	(332)	(420)
3	Total Account 301		204	75	208	61	77
4	303 Misc. Intangible Plant	LABOR	14,661	6,458	15,639	4,552	5,604
5	Total Intangible Plant		14,865	6,533	15,847	4,613	5,681
	PRODUCTION PLANT						
	304 Land & Land Rights						
6	LNG Related	DEMLNG	2,215	792	2,237	658	836
7	LPG Related	DEMLPG	863	308	871	256	326
8	LNG & LPG Related	PLT304L	381	136	385	113	144
9	Total Account 304		3,459	1,237	3,494	1,028	1,305
	305 Structures & Improvements						
10	LNG Related	DEMLNG	9,388	3,357	9,483	2,790	3,543
11	LPG Related	DEMLPG	5,439	1,945	5,494	1,616	2,053
12	LNG & LPG Related	PLT305L	5,031	1,799	5,082	1,495	1,899
13	Total Account 305		19,858	7,101	20,059	5,902	7,495
14	311 L.P. Gas Equipment	DEMLPG	36,375	13,008	36,744	10,811	13,730
	320 Other Equipment						
15	LNG Related	DEMLNG	4,842	1,732	4,891	1,439	1,828
16	LPG Related	DEMLPG	1,473	527	1,488	438	556
17	LNG & LPG Related	PLT320L	552	197	558	164	208
18	Total Account 320		6,867	2,456	6,937	2,041	2,592
19	321 L.N.G. Equipment	DEMLNG	129,325	46,249	130,637	38,437	48,814
20	Total Production Plant		195,883	70,052	197,870	58,218	73,936

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-3

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	GAS PLANT IN SERVICE CON'T								
	DISTRIBUTION PLANT								
1	364 Land & Land Rights	DISTR	0	0	0	0	0	0	0
2	365 Right of Way	DISTR	0	0	0	0	0	0	0
3	366 Structures & Improvements	DISTR	0	0	0	0	0	0	0
	367 Gas Mains								
4	Gas Mains - Bare Steel	DISTR	0	0	0	0	0	0	0
5	Gas Mains - Joint Clamping	DISTR	0	0	0	0	0	0	0
6	Gas Mains - Cast Iron	DISTR	0	0	0	0	0	0	0
7	Gas Mains - Cathodic Protection	DISTR	0	0	0	0	0	0	0
8	Gas Mains - Coated Steel	DISTR	0	0	0	0	0	0	0
9	Gas Mains - Plastic	DISTR	0	0	0	0	0	0	0
10	Adj Gas Mains - Plastic	DISTR	0	0	0	0	0	0	0
11	Total Account 367		0	0	0	0	0	0	0
12	368 Compressor Station Equipment	DISTR	0	0	0	0	0	0	0
13	369 Meas. & Reg. Station Equipment	DISTR	0	0	0	0	0	0	0
14	380 Gas Services	CUST380	0	0	0	0	0	0	0
15	381 Gas Meters	CUST381	0	0	0	0	0	0	0
16	382 Meter Installations	CUST382	0	0	0	0	0	0	0
17	383 Gas Regulators	CUST383	0	0	0	0	0	0	0
	386 Other Property on Cust's Premises								
18	Gas Water Heaters	CUST3860	0	0	0	0	0	0	0
19	Cascade Diamond Boilers	CUST3862	0	0	0	0	0	0	0
20	Conversion Burners	CUST3863	0	0	0	0	0	0	0
21	Total Account 386		0	0	0	0	0	0	0
22	387 Other Equipment	DISTR	0	0	0	0	0	0	0
23	Total Distribution Plant		0	0	0	0	0	0	0
	TRANSMISSION PLANT								
24	379 Other Equipment	DISTR	0	0	0	0	0	0	0
25	Total Transmission Plant		0	0	0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-3

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	GAS PLANT IN SERVICE CON'T						
	DISTRIBUTION PLANT						
1	364 Land & Land Rights	DISTR	0	0	0	0	0
2	365 Right of Way	DISTR	0	0	0	0	0
3	366 Structures & Improvements	DISTR	0	0	0	0	0
	367 Gas Mains						
4	Gas Mains - Bare Steel	DISTR	0	0	0	0	0
5	Gas Mains - Joint Clamping	DISTR	0	0	0	0	0
6	Gas Mains - Cast Iron	DISTR	0	0	0	0	0
7	Gas Mains - Cathodic Protection	DISTR	0	0	0	0	0
8	Gas Mains - Coated Steel	DISTR	0	0	0	0	0
9	Gas Mains - Plastic	DISTR	0	0	0	0	0
10	Adj Gas Mains - Plastic	DISTR	0	0	0	0	0
11	Total Account 367		0	0	0	0	0
12	368 Compressor Station Equipment	DISTR	0	0	0	0	0
13	369 Meas. & Reg. Station Equipment	DISTR	0	0	0	0	0
14	380 Gas Services	CUST380	0	0	0	0	0
15	381 Gas Meters	CUST381	0	0	0	0	0
16	382 Meter Installations	CUST382	0	0	0	0	0
17	383 Gas Regulators	CUST383	0	0	0	0	0
	386 Other Property on Cust's Premises						
18	Gas Water Heaters	CUST3860	0	0	0	0	0
19	Cascade Diamond Boilers	CUST3862	0	0	0	0	0
20	Conversion Burners	CUST3863	0	0	0	0	0
21	Total Account 386		0	0	0	0	0
22	387 Other Equipment	DISTR	0	0	0	0	0
23	Total Distribution Plant		0	0	0	0	0
	TRANSMISSION PLANT						
24	379 Other Equipment	DISTR	0	0	0	0	0
25	Total Transmission Plant		0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-4

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	GAS PLANT IN SERVICE CON'T								
	GENERAL PLANT								
1	389 Land & Land Rights	LABOR	6,579	4,623	53	0	560	798	312
2	390 Structures & Improvements	LABOR	278,872	195,962	2,262	0	23,721	33,811	13,205
3	Total General Plant		285,451	200,586	2,315	0	24,281	34,609	13,516
	GENERAL PLANT (Equipment)								
	391 Office Equipment								
4	Office Equipment	LABOR	225,958	158,780	1,832	0	19,220	27,396	10,699
5	Office IT Equipment	LABOR	210,090	147,629	1,704	0	17,871	25,472	9,948
6	Total Account 391		436,048	306,409	3,536	0	37,091	52,868	20,647
7	392 Transportation Equipment	LABOR	90,246	63,415	732	0	7,676	10,942	4,273
8	393 Stores Equipment	LABOR	1,927	1,354	16	0	164	234	91
9	394 Tools, Shop & Garage Equipment	LABOR	70,557	49,580	572	0	6,002	8,555	3,341
10	396 Power Operated Equipment	LABOR	15,518	10,904	126	0	1,320	1,881	735
	397 Communication Equipment								
11	Communications Equip & Metscan	LABOR	483,643	339,854	3,922	0	41,140	58,639	22,901
12	Communications Equip Metscan Adj	LABOR	(201,087)	(141,303)	(1,631)	(0)	(17,105)	(24,381)	(9,521)
13	Communications Equip Metscan	PLT381	0	0	0	0	0	0	0
14	Communications Equip ERT/ITRON	PLT381	0	0	0	0	0	0	0
15	Total Account 397		282,556	198,551	2,291	0	24,035	34,258	13,379
16	398 Miscellaneous Equipment	LABOR	963	677	8	0	82	117	46
17	Total General Plant (Equipment)		897,815	630,891	7,281	0	76,370	108,855	42,512
18	Total Gas Plant In Service		19,205,834	13,395,569	105,218	0	1,637,374	2,428,692	953,430

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-4

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	GAS PLANT IN SERVICE CON'T						
	GENERAL PLANT						
1	389 Land & Land Rights	LABOR	73	32	78	23	28
2	390 Structures & Improvements	LABOR	3,097	1,364	3,304	962	1,184
3	Total General Plant		3,170	1,396	3,382	984	1,212
	GENERAL PLANT (Equipment)						
	391 Office Equipment						
4	Office Equipment	LABOR	2,509	1,105	2,677	779	959
5	Office IT Equipment	LABOR	2,333	1,028	2,489	724	892
6	Total Account 391		4,843	2,133	5,166	1,504	1,851
7	392 Transportation Equipment	LABOR	1,002	441	1,069	311	383
8	393 Stores Equipment	LABOR	21	9	23	7	8
9	394 Tools, Shop & Garage Equipment	LABOR	784	345	836	243	300
10	396 Power Operated Equipment	LABOR	172	76	184	54	66
	397 Communication Equipment						
11	Communications Equip & Metscan	LABOR	5,371	2,366	5,730	1,668	2,053
12	Communications Equip Metscan Adj	LABOR	(2,233)	(984)	(2,382)	(693)	(854)
13	Communications Equip Metscan	PLT381	0	0	0	0	0
14	Communications Equip ERT/ITRON	PLT381	0	0	0	0	0
15	Total Account 397		3,138	1,382	3,348	974	1,200
16	398 Miscellaneous Equipment	LABOR	11	5	11	3	4
17	Total General Plant (Equipment)		9,971	4,392	10,637	3,096	3,811
18	Total Gas Plant In Service		223,889	82,374	227,736	66,911	84,641

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-5

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEPRECIATION RESERVE								
	INTANGIBLE PLANT RESERVE								
	301 Organization								
1	Organization	PLT301	88,145	61,479	483	0	7,515	11,146	4,376
2	Adj Organization	PLT301	(74,750)	(52,136)	(410)	(0)	(6,373)	(9,453)	(3,711)
3	Total Account 301		13,395	9,342	73	0	1,142	1,694	665
4	303 Misc. Intangible Plant	PLT303	714,658	502,187	5,796	0	60,790	86,648	33,839
5	Total Intangible Plant Reserve		728,053	511,530	5,869	0	61,932	88,342	34,504
	PRODUCTION PLANT RESERVE								
6	305 Structures & Improvements	PLT305	1,106,694	771,023	5,626	0	94,382	140,813	55,320
7	311 L.P. Gas Equipment	PLT311	2,370,206	1,651,300	12,049	0	202,138	301,580	118,479
8	320 Other Equipment	PLT320	207,293	144,419	1,054	0	17,678	26,375	10,362
9	321 L.N.G. Equipment	PLT321	2,719,573	1,894,701	13,825	0	231,933	346,033	135,943
10	Total Production Plant Reserve		6,403,766	4,461,443	32,555	0	546,131	814,802	320,103
	DISTRIBUTION PLANT RESERVE								
11	365 Right of Way	PLT365	0	0	0	0	0	0	0
12	366 Structures & Improvements	PLT366	0	0	0	0	0	0	0
13	367 Gas Mains	PLT367	0	0	0	0	0	0	0
14	368 Compressor Station Equipment	PLT368	0	0	0	0	0	0	0
15	369 Meas. & Reg. Station Equipment	PLT369	0	0	0	0	0	0	0
16	380 Gas Services	PLT380	0	0	0	0	0	0	0
17	381 Gas Meters	PLT381	0	0	0	0	0	0	0
18	382 Meter Installations	PLT382	0	0	0	0	0	0	0
19	383 Gas Regulators	PLT383	0	0	0	0	0	0	0
	386 Other Property on Cust's Premises								
20	Gas Water Heaters	PLT3860	0	0	0	0	0	0	0
21	Cascade Diamond Boilers	PLT3862	0	0	0	0	0	0	0
22	Conversion Burners	PLT3863	0	0	0	0	0	0	0
23	Total Account 386		0	0	0	0	0	0	0
24	387 Other Equipment	PLT387	0	0	0	0	0	0	0
25	Total Distribution Plant Reserve		0	0	0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-5

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEPRECIATION RESERVE						
	INTANGIBLE PLANT RESERVE						
	301 Organization						
1	Organization	PLT301	1,028	378	1,045	307	388
2	Adj Organization	PLT301	(871)	(321)	(886)	(260)	(329)
3	Total Account 301		156	57	159	47	59
4	303 Misc. Intangible Plant	PLT303	7,937	3,496	8,467	2,464	3,034
5	Total Intangible Plant Reserve		8,093	3,554	8,626	2,511	3,093
	PRODUCTION PLANT RESERVE						
6	305 Structures & Improvements	PLT305	12,993	4,646	13,124	3,862	4,904
7	311 L.P. Gas Equipment	PLT311	27,826	9,951	28,109	8,270	10,503
8	320 Other Equipment	PLT320	2,434	870	2,458	723	919
9	321 L.N.G. Equipment	PLT321	31,928	11,418	32,252	9,489	12,051
10	Total Production Plant Reserve		75,181	26,886	75,944	22,344	28,377
	DISTRIBUTION PLANT RESERVE						
11	365 Right of Way	PLT365	0	0	0	0	0
12	366 Structures & Improvements	PLT366	0	0	0	0	0
13	367 Gas Mains	PLT367	0	0	0	0	0
14	368 Compressor Station Equipment	PLT368	0	0	0	0	0
15	369 Meas. & Reg. Station Equipment	PLT369	0	0	0	0	0
16	380 Gas Services	PLT380	0	0	0	0	0
17	381 Gas Meters	PLT381	0	0	0	0	0
18	382 Meter Installations	PLT382	0	0	0	0	0
19	383 Gas Regulators	PLT383	0	0	0	0	0
	386 Other Property on Cust's Premises						
20	Gas Water Heaters	PLT3860	0	0	0	0	0
21	Cascade Diamond Boilers	PLT3862	0	0	0	0	0
22	Conversion Burners	PLT3863	0	0	0	0	0
23	Total Account 386		0	0	0	0	0
24	387 Other Equipment	PLT387	0	0	0	0	0
25	Total Distribution Plant Reserve		0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-6

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEPRECIATION RESERVE CON'T								
	TRANSMISSION PLANT RESERVE								
1	379 Other Equipment	PLT379	0	0	0	0	0	0	0
2	Total Transmission Plant Reserve		0	0	0	0	0	0	0
	GENERAL PLANT RESERVE								
3	390 Structures & Improvements	PLT390	83,566	58,722	678	0	7,108	10,132	3,957
4	Total General Plant Reserve		83,566	58,722	678	0	7,108	10,132	3,957
	GENERAL PLT RESERVE (Equipment)								
5	391 Office Equipment	PLT391	292,171	205,307	2,369	0	24,853	35,424	13,834
6	392 Transportation Equipment	PLT392	49,063	34,477	398	0	4,173	5,949	2,323
7	393 Stores Equipment	PLT393	(75)	(53)	(1)	(0)	(6)	(9)	(4)
8	394 Tools, Shop & Garage Equipment	PLT394	31,106	21,858	252	0	2,646	3,771	1,473
9	396 Power Operated Equipment	PLT396	6,670	4,687	54	0	567	809	316
	397 Communication Equipment								
10	Communications Equip & Metscan	PLT397O	174,617	122,703	1,416	0	14,853	21,171	8,268
11	Communications Equip Metscan Adj	PLT397O	(81,908)	(57,556)	(664)	(0)	(6,967)	(9,931)	(3,878)
12	Communications Equip Metscan	PLT397M	0	0	0	0	0	0	0
13	Communications Equip ERT/ITRON	PLT397E	0	0	0	0	0	0	0
14	Total Account 397		92,709	65,147	752	0	7,886	11,240	4,390
15	398 Miscellaneous Equipment	PLT398	533	374	4	0	45	65	25
16	Tot Gen Plt Reserve (Equipment)		472,178	331,798	3,829	0	40,164	57,249	22,358
17	Total Depreciation Reserve		7,687,563	5,363,492	42,931	0	655,336	970,524	380,922
19	Net Gas Plant in Service		11,518,271	8,032,077	62,288	0	982,038	1,458,168	572,508

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-6

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEPRECIATION RESERVE CON'T						
	TRANSMISSION PLANT RESERVE						
1	379 Other Equipment	PLT379	0	0	0	0	0
2	Total Transmission Plant Reserve		0	0	0	0	0
	GENERAL PLANT RESERVE						
3	390 Structures & Improvements	PLT390	928	409	990	288	355
4	Total General Plant Reserve		928	409	990	288	355
	GENERAL PLT RESERVE (Equipment)						
5	391 Office Equipment	PLT391	3,245	1,429	3,461	1,007	1,240
6	392 Transportation Equipment	PLT392	545	240	581	169	208
7	393 Stores Equipment	PLT393	(1)	(0)	(1)	(0)	(0)
8	394 Tools, Shop & Garage Equipment	PLT394	345	152	369	107	132
9	396 Power Operated Equipment	PLT396	74	33	79	23	28
	397 Communication Equipment						
10	Communications Equip & Metscan	PLT397O	1,939	854	2,069	602	741
11	Communications Equip Metscan Adj	PLT397O	(910)	(401)	(970)	(282)	(348)
12	Communications Equip Metscan	PLT397M	0	0	0	0	0
13	Communications Equip ERT/ITRON	PLT397E	0	0	0	0	0
14	Total Account 397		1,030	454	1,098	320	394
15	398 Miscellaneous Equipment	PLT398	6	3	6	2	2
16	Tot Gen Plt Reserve (Equipment)		5,244	2,310	5,594	1,628	2,005
17	Total Depreciation Reserve		89,446	33,159	91,153	26,772	33,829
19	Net Gas Plant in Service		134,443	49,215	136,583	40,140	50,811

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BAY STATE GAS COMPANY
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PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-7

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	ADDITIONS TO NET PLANT								
	Cash Working Capital								
1	Purchased Gas		0	0	0	0	0	0	0
2	Other O&M		1,493,576	1,108,591	59,757	1	136,128	97,485	31,738
3	Total Cash Working Capital		1,493,576	1,108,591	59,757	1	136,128	97,485	31,738
	Materials & Supplies								
4	Stores Expense Undistributed	DISTRPLT	0	0	0	0	0	0	0
5	Truck Stock	DISTRPLT	0	0	0	0	0	0	0
6	Meters Stock	PLT3813	0	0	0	0	0	0	0
7	Inventory-Imprest	DISTRPLT	0	0	0	0	0	0	0
8	Mat Management System IC Stock	DISTRPLT	0	0	0	0	0	0	0
9	Appliances & Parts	PLT386	0	0	0	0	0	0	0
10	Other Inventory Charges	DISTRPLT	0	0	0	0	0	0	0
11	Total Materials & Supplies		0	0	0	0	0	0	0
12	Total Additions to Net Plant		1,493,576	1,108,591	59,757	1	136,128	97,485	31,738
	DEDUCTIONS TO NET PLANT								
	Deferred Taxes								
13	Intangible Related	INTPLT	232,567	163,408	1,878	0	19,783	28,213	11,019
14	Production Related	PRODPLT	1,787,628	1,245,423	9,088	0	152,454	227,454	89,358
15	Transmission & Distribution Related	DISTRPLT	0	0	0	0	0	0	0
16	General Related	GENPLT	137,964	96,947	1,119	0	11,735	16,727	6,533
17	Communications Equip Metscan Adj	PLT397O	(21,334)	(14,991)	(173)	(0)	(1,815)	(2,587)	(1,010)
18	Deferred Taxes		2,136,824	1,490,786	11,912	0	182,158	269,808	105,899
19	Unamortized Pre-1971 ITC	PLANT	284	198	2	0	24	36	14
20	Customer Contributions	PLT3803	0	0	0	0	0	0	0
	Customer Deposits								
21	Customer Deposits - Firm Customers	CUSTDEP	0	0	0	0	0	0	0
22	Customer Deposits - Marketers	CUSTTR	0	0	0	0	0	0	0
23	Total Customer Deposits		0	0	0	0	0	0	0
24	Unclaimed Checks	REVCLAIM	23,430	17,828	877	0	1,943	1,480	511
25	Total Deductions to Net Plant		2,160,539	1,508,813	12,790	0	184,125	271,324	106,424
26	Total Rate Base		10,851,309	7,631,856	109,255	1	934,041	1,284,329	497,823

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BAY STATE GAS COMPANY
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PRODUCTION COMPONENTS

DEVELOPMENT OF RATE BASE CONT-7

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ADDITIONS TO NET PLANT						
	Cash Working Capital						
1	Purchased Gas		0	0	0	0	0
2	Other O&M		6,972	21,073	22,217	6,037	3,577
3	Total Cash Working Capital		6,972	21,073	22,217	6,037	3,577
	Materials & Supplies						
4	Stores Expense Undistributed	DISTRPLT	0	0	0	0	0
5	Truck Stock	DISTRPLT	0	0	0	0	0
6	Meters Stock	PLT3813	0	0	0	0	0
7	Inventory-Imprest	DISTRPLT	0	0	0	0	0
8	Mat Management System IC Stock	DISTRPLT	0	0	0	0	0
9	Appliances & Parts	PLT386	0	0	0	0	0
10	Other Inventory Charges	DISTRPLT	0	0	0	0	0
11	Total Materials & Supplies		0	0	0	0	0
12	Total Additions to Net Plant		6,972	21,073	22,217	6,037	3,577
	DEDUCTIONS TO NET PLANT						
	Deferred Taxes						
13	Intangible Related	INTPLT	2,585	1,136	2,755	802	988
14	Production Related	PRODPLT	20,987	7,505	21,200	6,238	7,922
15	Transmission & Distribution Related	DISTRPLT	0	0	0	0	0
16	General Related	GENPLT	1,532	675	1,634	476	586
17	Communications Equip Metscan Adj	PLT397O	(237)	(104)	(253)	(74)	(91)
18	Deferred Taxes		24,867	9,212	25,337	7,442	9,404
19	Unamortized Pre-1971 ITC	PLANT	3	1	3	1	1
20	Customer Contributions	PLT3803	0	0	0	0	0
	Customer Deposits						
21	Customer Deposits - Firm Customers	CUSTDEP	0	0	0	0	0
22	Customer Deposits - Marketers	CUSTTR	0	0	0	0	0
23	Total Customer Deposits		0	0	0	0	0
24	Unclaimed Checks	REVCLAIM	116	272	275	71	57
25	Total Deductions to Net Plant		24,986	9,485	25,615	7,514	9,463
26	Total Rate Base		116,429	60,803	133,184	38,663	44,925

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

OPERATING REVENUES-8

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	REVENUES								
	GAS OPERATING REVENUES								
	SALES REVENUES								
1	Firm Sales of Gas		338,894,809	230,834,955	6,046,332	2,349	22,257,539	35,406,381	15,642,699
2	Special Contracts	DISTR	0	0	0	0	0	0	0
3	Special Contracts Adjustment	DISTR	0	0	0	0	0	0	0
4	Special Contracts - Other	DISTR	0	0	0	0	0	0	0
5	Total Sales of Gas		338,894,809	230,834,955	6,046,332	2,349	22,257,539	35,406,381	15,642,699
	OTHER OPERATING REVENUES								
	487-Late Payment Charges								
6	High Wint Low Ann Rate G40 & T40	C487R40	156,701	0	0	0	156,701	0	0
7	High Wint Med Ann Rate G41 & T41	C487R41	163,129	0	0	0	0	163,129	0
8	High Wint High Ann Rate G42 & T42	C487R42	48,263	0	0	0	0	0	48,263
9	High Wint Lrg Ann Rate G43 & T43	C487R43	9,199	0	0	0	0	0	0
10	Low Wint Low Ann Rate G50 & T50	C487R50	27,162	0	0	0	0	0	0
11	Low Wint Med Ann Rate G51 & T51	C487T51	47,065	0	0	0	0	0	0
12	Low Wint High Ann Rate G52 & T52	C487R52	14,774	0	0	0	0	0	0
13	Low Wint Lrg Ann Rate G53 & T53	C487R53	3,411	0	0	0	0	0	0
14	Total Account 487		469,705	0	0	0	156,701	163,129	48,263
15	487-Return Check Charges	CUST487	0	0	0	0	0	0	0
16	488-Rental Revenues-W/H & Conv Burn	CUST488	0	0	0	0	0	0	0
17	882-Revenue Guardian Care & C/S	CUST882	0	0	0	0	0	0	0
	493-Rent from Gas Property								
18	Rent from Gas Property	PLANT	441	308	2	0	38	56	22
19	LNG Tank Lease Revenue	DEMLNG	446,250	310,898	2,269	0	38,057	56,780	22,307
20	I/C Rents	DISTRPLT	0	0	0	0	0	0	0
21	Total Account 493		446,691	311,206	2,271	0	38,095	56,836	22,328
22	903-Cust R&C, Shutoff & Turn-Off	DISTRPLT	0	0	0	0	0	0	0
23	Total Other Operating Revenues		916,396	311,206	2,271	0	194,796	219,965	70,591
24	Total Gas Operating Revenues		339,811,205	231,146,160	6,048,603	2,349	22,452,335	35,626,346	15,713,290

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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PRODUCTION COMPONENTS

OPERATING REVENUES-8

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	REVENUES						
	GAS OPERATING REVENUES						
	SALES REVENUES						
1	Firm Sales of Gas		3,977,566	4,004,792	12,077,121	5,837,019	2,808,057
2	Special Contracts	DISTR	0	0	0	0	0
3	Special Contracts Adjustment	DISTR	0	0	0	0	0
4	Special Contracts - Other	DISTR	0	0	0	0	0
5	Total Sales of Gas		3,977,566	4,004,792	12,077,121	5,837,019	2,808,057
	OTHER OPERATING REVENUES						
	487-Late Payment Charges						
6	High Wint Low Ann Rate G40 & T40	C487R40	0	0	0	0	0
7	High Wint Med Ann Rate G41 & T41	C487R41	0	0	0	0	0
8	High Wint High Ann Rate G42 & T42	C487R42	0	0	0	0	0
9	High Wint Lrg Ann Rate G43 & T43	C487R43	9,199	0	0	0	0
10	Low Wint Low Ann Rate G50 & T50	C487R50	0	27,162	0	0	0
11	Low Wint Med Ann Rate G51 & T51	C487T51	0	0	47,065	0	0
12	Low Wint High Ann Rate G52 & T52	C487R52	0	0	0	14,774	0
13	Low Wint Lrg Ann Rate G53 & T53	C487R53	0	0	0	0	3,411
14	Total Account 487		9,199	27,162	47,065	14,774	3,411
15	487-Return Check Charges	CUST487	0	0	0	0	0
16	488-Rental Revenues-W/H & Conv Burn	CUST488	0	0	0	0	0
17	882-Revenue Guardian Care & C/S	CUST882	0	0	0	0	0
	493-Rent from Gas Property						
18	Rent from Gas Property	PLANT	5	2	5	2	2
19	LNG Tank Lease Revenue	DEMLNG	5,239	1,874	5,292	1,557	1,977
20	I/C Rents	DISTRPLT	0	0	0	0	0
21	Total Account 493		5,244	1,875	5,297	1,559	1,979
22	903-Cust R&C, Shutoff & Turn-Off	DISTRPLT	0	0	0	0	0
23	Total Other Operating Revenues		14,443	29,038	52,363	16,333	5,390
24	Total Gas Operating Revenues		3,992,010	4,033,830	12,129,484	5,853,352	2,813,447

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BAY STATE GAS COMPANY
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PRODUCTION COMPONENTS

OPERATION & MAINTENANCE EXP-9

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	OPERATION & MAINTENANCE EXP								
	LIQUEFIED PROPANE GAS PRODUCTION								
	Operation Expense								
1	710-Supervision	TLABPO	33,314	23,210	169	0	2,841	4,239	1,665
2	717-LPG Gas Expenses	DEMLPG	340	237	2	0	29	43	17
3	719-Handling Expense	DEMLPG	14,300	9,963	73	0	1,220	1,820	715
4	723-Fuel for LPG Gas Process	EREMAIN	0	0	0	0	0	0	0
5	728-Liquefied Petroleum Gas	EREMAIN	0	0	0	0	0	0	0
6	735-Miscellaneous Production Exp	DEMLPG	152,298	106,104	774	0	12,988	19,378	7,613
7	Total Operation Expense		200,252	139,513	1,018	0	17,078	25,480	10,010
	Maintenance								
8	740-Supervision	TLABPM	8,190	5,706	42	0	698	1,042	409
9	741-Maintenance of Struct & Improv	DEMLPG	8,584	5,981	44	0	732	1,092	429
10	742-Maintenance of Production Equip	DEMLPG	76,703	53,438	390	0	6,541	9,759	3,834
11	Total Maintenance Expense		93,477	65,125	475	0	7,972	11,894	4,673
12	Total Liquefied Propane Gas Prod Exp		293,729	204,638	1,493	0	25,050	37,373	14,683
	LIQUEFIED NATURAL GAS PRODUCTION								
	Operation Expense								
13	750-Supervision	TLABLO	370,139	257,872	1,882	0	31,566	47,096	18,502
14	754-Liquefaction Expense	DEMLNG	118,441	82,517	602	0	10,101	15,070	5,920
15	757-Vaporization Expense	DEMLNG	20,960	14,603	107	0	1,788	2,667	1,048
16	758-Liquefied Natural Gas	EREMAIN	0	0	0	0	0	0	0
17	759-Handling Expense	DEMLNG	18,781	13,085	95	0	1,602	2,390	939
18	763-Fuel for Vaporization Expense	EREMAIN	0	0	0	0	0	0	0
19	768-LNG Raw Materials	EREMAIN	0	0	0	0	0	0	0
20	775-Miscellaneous Production Exp	DEMLNG	460,361	320,729	2,340	0	39,261	58,575	23,012
21	777-Lease Expense	DEMLNG	652,952	454,905	3,319	0	55,686	83,080	32,639
22	Total Operation Expense		1,641,635	1,143,711	8,346	0	140,003	208,878	82,060
	Maintenance								
23	780-Supervision	TLABLM	5,357	3,732	27	0	457	682	268
24	781-Maintenance of Struct & Improv	DEMLNG	7,897	5,502	40	0	673	1,005	395
25	782-Maintenance of Production Equip	DEMLNG	187,351	130,525	952	0	15,978	23,838	9,365
26	Total Maintenance Expense		200,604	139,759	1,020	0	17,108	25,524	10,028
27	Total Liquefied Natural Gas Prod Exp		1,842,239	1,283,470	9,365	0	157,111	234,403	92,088

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

OPERATION & MAINTENANCE EXP-9

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	OPERATION & MAINTENANCE EXP						
	LIQUEFIED PROPANE GAS PRODUCTION						
	Operation Expense						
1	710-Supervision	TLABPO	391	140	395	116	148
2	717-LPG Gas Expenses	DEMLPG	4	1	4	1	2
3	719-Handling Expense	DEMLPG	168	60	170	50	63
4	723-Fuel for LPG Gas Process	EREMAIN	0	0	0	0	0
5	728-Liquefied Petroleum Gas	EREMAIN	0	0	0	0	0
6	735-Miscellaneous Production Exp	DEMLPG	1,788	639	1,806	531	675
7	Total Operation Expense		2,351	841	2,375	699	887
	Maintenance						
8	740-Supervision	TLABPM	96	34	97	29	36
9	741-Maintenance of Struct & Improv	DEMLPG	101	36	102	30	38
10	742-Maintenance of Production Equip	DEMLPG	900	322	910	268	340
11	Total Maintenance Expense		1,097	392	1,109	326	414
12	Total Liquefied Propane Gas Prod Exp		3,448	1,233	3,483	1,025	1,302
	LIQUEFIED NATURAL GAS PRODUCTION						
	Operation Expense						
13	750-Supervision	TLABLO	4,345	1,554	4,390	1,292	1,640
14	754-Liquefaction Expense	DEMLNG	1,391	497	1,405	413	525
15	757-Vaporization Expense	DEMLNG	246	88	249	73	93
16	758-Liquefied Natural Gas	EREMAIN	0	0	0	0	0
17	759-Handling Expense	DEMLNG	220	79	223	66	83
18	763-Fuel for Vaporization Expense	EREMAIN	0	0	0	0	0
19	768-LNG Raw Materials	EREMAIN	0	0	0	0	0
20	775-Miscellaneous Production Exp	DEMLNG	5,405	1,933	5,460	1,606	2,040
21	777-Lease Expense	DEMLNG	7,666	2,741	7,743	2,278	2,893
22	Total Operation Expense		19,273	6,892	19,468	5,728	7,275
	Maintenance						
23	780-Supervision	TLABLM	63	22	64	19	24
24	781-Maintenance of Struct & Improv	DEMLNG	93	33	94	28	35
25	782-Maintenance of Production Equip	DEMLNG	2,200	787	2,222	654	830
26	Total Maintenance Expense		2,355	842	2,379	700	889
27	Total Liquefied Natural Gas Prod Exp		21,628	7,735	21,847	6,428	8,164

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

OPERATION & MAINT EXP CONT-10

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	OTHER GAS SUPPLY EXPENSES								
	PURCHASED GAS SUPPLY								
	Gas Supply Demand Charges								
1	Base Demand Charges	DBASE	6,288,067	3,862,966	300,841	169	168,590	358,374	205,273
2	Remaining Demand Charges	DREMAIN	45,807,642	31,913,800	232,905	0	3,906,613	5,828,405	2,289,761
3	Total Demand Gas Costs		52,095,709	35,776,767	533,746	169	4,075,203	6,186,779	2,495,034
	Gas Supply Commodity Charges								
4	Base Commodity Charges	EBASE	80,774,205	49,657,716	3,867,284	2,167	2,158,849	4,619,659	2,632,837
5	Remaining Commodity Charges	EREMAIN	191,688,704	134,395,424	1,128,159	0	14,855,080	23,713,567	10,221,852
6	Total Commodity Gas Costs		272,462,909	184,053,140	4,995,443	2,167	17,013,929	28,333,226	12,854,689
7	Total Gas Supply Expense		324,558,618	219,829,907	5,529,189	2,336	21,089,132	34,520,005	15,349,723
8	Total Production Expense		326,694,586	221,318,015	5,540,048	2,336	21,271,293	34,791,781	15,456,493

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

OPERATION & MAINT EXP CONT-10

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	OTHER GAS SUPPLY EXPENSES						
	PURCHASED GAS SUPPLY						
	Gas Supply Demand Charges						
1	Base Demand Charges	DBASE	122,834	195,298	638,567	342,813	92,342
2	Remaining Demand Charges	DREMAIN	537,777	192,307	543,192	159,796	203,086
3	Total Demand Gas Costs		660,611	387,605	1,181,759	502,609	295,428
	Gas Supply Commodity Charges						
4	Base Commodity Charges	EBASE	1,577,413	2,506,976	8,208,799	4,357,592	1,184,913
5	Remaining Commodity Charges	EREMAIN	1,678,560	945,632	2,525,235	933,008	1,292,187
6	Total Commodity Gas Costs		3,255,973	3,452,608	10,734,034	5,290,600	2,477,100
7	Total Gas Supply Expense		3,916,584	3,840,213	11,915,793	5,793,209	2,772,528
8	Total Production Expense		3,941,660	3,849,181	11,941,124	5,800,662	2,781,993

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

OPERATION & MAINT EXP CONT-11

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	TRANSMISSION & DISTRIBUTION EXP								
	Operation Expense								
1	850-Operation Supervision & Engineer	TLABDO	0	0	0	0	0	0	0
2	851-System Control & Load Dispatch	DISTR	0	0	0	0	0	0	0
3	852-Communication System Exp	DISTR	0	0	0	0	0	0	0
4	857-Measuring & Regulating Stat Exp	PLT369	0	0	0	0	0	0	0
5	874-Mains and Services Exp	PLT36780	0	0	0	0	0	0	0
6	878-Meter & House Regulator Exp	PLT3813	0	0	0	0	0	0	0
7	879-Customer Installations Exp	CUST879	0	0	0	0	0	0	0
8	880-Other Expenses	EXP8519	0	0	0	0	0	0	0
9	881-Rents	DISTR	0	0	0	0	0	0	0
10	Total Operation Expense		0	0	0	0	0	0	0
	Maintenance								
11	885-Supervision	TLABDM	0	0	0	0	0	0	0
12	886-Maintenance of Struct & Improv	PLT366	0	0	0	0	0	0	0
13	887-Maintenance of Mains	PLT367	0	0	0	0	0	0	0
14	888-Maint of Compressor Station Equip	PLT368	0	0	0	0	0	0	0
15	889-Maint of Meas & Reg Station Equip	PLT369	0	0	0	0	0	0	0
16	892-Maintenance of Services	PLT380	0	0	0	0	0	0	0
17	893-Maint of Meters and House Regul	PLT3813	0	0	0	0	0	0	0
18	894-Maintenance of Other Equipment	PLT387	0	0	0	0	0	0	0
19	Total Maintenance Expense		0	0	0	0	0	0	0
20	Total Transmission and Distribution Exp		0	0	0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

OPERATION & MAINT EXP CONT-11

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	TRANSMISSION & DISTRIBUTION EXP						
	Operation Expense						
1	850-Operation Supervision & Engineer	TLABDO	0	0	0	0	0
2	851-System Control & Load Dispatch	DISTR	0	0	0	0	0
3	852-Communication System Exp	DISTR	0	0	0	0	0
4	857-Measuring & Regulating Stat Exp	PLT369	0	0	0	0	0
5	874-Mains and Services Exp	PLT36780	0	0	0	0	0
6	878-Meter & House Regulator Exp	PLT3813	0	0	0	0	0
7	879-Customer Installations Exp	CUST879	0	0	0	0	0
8	880-Other Expenses	EXP8519	0	0	0	0	0
9	881-Rents	DISTR	0	0	0	0	0
10	Total Operation Expense		0	0	0	0	0
	Maintenance						
11	885-Supervision	TLABDM	0	0	0	0	0
12	886-Maintenance of Struct & Improv	PLT366	0	0	0	0	0
13	887-Maintenance of Mains	PLT367	0	0	0	0	0
14	888-Maint of Compressor Station Equip	PLT368	0	0	0	0	0
15	889-Maint of Meas & Reg Station Equip	PLT369	0	0	0	0	0
16	892-Maintenance of Services	PLT380	0	0	0	0	0
17	893-Maint of Meters and House Regul	PLT3813	0	0	0	0	0
18	894-Maintenance of Other Equipment	PLT387	0	0	0	0	0
19	Total Maintenance Expense		0	0	0	0	0
20	Total Transmission and Distribution Exp		0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	OPERATION & MAINT EXP CONT-12	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	CUSTOMER ACCOUNTS EXPENSES								
1	901-Supervision	TLABCA	0	0	0	0	0	0	0
2	902-Meter Reading Expenses	CUST902	0	0	0	0	0	0	0
	903-Cust Records & Collection Exp								
3	Cust Billing & Payment Proc Exp	CUST903	0	0	0	0	0	0	0
4	Collections Expense	CUST903C	0	0	0	0	0	0	0
5	Service Customer Equipment	DISTRPLT	0	0	0	0	0	0	0
6	Call Center Expenses	EXP903T	0	0	0	0	0	0	0
7	Postage Adjustment	CUST903	0	0	0	0	0	0	0
8	Total Account 903		0	0	0	0	0	0	0
	904-Uncollectible Accounts								
9	Resid Heating Rate R-3 & R-4	C904R3	4,298,151	4,298,151	0	0	0	0	0
10	Resid Non-Heating Rate R-1 & R-2	C904R1	333,264	0	333,264	0	0	0	0
11	Outdoor Lighting	C904OL	0	0	0	0	0	0	0
12	High Wint Low Ann Rate G40 & T40	C904R40	563,053	0	0	0	563,053	0	0
13	High Wint Med Ann Rate G41 & T41	C904R41	175,508	0	0	0	0	175,508	0
14	High Wint High Ann Rate G42 & T42	C904R42	20,731	0	0	0	0	0	20,731
15	High Wint Lrg Ann Rate G43 & T43	C904R43	567	0	0	0	0	0	0
16	Low Wint Low Ann Rate G50 & T50	C904R50	106,751	0	0	0	0	0	0
17	Low Wint Med Ann Rate G51 & T51	C904T51	66,462	0	0	0	0	0	0
18	Low Wint High Ann Rate G52 & T52	C904R52	7,917	0	0	0	0	0	0
19	Low Wint Lrg Ann Rate G53 & T53	C904R53	1,110	0	0	0	0	0	0
20	Adjustment Bad Debt Gas Sales	EXP904S	1,192,124	919,335	71,282	0	120,432	37,539	4,434
21	Adj Uncollectible Prop Rate Increase	EXP904S	316,805	244,312	18,943	0	32,005	9,976	1,178
22	Bad Debt Expense - Cust Service	CUST882	0	0	0	0	0	0	0
23	Bad Debt Expense - Rental	PLT386	0	0	0	0	0	0	0
24	Adjust Bad Debt Other Revenues	EXP904O	0	0	0	0	0	0	0
25	Total Account 904		7,082,443	5,461,799	423,489	0	715,490	223,023	26,344
26	Total Customer Accounts Expenses		7,082,443	5,461,799	423,489	0	715,490	223,023	26,344
	SALES EXPENSES								
27	911-Supervision	TLABSA	0	0	0	0	0	0	0
28	912-Demonstrating & Selling Exp	CUST912	0	0	0	0	0	0	0
	913-Advertising Expense								
29	Advertising Expense	CUST913	0	0	0	0	0	0	0
30	Advertising Guardian Care	EXP879	0	0	0	0	0	0	0
31	Advertising Water Heating Program	PLT386	0	0	0	0	0	0	0
32	Total Account 913		0	0	0	0	0	0	0
33	916-Miscellaneous Sales Exp	EXP9123	0	0	0	0	0	0	0
34	Total Sales Expenses		0	0	0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

OPERATION & MAINT EXP CONT-12

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CUSTOMER ACCOUNTS EXPENSES						
1	901-Supervision	TLABCA	0	0	0	0	0
2	902-Meter Reading Expenses	CUST902	0	0	0	0	0
	903-Cust Records & Collection Exp						
3	Cust Billing & Payment Proc Exp	CUST903	0	0	0	0	0
4	Collections Expense	CUST903C	0	0	0	0	0
5	Service Customer Equipment	DISTRPLT	0	0	0	0	0
6	Call Center Expenses	EXP903T	0	0	0	0	0
7	Postage Adjustment	CUST903	0	0	0	0	0
8	Total Account 903		0	0	0	0	0
	904-Uncollectible Accounts						
9	Resid Heating Rate R-3 & R-4	C904R3	0	0	0	0	0
10	Resid Non-Heating Rate R-1 & R-2	C904R1	0	0	0	0	0
11	Outdoor Lighting	C904OL	0	0	0	0	0
12	High Wint Low Ann Rate G40 & T40	C904R40	0	0	0	0	0
13	High Wint Med Ann Rate G41 & T41	C904R41	0	0	0	0	0
14	High Wint High Ann Rate G42 & T42	C904R42	0	0	0	0	0
15	High Wint Lrg Ann Rate G43 & T43	C904R43	567	0	0	0	0
16	Low Wint Low Ann Rate G50 & T50	C904R50	0	106,751	0	0	0
17	Low Wint Med Ann Rate G51 & T51	C904T51	0	0	66,462	0	0
18	Low Wint High Ann Rate G52 & T52	C904R52	0	0	0	7,917	0
19	Low Wint Lrg Ann Rate G53 & T53	C904R53	0	0	0	0	1,110
20	Adjustment Bad Debt Gas Sales	EXP904S	121	22,833	14,216	1,693	237
21	Adj Uncollectible Prop Rate Increase	EXP904S	32	6,068	3,778	450	63
22	Bad Debt Expense - Cust Service	CUST882	0	0	0	0	0
23	Bad Debt Expense - Rental	PLT386	0	0	0	0	0
24	Adjust Bad Debt Other Revenues	EXP904O	0	0	0	0	0
25	Total Account 904		720	135,652	84,455	10,061	1,410
26	Total Customer Accounts Expenses		720	135,652	84,455	10,061	1,410
	SALES EXPENSES						
27	911-Supervision	TLABSA	0	0	0	0	0
28	912-Demonstrating & Selling Exp	CUST912	0	0	0	0	0
	913-Advertising Expense						
29	Advertising Expense	CUST913	0	0	0	0	0
30	Advertising Guardian Care	EXP879	0	0	0	0	0
31	Advertising Water Heating Program	PLT386	0	0	0	0	0
32	Total Account 913		0	0	0	0	0
33	916-Miscellaneous Sales Exp	EXP9123	0	0	0	0	0
34	Total Sales Expenses		0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

OPERATION & MAINT EXP CONT-13

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	ADMINISTRATIVE & GENERAL EXP								
	Operation Expense								
1	920-Administrative & General Salaries	REVCLAIM	146,970	111,830	5,502	0	12,187	9,282	3,204
	921-Office Supplies & Expenses								
2	Office Supplies & Expenses	REVCLAIM	360,590	274,373	13,498	0	29,901	22,773	7,860
3	LDAC Unbilled Revenues Adj	REVCLAIM	(31,464)	(23,941)	(1,178)	(0)	(2,609)	(1,987)	(686)
4	Total Account 921		329,126	250,432	12,320	0	27,292	20,786	7,174
5	922-Administrative Exp Transferred-Cr	REVCLAIM	(321,104)	(244,328)	(12,020)	(0)	(26,627)	(20,279)	(6,999)
	923-Outside Services Employed								
6	Nisource Basis 1 - 50% Gross Plt	BASIS1P	65,283	45,533	358	0	5,566	8,255	3,241
7	N Basis 1 - 50% O&M Ex Gas Costs	BASIS1OM	357,058	268,392	15,934	0	34,275	20,569	5,891
8	Outside Services Nisource Basis 10	BASIS10	0	0	0	0	0	0	0
9	Outside Services Nisource Basis 11	BASIS11	28,563	20,071	232	0	2,430	3,463	1,352
10	Outside Services Nisource Basis 13	REVCLAIM	226,257	172,159	8,470	0	18,762	14,289	4,932
11	Out Serv Basis 13 - Facilities Mgt	PLANT	7,242	5,051	40	0	617	916	360
12	Out Serv Basis 13 - IT Billing	CUST903	0	0	0	0	0	0	0
13	Outside Services Nisource Basis 2	BASIS2	16,222	11,314	89	0	1,383	2,051	805
14	Outside Services Nisource Basis 20	BASIS20	200,524	152,192	7,312	0	16,642	13,049	4,540
15	Nisource Basis 7 - 50% Deprec Plt	BASIS7P	1,775	1,237	9	0	151	225	88
16	Nisource Basis 7 - 50% O&M	BASIS7OM	61,014	41,465	1,091	0	4,023	6,398	2,828
17	Outside Services Nisource Basis 9	BASIS9	1,318	926	11	0	112	160	62
18	Outside Services Nisource Co 12	BASCO12	118,971	88,970	4,185	0	10,232	8,352	2,902
	Outside Serv Nisource Direct Billed								
19	BSG Communications	REVCLAIM	18,746	14,264	702	0	1,555	1,184	409
20	Regulatory External Affairs	REVCLAIM	27,782	21,139	1,040	0	2,304	1,755	606
21	Printing & Inserting	EXP903	0	0	0	0	0	0	0
22	Finance & Acct'g & HR	REVCLAIM	27,616	21,013	1,034	0	2,290	1,744	602
23	Regulatory	REVCLAIM	31,283	23,803	1,171	0	2,594	1,976	682
24	Legal Energy Distr East	REVCLAIM	46,997	35,760	1,759	0	3,897	2,968	1,024
25	Fleet Management	LABOR	10,404	7,311	84	0	885	1,261	493
26	Nisource Retail Services	EXP879	0	0	0	0	0	0	0
27	Oth Outside Servvice - Direct Billed	REVCLAIM	151,530	115,299	5,672	0	12,565	9,570	3,303
28	Total Out Serv - Direct Billed		314,358	238,589	11,462	0	26,090	20,457	7,118
29	Outside Services Employed BSG	REVCLAIM	113,661	86,485	4,255	0	9,425	7,178	2,477
30	NIS Gas Dispatching & Control	DISTR	0	0	0	0	0	0	0
31	NIS Gas Acq & Dispat Costs - Sales	GASCOSTS	1,491,704	1,010,360	25,413	11	96,928	158,657	70,549
32	NIS Gas Acq & Dispat Costs - Trans	DISTR	0	0	0	0	0	0	0
33	Nisource Payroll & Benefits Adj	REVCLAIM	63,718	48,483	2,385	0	5,284	4,024	1,389
34	Nisource PBOP & Pension	PENSION	0	0	0	0	0	0	0
35	Nisource Charitable Contr Adj	REVCLAIM	(735)	(560)	(28)	(0)	(61)	(46)	(16)
36	DSM Inplementation Expense Adj	REVCLAIM	(203,589)	(154,911)	(7,621)	(0)	(16,882)	(12,857)	(4,438)
37	Customer Choice Recoveries Adj	REVCLAIM	5,542	4,217	207	0	460	350	121
38	Total Account 923		2,868,887	2,039,978	73,803	12	215,436	255,492	104,203
39	924-Property Insurance	PLANT	0	0	0	0	0	0	0
	925-Injuries & Damages								
40	Injuries & Damages	REVCLAIM	229,701	174,779	8,599	0	19,048	14,507	5,007
41	Corporate Insurance Premiums Adj	REVCLAIM	7,998	6,085	299	0	663	505	174
42	Self Insurance Adjustment	REVCLAIM	6,737	5,126	252	0	559	425	147
43	Total Account 925		244,435	185,991	9,150	0	20,269	15,437	5,328

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS OPERATION & MAINT EXP CONT-13	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ADMINISTRATIVE & GENERAL EXP						
	Operation Expense						
1	920-Administrative & General Salaries	REVCLAIM	729	1,707	1,724	448	359
	921-Office Supplies & Expenses						
2	Office Supplies & Expenses	REVCLAIM	1,789	4,188	4,229	1,098	881
3	LDAC Unbilled Revenues Adj	REVCLAIM	(156)	(365)	(369)	(96)	(77)
4	Total Account 921		1,633	3,822	3,860	1,003	804
5	922-Administrative Exp Transferred-Cr	REVCLAIM	(1,593)	(3,729)	(3,766)	(978)	(784)
	923-Outside Services Employed						
6	Nisource Basis 1 - 50% Gross Plt	BASIS1P	761	280	774	227	288
7	N Basis 1 - 50% O&M Ex Gas Costs	BASIS1OM	1,190	5,329	4,248	728	500
8	Outside Services Nisource Basis 10	BASIS10	0	0	0	0	0
9	Outside Services Nisource Basis 11	BASIS11	317	140	338	98	121
10	Outside Services Nisource Basis 13	REVCLAIM	1,122	2,628	2,654	689	553
11	Out Serv Basis 13 - Facilities Mgt	PLANT	84	31	86	25	32
12	Out Serv Basis 13 - IT Billing	CUST903	0	0	0	0	0
13	Outside Services Nisource Basis 2	BASIS2	189	70	192	57	71
14	Outside Services Nisource Basis 20	BASIS20	1,036	2,284	2,353	614	502
15	Nisource Basis 7 - 50% Deprec Plt	BASIS7P	21	8	21	6	8
16	Nisource Basis 7 - 50% O&M	BASIS7OM	720	728	2,194	1,059	508
17	Outside Services Nisource Basis 9	BASIS9	15	6	16	5	6
18	Outside Services Nisource Co 12	BASCO12	658	1,402	1,540	416	314
	Outside Serv Nisource Direct Billed						
19	BSG Communications	REVCLAIM	93	218	220	57	46
20	Regulatory External Affairs	REVCLAIM	138	323	326	85	68
21	Printing & Inserting	EXP903	0	0	0	0	0
22	Finance & Acct'g & HR	REVCLAIM	137	321	324	84	67
23	Regulatory	REVCLAIM	155	363	367	95	76
24	Legal Energy Distr East	REVCLAIM	233	546	551	143	115
25	Fleet Management	LABOR	116	51	123	36	44
26	Nisource Retail Services	EXP879	0	0	0	0	0
27	Oth Outside Servvice - Direct Billed	REVCLAIM	752	1,760	1,777	462	370
28	Total Out Serv - Direct Billed		1,623	3,581	3,688	962	786
29	Outside Services Employed BSG	REVCLAIM	564	1,320	1,333	346	278
30	NIS Gas Dispatching & Control	DISTR	0	0	0	0	0
31	NIS Gas Acq & Dispat Costs - Sales	GASCOSTS	18,001	17,650	54,766	26,626	12,743
32	NIS Gas Acq & Dispat Costs - Trans	DISTR	0	0	0	0	0
33	Nisource Payroll & Benefits Adj	REVCLAIM	316	740	747	194	156
34	Nisource PBOP & Pension	PENSION	0	0	0	0	0
35	Nisource Charitable Contr Adj	REVCLAIM	(4)	(9)	(9)	(2)	(2)
36	DSM Inplementation Expense Adj	REVCLAIM	(1,010)	(2,364)	(2,388)	(620)	(497)
37	Customer Choice Recoveries Adj	REVCLAIM	27	64	65	17	14
38	Total Account 923		25,632	33,888	72,618	31,447	16,379
39	924-Property Insurance	PLANT	0	0	0	0	0
	925-Injuries & Damages						
40	Injuries & Damages	REVCLAIM	1,139	2,668	2,694	700	561
41	Corporate Insurance Premiums Adj	REVCLAIM	40	93	94	24	20
42	Self Insurance Adjustment	REVCLAIM	33	78	79	21	16
43	Total Account 925		1,213	2,839	2,867	745	597

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	OPERATION & MAINT EXP CONT-14	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	ADMIN & GENERAL EXP CON'T								
	926-Employees Pensions & Benefits								
1	Employees Pensions & Benefits	LABOR	345,012	242,439	2,798	0	29,347	41,831	16,336
2	Medical & Dental Benefits Adj	LABOR	28,294	19,882	229	0	2,407	3,431	1,340
3	Pension & PBOP Expense	PENSION	0	0	0	0	0	0	0
4	Total Account 926		373,307	262,321	3,027	0	31,754	45,261	17,676
	928-Regulatory Commission Expenses								
5	Regulatory Commission Expenses	REVCLAIM	30,244	23,013	1,132	0	2,508	1,910	659
6	Rate Case Expense Adj	REVCLAIM	27,925	21,248	1,045	0	2,316	1,764	609
7	Total Account 928		58,169	44,261	2,177	0	4,824	3,674	1,268
8	929-Duplicate Charges-Cr	REVCLAIM	0	0	0	0	0	0	0
	930-Miscellaneous General Exp								
9	Miscellaneous General Exp	REVCLAIM	58,989	44,884	2,208	0	4,892	3,725	1,286
10	Charitable Contributions Adj	REVCLAIM	(12,398)	(9,434)	(464)	(0)	(1,028)	(783)	(270)
11	Research & Develop GRI/GTI Adj	REVCLAIM	26,098	19,858	977	0	2,164	1,648	569
12	Total Account 930		72,688	55,309	2,721	0	6,028	4,591	1,584
	931 Rents								
13	Rents - General & Admin	REVCLAIM	92,827	70,632	3,475	0	7,698	5,862	2,023
14	Metscan Lease Expense	PLT397M	0	0	0	0	0	0	0
15	Metscan Lease Expense Adj	PLT397M	0	0	0	0	0	0	0
16	Water Heater Lease Expense	PLT386	0	0	0	0	0	0	0
17	Itron Lease Payment Adj	PLT397E	0	0	0	0	0	0	0
18	Total Account 931		92,827	70,632	3,475	0	7,698	5,862	2,023
19	Total Operation Expense		3,865,306	2,776,425	100,156	12	298,861	340,105	135,461
	Maintenance								
	932 Maintenance of General Plant								
20	Maintenance of General Plant	GENPLT	71,836	50,479	583	0	6,111	8,710	3,401
21	ERC Remediation Adj	GENPLT	(42,286)	(29,714)	(343)	(0)	(3,597)	(5,127)	(2,002)
22	Total Account 932		29,550	20,765	240	0	2,514	3,583	1,399
23	Total Administrative & General Exp		3,894,857	2,797,190	100,396	12	301,374	343,688	136,860
24	Total Gas O&M Exp Before Other Adj		337,671,885	229,577,004	6,063,932	2,348	22,288,157	35,358,492	15,619,697
	ADJUSTMENTS TO O&M EXPENSES								
25	Total Gas Operation & Maintenance Exp		337,671,885	229,577,004	6,063,932	2,348	22,288,157	35,358,492	15,619,697
26	Payroll - Union Adjustment	OMLAB	53,032	37,266	430	0	4,511	6,430	2,511
27	Payroll - Non-Union Adjustment	OMLAB	20,059	14,096	163	0	1,706	2,432	950
28	Incentive Compensation Adjustment	OMLAB	(5,623)	(3,951)	(46)	(0)	(478)	(682)	(266)
29	Gain on Sale of Property Adjustment	PLANT	(10,390)	(7,247)	(57)	(0)	(886)	(1,314)	(516)
30	Farm Sales Adjustment	REVCLAIM	1,290	981	48	0	107	81	28
31	Inflation Adjustment	OTHOMINF	60,912	42,641	412	0	5,187	7,547	2,955
32	Total Adjusted Gas Oper & Maint Exp		337,791,165	229,660,789	6,064,883	2,348	22,298,304	35,372,986	15,625,359

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BAY STATE GAS COMPANY
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PRODUCTION COMPONENTS

	OPERATION & MAINT EXP CONT-14	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ADMIN & GENERAL EXP CON'T						
	926-Employees Pensions & Benefits						
1	Employees Pensions & Benefits	LABOR	3,832	1,688	4,087	1,190	1,465
2	Medical & Dental Benefits Adj	LABOR	314	138	335	98	120
3	Pension & PBOP Expense	PENSION	0	0	0	0	0
4	Total Account 926		4,146	1,826	4,423	1,287	1,585
	928-Regulatory Commission Expenses						
5	Regulatory Commission Expenses	REVCLAIM	150	351	355	92	74
6	Rate Case Expense Adj	REVCLAIM	139	324	328	85	68
7	Total Account 928		289	676	682	177	142
8	929-Duplicate Charges-Cr	REVCLAIM	0	0	0	0	0
	930-Miscellaneous General Exp						
9	Miscellaneous General Exp	REVCLAIM	293	685	692	180	144
10	Charitable Contributions Adj	REVCLAIM	(62)	(144)	(145)	(38)	(30)
11	Research & Develop GRI/GTI Adj	REVCLAIM	129	303	306	80	64
12	Total Account 930		361	844	852	221	178
	931 Rents						
13	Rents - General & Admin	REVCLAIM	460	1,078	1,089	283	227
14	Metscan Lease Expense	PLT397M	0	0	0	0	0
15	Metscan Lease Expense Adj	PLT397M	0	0	0	0	0
16	Water Heater Lease Expense	PLT386	0	0	0	0	0
17	Itron Lease Payment Adj	PLT397E	0	0	0	0	0
18	Total Account 931		460	1,078	1,089	283	227
19	Total Operation Expense		32,869	42,951	84,349	34,632	19,485
	Maintenance						
	932 Maintenance of General Plant						
20	Maintenance of General Plant	GENPLT	798	351	851	248	305
21	ERC Remediation Adj	GENPLT	(470)	(207)	(501)	(146)	(180)
22	Total Account 932		328	145	350	102	125
23	Total Administrative & General Exp		33,197	43,096	84,699	34,734	19,611
24	Total Gas O&M Exp Before Other Adj		3,975,577	4,027,929	12,110,277	5,845,457	2,803,014
	ADJUSTMENTS TO O&M EXPENSES						
25	Total Gas Operation & Maintenance Exp		3,975,577	4,027,929	12,110,277	5,845,457	2,803,014
26	Payroll - Union Adjustment	OMLAB	589	259	628	183	225
27	Payroll - Non-Union Adjustment	OMLAB	223	98	238	69	85
28	Incentive Compensation Adjustment	OMLAB	(62)	(28)	(67)	(19)	(24)
29	Gain on Sale of Property Adjustment	PLANT	(121)	(45)	(123)	(36)	(46)
30	Farm Sales Adjustment	REVCLAIM	6	15	15	4	3
31	Inflation Adjustment	OTHOMINF	694	279	722	211	264
32	Total Adjusted Gas Oper & Maint Exp		3,976,906	4,028,508	12,111,690	5,845,868	2,803,521

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS DEPRECIATION & AMORT EXPENSE-15	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEPRECIATION & AMORTIZATION EXP								
	INTANGIBLE PLANT AMORTIZATION								
	301 Organization								
1	Organization	PLT301	2,864	1,997	16	0	244	362	142
2	Adj Organization	PLT301	(2,544)	(1,774)	(14)	(0)	(217)	(322)	(126)
3	Total Account 301		320	223	2	0	27	40	16
	303 Misc. Intangible Plant								
4	Misc. Intangible Plant	PLT303	569,832	400,418	4,621	0	48,471	69,089	26,982
5	Adj Nipsco Amortization	PLT303	(421,038)	(295,862)	(3,414)	(0)	(35,814)	(51,048)	(19,936)
6	Total Account 303		148,793	104,557	1,207	0	12,657	18,040	7,045
7	Total Intangible Plant Amortization		149,113	104,779	1,208	0	12,684	18,081	7,061
	PRODUCTION PLANT DEPRECIATION								
8	305 Structures & Improvements	PLT305	51,758	36,059	263	0	4,414	6,586	2,587
9	311 L.P. Gas Equipment	PLT311	57,319	39,934	291	0	4,888	7,293	2,865
10	320 Other Equipment	PLT320	43,637	30,401	222	0	3,721	5,552	2,181
11	321 L.N.G. Equipment	PLT321	397,664	277,049	2,022	0	33,914	50,598	19,878
12	Total Production Plant Depreciation		550,378	383,443	2,798	0	46,938	70,029	27,512
	DISTRIBUTION PLANT DEPRECIATION								
13	365 Right of Way	PLT365	0	0	0	0	0	0	0
14	366 Structures & Improvements	PLT366	0	0	0	0	0	0	0
	367 Gas Mains								
15	Gas Mains - Bare Steel	PLT367BS	0	0	0	0	0	0	0
16	Gas Mains - Joint Clamping	PLT367JC	0	0	0	0	0	0	0
17	Gas Mains - Cast Iron	PLT367CI	0	0	0	0	0	0	0
18	Gas Mains - Cathodic Protection	PLT367CP	0	0	0	0	0	0	0
19	Gas Mains - Coated Steel	PLT367CS	0	0	0	0	0	0	0
20	Gas Mains - Plastic	PLT367P	0	0	0	0	0	0	0
21	Adj Gas Mains - Plastic	PLT367P	0	0	0	0	0	0	0
22	Total Account 367		0	0	0	0	0	0	0
23	368 Compressor Station Equipment	PLT368	0	0	0	0	0	0	0
24	369 Meas. & Reg. Station Equipment	PLT369	0	0	0	0	0	0	0
25	380 Gas Services	PLT380	0	0	0	0	0	0	0
26	381 Gas Meters	PLT381	0	0	0	0	0	0	0
27	382 Meter Installations	PLT382	0	0	0	0	0	0	0
28	383 Gas Regulators	PLT383	0	0	0	0	0	0	0
	386 Other Property on Cust's Premises								
29	Gas Water Heaters	PLT3860	0	0	0	0	0	0	0
30	Cascade Diamond Boilers	PLT3862	0	0	0	0	0	0	0
31	Conversion Burners	PLT3863	0	0	0	0	0	0	0
32	Total Account 386		0	0	0	0	0	0	0
33	387 Other Equipment	PLT387	0	0	0	0	0	0	0
34	Total Distribution Plant Depreciation		0	0	0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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	PRODUCTION COMPONENTS	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEPRECIATION & AMORT EXPENSE-15						
	DEPRECIATION & AMORTIZATION EXP						
	INTANGIBLE PLANT AMORTIZATION						
	301 Organization						
1	Organization	PLT301	33	12	34	10	13
2	Adj Organization	PLT301	(30)	(11)	(30)	(9)	(11)
3	Total Account 301		4	1	4	1	1
	303 Misc. Intangible Plant						
4	Misc. Intangible Plant	PLT303	6,329	2,788	6,751	1,965	2,419
5	Adj Nipsco Amortization	PLT303	(4,676)	(2,060)	(4,988)	(1,452)	(1,787)
6	Total Account 303		1,652	728	1,763	513	632
7	Total Intangible Plant Amortization		1,656	729	1,767	514	633
	PRODUCTION PLANT DEPRECIATION						
8	305 Structures & Improvements	PLT305	608	217	614	181	229
9	311 L.P. Gas Equipment	PLT311	673	241	680	200	254
10	320 Other Equipment	PLT320	512	183	517	152	193
11	321 L.N.G. Equipment	PLT321	4,669	1,670	4,716	1,388	1,762
12	Total Production Plant Depreciation		6,461	2,311	6,527	1,920	2,439
	DISTRIBUTION PLANT DEPRECIATION						
13	365 Right of Way	PLT365	0	0	0	0	0
14	366 Structures & Improvements	PLT366	0	0	0	0	0
	367 Gas Mains						
15	Gas Mains - Bare Steel	PLT367BS	0	0	0	0	0
16	Gas Mains - Joint Clamping	PLT367JC	0	0	0	0	0
17	Gas Mains - Cast Iron	PLT367CI	0	0	0	0	0
18	Gas Mains - Cathodic Protection	PLT367CP	0	0	0	0	0
19	Gas Mains - Coated Steel	PLT367CS	0	0	0	0	0
20	Gas Mains - Plastic	PLT367P	0	0	0	0	0
21	Adj Gas Mains - Plastic	PLT367P	0	0	0	0	0
22	Total Account 367		0	0	0	0	0
23	368 Compressor Station Equipment	PLT368	0	0	0	0	0
24	369 Meas. & Reg. Station Equipment	PLT369	0	0	0	0	0
25	380 Gas Services	PLT380	0	0	0	0	0
26	381 Gas Meters	PLT381	0	0	0	0	0
27	382 Meter Installations	PLT382	0	0	0	0	0
28	383 Gas Regulators	PLT383	0	0	0	0	0
	386 Other Property on Cust's Premises						
29	Gas Water Heaters	PLT3860	0	0	0	0	0
30	Cascade Diamond Boilers	PLT3862	0	0	0	0	0
31	Conversion Burners	PLT3863	0	0	0	0	0
32	Total Account 386		0	0	0	0	0
33	387 Other Equipment	PLT387	0	0	0	0	0
34	Total Distribution Plant Depreciation		0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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PRODUCTION COMPONENTS

DEPREC & AMORT EXP CONT-16

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	TRANSMISSION PLANT DEPRECIATION								
1	379 Other Equipment	PLT379	0	0	0	0	0	0	0
2	Total Transmission Plant Depreciation		0	0	0	0	0	0	0
	GENERAL PLANT DEPRECIATION								
3	390 Structures & Improvements	PLT390	5,856	4,115	47	0	498	710	277
4	Total General Plant Depreciation		5,856	4,115	47	0	498	710	277
	GENERAL PLT DEPRECIATION (Equip)								
	391 Office Equipment								
5	Office Equipment	PLT391OE	11,755	8,260	95	0	1,000	1,425	557
6	Office IT Equipment	PLT391IT	38,441	27,012	312	0	3,270	4,661	1,820
7	Total Account 391		50,197	35,273	407	0	4,270	6,086	2,377
8	392 Transportation Equipment	PLT392	12,517	8,796	102	0	1,065	1,518	593
9	393 Stores Equipment	PLT393	220	155	2	0	19	27	10
10	394 Tools, Shop & Garage Equipment	PLT394	3,112	2,186	25	0	265	377	147
11	396 Power Operated Equipment	PLT396	1,895	1,331	15	0	161	230	90
	397 Communication Equipment								
12	Communications Equipment Other	PLT397O	19,214	13,501	156	0	1,634	2,330	910
13	Communications Equip ERT/ITRON	PLT397E	0	0	0	0	0	0	0
14	Communications Equip Metscan	PLT397M	0	0	0	0	0	0	0
15	Total Account 397		19,214	13,501	156	0	1,634	2,330	910
16	398 Miscellaneous Equipment	PLT398	48	34	0	0	4	6	2
17	Tot Gen Plt Depreciation (Equip)		87,202	61,276	707	0	7,418	10,573	4,129
18	Adj Depreciation Exp Alloc Mgt. Fee	GENPLT	(2,334)	(1,640)	(19)	(0)	(199)	(283)	(111)
19	Adj Amortization of Metscan Devices	PLT397M	0	0	0	0	0	0	0
20	Total Depreciation & Amortization Exp		790,215	551,974	4,742	0	67,339	99,109	38,869

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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PRODUCTION COMPONENTS

DEPREC & AMORT EXP CONT-16

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	TRANSMISSION PLANT DEPRECIATION						
1	379 Other Equipment	PLT379	0	0	0	0	0
2	Total Transmission Plant Depreciation		0	0	0	0	0
	GENERAL PLANT DEPRECIATION						
3	390 Structures & Improvements	PLT390	65	29	69	20	25
4	Total General Plant Depreciation		65	29	69	20	25
	GENERAL PLT DEPRECIATION (Equip)						
	391 Office Equipment						
5	Office Equipment	PLT391OE	131	58	139	41	50
6	Office IT Equipment	PLT391IT	427	188	455	133	163
7	Total Account 391		557	246	595	173	213
8	392 Transportation Equipment	PLT392	139	61	148	43	53
9	393 Stores Equipment	PLT393	2	1	3	1	1
10	394 Tools, Shop & Garage Equipment	PLT394	35	15	37	11	13
11	396 Power Operated Equipment	PLT396	21	9	22	7	8
	397 Communication Equipment						
12	Communications Equipment Other	PLT397O	213	94	228	66	82
13	Communications Equip ERT/ITRON	PLT397E	0	0	0	0	0
14	Communications Equip Metscan	PLT397M	0	0	0	0	0
15	Total Account 397		213	94	228	66	82
16	398 Miscellaneous Equipment	PLT398	1	0	1	0	0
17	Tot Gen Plt Depreciation (Equip)		968	427	1,033	301	370
18	Adj Depreciation Exp Alloc Mgt. Fee	GENPLT	(26)	(11)	(28)	(8)	(10)
19	Adj Amortization of Metscan Devices	PLT397M	0	0	0	0	0
20	Total Depreciation & Amortization Exp		9,125	3,484	9,368	2,747	3,457

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS STATE & FED TAXES & OTH EXP-17	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	TAXES OTHER THAN INCOME								
	Payroll Taxes								
1	Payroll Taxes	LABOR	94,760	66,587	768	0	8,060	11,489	4,487
2	Payroll Tax Adjustment	LABOR	3,479	2,445	28	0	296	422	165
3	Total Payroll Taxes		98,239	69,032	797	0	8,356	11,911	4,652
	Plant Related Taxes								
	Property Taxes								
4	Property Taxes	PLANT	179,999	125,545	986	0	15,346	22,762	8,936
5	Property Tax Adjustment	PLANT	7,909	5,516	43	0	674	1,000	393
6	Total Property Taxes		187,908	131,061	1,029	0	16,020	23,762	9,328
	Other Taxes								
7	Other Taxes	PLANT	1,678	1,170	9	0	143	212	83
8	Other Tax Adjustment	PLANT	0	0	0	0	0	0	0
9	Total Other Taxes		1,678	1,170	9	0	143	212	83
10	Total Plant Related Taxes		189,586	132,231	1,039	0	16,163	23,974	9,412
	Revenue Related Taxes								
11	Other State Taxes	REVCLAIM	3,860	2,937	144	0	320	244	84
12	Total Revenue Related Taxes		3,860	2,937	144	0	320	244	84
13	Total Taxes Other Than Income		291,685	204,200	1,980	0	24,839	36,129	14,147
	FEDERAL & STATE INCOME TAXES								
14	State Tax @ 6.50%		40,877	33,260	(1,698)	0	2,290	5,299	1,347
15	Federal Tax @ 35.00%		205,800	167,450	(8,547)	0	11,530	26,677	6,783
16	Amortization of ITC		(9,513)	(6,635)	(52)	(0)	(811)	(1,203)	(472)
17	Deferred Tax Flowback		6,710	4,680	37	0	572	848	333
18	Total Income Tax Expense		243,874	198,755	(10,260)	0	13,581	31,621	7,991
19	**INTEREST ON CUSTOMER DEPOSITS**	TOTCDEP	0	0	0	0	0	0	0
20	Total Expenses		339,116,939	230,615,718	6,061,346	2,349	22,404,063	35,539,846	15,686,366
21	Net Operating Income		694,266	530,442	(12,743)	0	48,271	86,500	26,924

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS STATE & FED TAXES & OTH EXP-17	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	TAXES OTHER THAN INCOME						
	Payroll Taxes						
1	Payroll Taxes	LABOR	1,052	464	1,123	327	402
2	Payroll Tax Adjustment	LABOR	39	17	41	12	15
3	Total Payroll Taxes		1,091	481	1,164	339	417
	Plant Related Taxes						
	Property Taxes						
4	Property Taxes	PLANT	2,098	772	2,134	627	793
5	Property Tax Adjustment	PLANT	92	34	94	28	35
6	Total Property Taxes		2,191	806	2,228	655	828
	Other Taxes						
7	Other Taxes	PLANT	20	7	20	6	7
8	Other Tax Adjustment	PLANT	0	0	0	0	0
9	Total Other Taxes		20	7	20	6	7
10	Total Plant Related Taxes		2,210	813	2,248	660	836
	Revenue Related Taxes						
11	Other State Taxes	REVCLAIM	19	45	45	12	9
12	Total Revenue Related Taxes		19	45	45	12	9
13	Total Taxes Other Than Income		3,320	1,339	3,457	1,011	1,262
	FEDERAL & STATE INCOME TAXES						
14	State Tax @ 6.50%		(43)	(80)	76	171	255
15	Federal Tax @ 35.00%		(216)	(404)	384	859	1,285
16	Amortization of ITC		(111)	(41)	(113)	(33)	(42)
17	Deferred Tax Flowback		78	29	80	23	30
18	Total Income Tax Expense		(291)	(496)	426	1,019	1,528
19	**INTEREST ON CUSTOMER DEPOSITS**	TOTCDEP	0	0	0	0	0
20	Total Expenses		3,989,060	4,032,835	12,124,943	5,850,646	2,809,768
21	Net Operating Income		2,950	995	4,541	2,706	3,679

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF INCOME TAXES-18

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	FEDERAL & STATE TAX CALCULATION								
1	Operating Revenues		339,811,205	231,146,160	6,048,603	2,349	22,452,335	35,626,346	15,713,290
	Operating Expenses								
2	Operation & Maintenance Expense		337,791,165	229,660,789	6,064,883	2,348	22,298,304	35,372,986	15,625,359
3	Depreciation & Amortization Expense		790,215	551,974	4,742	0	67,339	99,109	38,869
4	Taxes Other Than Income		291,685	204,200	1,980	0	24,839	36,129	14,147
	Interest Expense								
5	Interest on Customer Deposits		0	0	0	0	0	0	0
6	Interest Expense		309,262	217,508	3,114	0	26,620	36,603	14,188
7	Book Taxable Income		628,878	511,689	(26,116)	0	35,232	81,518	20,727
	Adjustments to Taxable Income								
10	Deductions	PLANT	0	0	0	0	0	0	0
11	Taxable Basis State Franchise Tax		628,878	511,689	(26,116)	0	35,232	81,518	20,727
	Less:								
12	State Tax @ 6.50%		40,877	33,260	(1,698)	0	2,290	5,299	1,347
13	Federal Taxable Basis		588,001	478,429	(24,419)	0	32,942	76,219	19,380
14	Federal Income Tax @ 35.00%		205,800	167,450	(8,547)	0	11,530	26,677	6,783
15	Federal Income Tax Liability		205,800	167,450	(8,547)	0	11,530	26,677	6,783
16	Amortization of ITC	PLANT	(9,513)	(6,635)	(52)	(0)	(811)	(1,203)	(472)
17	Deferred Tax Flowback	PLANT	6,710	4,680	37	0	572	848	333
18	Total Income Tax Expense		243,874	198,755	(10,260)	0	13,581	31,621	7,991
19	Net Income After Tax		694,266	530,442	(12,743)	0	48,271	86,500	26,924

Effective State Tax Rate	6.50%
Federal Tax Rate - Current	35.00%
1 - Incremental Tax Rate	0.60775
Incremental Tax Rate	0.39225
Effective Incremental Federal Rate	0.32725
Factor for Taxable Basis	1.64541
Interest Expense Percentage	2.85%
Purchased Gas Working Capital %	11.564%
Other O&M Working Capital %	0.00%

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF INCOME TAXES-18

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	FEDERAL & STATE TAX CALCULATION						
1	Operating Revenues		3,992,010	4,033,830	12,129,484	5,853,352	2,813,447
	Operating Expenses						
2	Operation & Maintenance Expense		3,976,906	4,028,508	12,111,690	5,845,868	2,803,521
3	Depreciation & Amortization Expense		9,125	3,484	9,368	2,747	3,457
4	Taxes Other Than Income		3,320	1,339	3,457	1,011	1,262
	Interest Expense						
5	Interest on Customer Deposits		0	0	0	0	0
6	Interest Expense		3,318	1,733	3,796	1,102	1,280
7	Book Taxable Income		(660)	(1,234)	1,172	2,624	3,926
	Adjustments to Taxable Income						
10	Deductions	PLANT	0	0	0	0	0
11	Taxable Basis State Franchise Tax		(660)	(1,234)	1,172	2,624	3,926
	Less:						
12	State Tax @ 6.50%		(43)	(80)	76	171	255
13	Federal Taxable Basis		(617)	(1,154)	1,096	2,453	3,671
14	Federal Income Tax @ 35.00%		(216)	(404)	384	859	1,285
15	Federal Income Tax Liability		(216)	(404)	384	859	1,285
16	Amortization of ITC	PLANT	(111)	(41)	(113)	(33)	(42)
17	Deferred Tax Flowback	PLANT	78	29	80	23	30
18	Total Income Tax Expense		(291)	(496)	426	1,019	1,528
19	Net Income After Tax		2,950	995	4,541	2,706	3,679

Effective State Tax Rate
Federal Tax Rate - Current
1 - Incremental Tax Rate
Incremental Tax Rate
Effective Incremental Federal Rate
Factor for Taxable Basis
Interest Expense Percentage
Purchased Gas Working Capital %
Other O&M Working Capital %

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF LABOR ALLOC-19

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEVELOPMENT OF LABOR ALLOCATOR								
	LIQUEFIED PROPANE PROD LABOR								
	Operation Labor								
1	710-Supervision	LABPO	29,153	20,310	148	0	2,486	3,709	1,457
2	717-LPG Gas Expenses	EXP717	245	171	1	0	21	31	12
3	719-Handling Expense	EXP719	11,060	7,706	56	0	943	1,407	553
4	735-Miscellaneous Production Exp	EXP735	86,849	60,507	442	0	7,407	11,051	4,341
5	Total Operation Labor		127,307	88,694	647	0	10,857	16,198	6,364
	Maintenance Labor								
6	740-Supervision	LABPM	6,968	4,854	35	0	594	887	348
7	741-Maintenance of Struct & Improv	EXP741	3,124	2,177	16	0	266	398	156
8	742-Maintenance of Production Equip	EXP742	31,025	21,615	158	0	2,646	3,948	1,551
9	Total Maintenance Labor		41,117	28,646	209	0	3,507	5,232	2,055
10	Total Liquefied Propane Prod Labor		168,424	117,340	856	0	14,364	21,430	8,419
	LIQUEFIED NATURAL GAS LABOR								
	Operation Labor								
11	750-Supervision	LABLO	323,903	225,660	1,647	0	27,623	41,213	16,191
12	754-Liquefaction Expense	EXP754	92,906	64,727	472	0	7,923	11,821	4,644
13	757-Vaporization Expense	EXP757	16,441	11,455	84	0	1,402	2,092	822
14	759-Handling Expense	EXP759	14,526	10,120	74	0	1,239	1,848	726
15	775-Miscellaneous Production Exp	EXP775	262,525	182,899	1,335	0	22,389	33,403	13,123
16	777-Lease Expense	EXP777	0	0	0	0	0	0	0
17	Total Operation Labor		710,302	494,860	3,611	0	60,577	90,377	35,506
	Maintenance Labor								
18	780-Supervision	LABLM	4,558	3,175	23	0	389	580	228
19	781-Maintenance of Struct & Improv	EXP781	2,874	2,002	15	0	245	366	144
20	782-Maintenance of Production Equip	EXP782	75,780	52,795	385	0	6,463	9,642	3,788
21	Total Maintenance Labor		83,211	57,973	423	0	7,096	10,588	4,159
22	Total Liquefied Natural Gas Prod Labor		793,513	552,833	4,034	0	67,673	100,965	39,665
23	Total Production Labor		961,937	670,172	4,890	0	82,037	122,395	48,084

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVELOPMENT OF LABOR ALLOC-19

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEVELOPMENT OF LABOR ALLOCATOR						
	LIQUEFIED PROPANE PROD LABOR						
	Operation Labor						
1	710-Supervision	LABPO	342	122	346	102	129
2	717-LPG Gas Expenses	EXP717	3	1	3	1	1
3	719-Handling Expense	EXP719	130	46	131	39	49
4	735-Miscellaneous Production Exp	EXP735	1,020	365	1,030	303	385
5	Total Operation Labor		1,495	534	1,510	444	564
	Maintenance Labor						
6	740-Supervision	LABPM	82	29	83	24	31
7	741-Maintenance of Struct & Improv	EXP741	37	13	37	11	14
8	742-Maintenance of Production Equip	EXP742	364	130	368	108	137
9	Total Maintenance Labor		483	173	488	143	182
10	Total Liquefied Propane Prod Labor		1,977	707	1,997	588	746
	LIQUEFIED NATURAL GAS LABOR						
	Operation Labor						
11	750-Supervision	LABLO	3,803	1,360	3,841	1,130	1,435
12	754-Liquefaction Expense	EXP754	1,091	390	1,102	324	412
13	757-Vaporization Expense	EXP757	193	69	195	57	73
14	759-Handling Expense	EXP759	171	61	172	51	64
15	775-Miscellaneous Production Exp	EXP775	3,082	1,102	3,113	916	1,163
16	777-Lease Expense	EXP777	0	0	0	0	0
17	Total Operation Labor		8,339	2,982	8,424	2,478	3,148
	Maintenance Labor						
18	780-Supervision	LABLM	54	19	54	16	20
19	781-Maintenance of Struct & Improv	EXP781	34	12	34	10	13
20	782-Maintenance of Production Equip	EXP782	890	318	899	264	336
21	Total Maintenance Labor		977	349	987	290	369
22	Total Liquefied Natural Gas Prod Labor		9,316	3,332	9,410	2,769	3,516
23	Total Production Labor		11,293	4,039	11,408	3,356	4,263

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVEL OF LABOR ALLOC CON'T-20

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	TRANSMISSION & DISTRIB LABOR								
	Operation Labor								
1	850-Operation Supervision & Engineer	LABDO	0	0	0	0	0	0	0
2	851-System Control & Load Dispatch	EXP851	0	0	0	0	0	0	0
3	852-Communication System Exp	EXP852	0	0	0	0	0	0	0
4	857-Measuring & Regulating Stat Exp	EXP857	0	0	0	0	0	0	0
5	874-Mains and Services Exp	EXP874	0	0	0	0	0	0	0
6	878-Meter & House Regulator Exp	EXP878	0	0	0	0	0	0	0
7	879-Customer Installations Exp	EXP879	0	0	0	0	0	0	0
8	880-Other Expenses	EXP880	0	0	0	0	0	0	0
9	881-Rents	EXP881	0	0	0	0	0	0	0
10	Total Operation Labor		0	0	0	0	0	0	0
	Maintenance Labor								
11	885-Supervision	LABDM	0	0	0	0	0	0	0
12	886-Maintenance of Struct & Improv	EXP886	0	0	0	0	0	0	0
13	887-Maintenance of Mains	EXP887	0	0	0	0	0	0	0
14	888-Maint of Compressor Station Equip	EXP888	0	0	0	0	0	0	0
15	889-Maint of Meas & Reg Station Equip	EXP889	0	0	0	0	0	0	0
16	892-Maintenance of Services	EXP892	0	0	0	0	0	0	0
17	893-Maint of Meters and House Regul	EXP893	0	0	0	0	0	0	0
18	894-Maintenance of Other Equipment	EXP894	0	0	0	0	0	0	0
19	Total Maintenance Labor		0	0	0	0	0	0	0
20	Total Transmission and Distribution Labor		0	0	0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVEL OF LABOR ALLOC CON'T-20

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	TRANSMISSION & DISTRIB LABOR						
	Operation Labor						
1	850-Operation Supervision & Engineer	LABDO	0	0	0	0	0
2	851-System Control & Load Dispatch	EXP851	0	0	0	0	0
3	852-Communication System Exp	EXP852	0	0	0	0	0
4	857-Measuring & Regulating Stat Exp	EXP857	0	0	0	0	0
5	874-Mains and Services Exp	EXP874	0	0	0	0	0
6	878-Meter & House Regulator Exp	EXP878	0	0	0	0	0
7	879-Customer Installations Exp	EXP879	0	0	0	0	0
8	880-Other Expenses	EXP880	0	0	0	0	0
9	881-Rents	EXP881	0	0	0	0	0
10	Total Operation Labor		0	0	0	0	0
	Maintenance Labor						
11	885-Supervision	LABDM	0	0	0	0	0
12	886-Maintenance of Struct & Improv	EXP886	0	0	0	0	0
13	887-Maintenance of Mains	EXP887	0	0	0	0	0
14	888-Maint of Compressor Station Equip	EXP888	0	0	0	0	0
15	889-Maint of Meas & Reg Station Equip	EXP889	0	0	0	0	0
16	892-Maintenance of Services	EXP892	0	0	0	0	0
17	893-Maint of Meters and House Regul	EXP893	0	0	0	0	0
18	894-Maintenance of Other Equipment	EXP894	0	0	0	0	0
19	Total Maintenance Labor		0	0	0	0	0
20	Total Transmission and Distribution Labor		0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVEL OF LABOR ALLOC CON'T-21

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	CUSTOMER ACCOUNTS LABOR								
1	901-Supervision	LABCA	0	0	0	0	0	0	0
2	902-Meter Reading Expenses	EXP902	0	0	0	0	0	0	0
3	903-Cust Records & Collection Exp	EXP903	0	0	0	0	0	0	0
4	Total Customer Accounts Labor		0	0	0	0	0	0	0
	SALES EXPENSES LABOR								
5	911-Supervision	LABSA	0	0	0	0	0	0	0
6	912-Demonstrating & Selling Exp	EXP912	0	0	0	0	0	0	0
7	913-Advertising Exp	EXP913	0	0	0	0	0	0	0
8	916-Miscellaneous Sales Exp	EXP916	0	0	0	0	0	0	0
9	Total Sales Expenses Labor		0	0	0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVEL OF LABOR ALLOC CON'T-21

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CUSTOMER ACCOUNTS LABOR						
1	901-Supervision	LABCA	0	0	0	0	0
2	902-Meter Reading Expenses	EXP902	0	0	0	0	0
3	903-Cust Records & Collection Exp	EXP903	0	0	0	0	0
4	Total Customer Accounts Labor		0	0	0	0	0
	SALES EXPENSES LABOR						
5	911-Supervision	LABSA	0	0	0	0	0
6	912-Demonstrating & Selling Exp	EXP912	0	0	0	0	0
7	913-Advertising Exp	EXP913	0	0	0	0	0
8	916-Miscellaneous Sales Exp	EXP916	0	0	0	0	0
9	Total Sales Expenses Labor		0	0	0	0	0

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS DEVEL OF LABOR ALLOC CON'T-22	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	ADMINISTRATIVE & GENERAL LABOR								
	Operation Labor								
1	920-Administrative & General Salaries	EXP920	87,275	66,408	3,267	0	7,237	5,512	1,902
2	921-Office Supplies & Expenses	EXP921	479	364	18	0	40	30	10
3	922-Administrative Exp Transferred-Cr	EXP922	0	0	0	0	0	0	0
4	923-Outside Services Employed	EXP923	28	20	1	0	2	2	1
5	924-Property Insurance	EXP924	0	0	0	0	0	0	0
6	925-Injuries & Damages	EXP925	2,008	1,528	75	0	167	127	44
7	926-Employees Pensions & Benefits	EXP926	337	237	3	0	29	41	16
8	928-Regulatory Commission Expenses	EXP928	0	0	0	0	0	0	0
9	929-Duplicate Charges-Cr	EXP929	0	0	0	0	0	0	0
10	930-Miscellaneous General Exp	EXP930	9,484	7,216	355	0	786	599	207
11	931 Rents	EXP931	0	0	0	0	0	0	0
12	Total Operation Labor		99,611	75,773	3,719	0	8,261	6,311	2,180
	Maintenance Labor								
13	932 Maintenance of General Plant	EXP932	10,394	7,304	84	0	884	1,260	492
14	Total Administrative & General Labor		110,005	83,077	3,803	0	9,145	7,571	2,672
15	Total Gas Operation & Maintenance Labor		1,071,942	753,249	8,693	0	91,181	129,966	50,756
	CONSTRUCION LABOR CAPITILIZED								
	Distribution Related								
16	Distribution/Transmission	DISTR	0	0	0	0	0	0	0
17	Metscan	PLT397M	0	0	0	0	0	0	0
18	ERT	PLT397E	0	0	0	0	0	0	0
19	Conversion Burners	CUST3863	0	0	0	0	0	0	0
20	Total Capitilized Labor		0	0	0	0	0	0	0
21	Sum of Allocated Labor Expense		1,071,942	753,249	8,693	0	91,181	129,966	50,756

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

DEVEL OF LABOR ALLOC CON'T-22

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	ADMINISTRATIVE & GENERAL LABOR						
	Operation Labor						
1	920-Administrative & General Salaries	EXP920	433	1,014	1,024	266	213
2	921-Office Supplies & Expenses	EXP921	2	6	6	1	1
3	922-Administrative Exp Transferred-Cr	EXP922	0	0	0	0	0
4	923-Outside Services Employed	EXP923	0	0	1	0	0
5	924-Property Insurance	EXP924	0	0	0	0	0
6	925-Injuries & Damages	EXP925	10	23	24	6	5
7	926-Employees Pensions & Benefits	EXP926	4	2	4	1	1
8	928-Regulatory Commission Expenses	EXP928	0	0	0	0	0
9	929-Duplicate Charges-Cr	EXP929	0	0	0	0	0
10	930-Miscellaneous General Exp	EXP930	47	110	111	29	23
11	931 Rents	EXP931	0	0	0	0	0
12	Total Operation Labor		496	1,155	1,169	304	244
	Maintenance Labor						
13	932 Maintenance of General Plant	EXP932	115	51	123	36	44
14	Total Administrative & General Labor		612	1,205	1,292	340	288
15	Total Gas Operation & Maintenance Labor		11,905	5,244	12,700	3,696	4,551
	CONSTRUCION LABOR CAPITILIZED						
	Distribution Related						
16	Distribution/Transmission	DISTR	0	0	0	0	0
17	Metscan	PLT397M	0	0	0	0	0
18	ERT	PLT397E	0	0	0	0	0
19	Conversion Burners	CUST3863	0	0	0	0	0
20	Total Capitilized Labor		0	0	0	0	0
21	Sum of Allocated Labor Expense		11,905	5,244	12,700	3,696	4,551

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

REVENUE REQUIREMENTS-23

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	PRESENT RATES								
1	Rate Base		10,851,309	7,631,856	109,255	1	934,041	1,284,329	497,823
2	Net Operating Income (Present Rates)		694,266	530,442	(12,743)	0	48,271	86,500	26,924
3	Rate of Return (Present Rates)		6.40%	6.95%	-11.66%	11.13%	5.17%	6.74%	5.41%
4	Relative Rate of Return		1.000	1.086	-1.823	1.740	0.808	1.053	0.845
5	Sales Revenues (Present Rates)		338,894,809	230,834,955	6,046,332	2,349	22,257,539	35,406,381	15,642,699
6	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
7	Sale Revenue $/Therm (Present Rates)		$0.9261	$0.9319	$0.9456	$0.8610	$0.9548	$0.9164	$0.8947
	CLAIMED RATE OF RETURN								
8	Claimed Rate of Return		9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%
9	Return Req for Claimed Rate of Return		982,043	690,683	9,888	0	84,531	116,232	45,053
10	Sales Revenue Required Claimed ROR		339,368,322	231,098,617	6,083,568	2,349	22,317,201	35,455,301	15,672,529
11	Revenue Deficiency Sales Revenues		473,512	263,662	37,237	(0)	59,662	48,920	29,830
12	Percent Increase Required		0.14%	0.11%	0.62%	0.00%	0.27%	0.14%	0.19%
13	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
14	Sales Revenue Required $/Therm		$0.9274	$0.9330	$0.9514	$0.8610	$0.9574	$0.9177	$0.8964
15	Revenue Deficiency $/Therm		$0.0013	$0.0011	$0.0058	$0.0000	$0.0026	$0.0013	$0.0017

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

REVENUE REQUIREMENTS-23

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	PRESENT RATES						
1	Rate Base		116,429	60,803	133,184	38,663	44,925
2	Net Operating Income (Present Rates)		2,950	995	4,541	2,706	3,679
3	Rate of Return (Present Rates)		2.53%	1.64%	3.41%	7.00%	8.19%
4	Relative Rate of Return		0.396	0.256	0.533	1.094	1.280
5	Sales Revenues (Present Rates)		3,977,566	4,004,792	12,077,121	5,837,019	2,808,057
6	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
7	Sale Revenue $/Therm (Present Rates)		$0.8975	$0.9007	$0.8803	$0.8757	$0.8903
	CLAIMED RATE OF RETURN						
8	Claimed Rate of Return		9.05%	9.05%	9.05%	9.05%	9.05%
9	Return Req for Claimed Rate of Return		10,537	5,503	12,053	3,499	4,066
10	Sales Revenue Required Claimed ROR		3,990,050	4,012,209	12,089,481	5,838,324	2,808,693
11	Revenue Deficiency Sales Revenues		12,484	7,417	12,360	1,304	636
12	Percent Increase Required		0.31%	0.19%	0.10%	0.02%	0.02%
13	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
14	Sales Revenue Required $/Therm		$0.9003	$0.9024	$0.8812	$0.8759	$0.8905
15	Revenue Deficiency $/Therm		$0.0028	$0.0017	$0.0009	$0.0002	$0.0002

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	ALLOCATION FACTOR TABLE-24	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEMAND RELATED								
1	PRODUCTION ALLOCATORS								
2	Design Day Remaining Demands - Sales		369,418	257,370	1,878	0	31,505	47,004	18,466
3	LPG Production Allocator - Prod Function		369,418	257,370	1,878	0	31,505	47,004	18,466
4	LNG Production Allocator - Prod Function		369,418	257,370	1,878	0	31,505	47,004	18,466
5	LPG & LNG Prod Alloc - Distr Function		100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
6	LPG & LNG Distr Pressure Support %		28.6%						
7									
8	Design Day Base Demands - Sales Cust		28,184	17,260	1,344	1	757	1,609	920
9	Design Day Remaining Demands - Sales		369,418	257,370	1,878	0	31,505	47,004	18,466
10	Total Design Day Sendout - Sales Cust		397,602	274,630	3,222	1	32,262	48,613	19,386
11									
12									
13	GAS COST ALLOCATORS								
14	Base Demand Gas Costs	DBASE	6,288,068	3,862,967	300,841	169	168,590	358,374	205,273
15	Remaining Demand Gas Costs	DREMAIN	45,807,643	31,913,801	232,905	0	3,906,613	5,828,405	2,289,761
16									
17									
18									
	DISTRIBUTION ALLOCATORS								
1	Distribution Allocator	DISTR	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
2									
3	Pension & PBOP Expense Allocator	PENSION	175,912,241	111,760,758	11,410,682	357	12,531,108	13,791,129	8,575,385
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

ALLOCATION FACTOR TABLE-24

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEMAND RELATED						
1	PRODUCTION ALLOCATORS						
2	Design Day Remaining Demands - Sales		4,337	1,551	4,381	1,289	1,637
3	LPG Production Allocator - Prod Function		4,337	1,551	4,381	1,289	1,637
4	LNG Production Allocator - Prod Function		4,337	1,551	4,381	1,289	1,637
5	LPG & LNG Prod Alloc - Distr Function		2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
6	LPG & LNG Distr Pressure Support %						
7							
8	Design Day Base Demands - Sales Cust		554	874	2,853	1,598	414
9	Design Day Remaining Demands - Sales		4,337	1,551	4,381	1,289	1,637
10	Total Design Day Sendout - Sales Cust		4,891	2,425	7,234	2,887	2,051
11							
12							
13	GAS COST ALLOCATORS						
14	Base Demand Gas Costs	DBASE	122,834	195,298	638,567	342,813	92,342
15	Remaining Demand Gas Costs	DREMAIN	537,777	192,307	543,192	159,796	203,086
16							
17							
18	DISTRIBUTION ALLOCATORS						
1	Distribution Allocator	DISTR	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
2							
3	Pension & PBOP Expense Allocator	PENSION	1,529,435	2,519,135	4,372,869	3,594,281	5,827,100
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

ALLOCATION FACTOR TABLE CONT-25

COMMODITY RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Base Commodity Gas Costs	EBASE	80,774,205	49,657,716	3,867,284	2,167	2,158,849	4,619,659	2,632,837
2	Remaining Commodity Gas Costs	EREMAIN	191,688,704	134,395,424	1,128,159	0	14,855,080	23,713,567	10,221,852
3									
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6									
7	Annual Therm Firm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
8	Annual Therm Firm Transportation		127,549,264	79,549	1,908	0	1,900,026	15,524,113	26,651,718
9	Total Annual Therm Firm Throughput		493,498,312	247,783,289	6,396,166	2,728	25,211,236	54,160,592	44,135,406
10									
11	Annual Base Therm - Sales Actual		378,169,527	256,470,043	6,394,258	2,728	24,381,470	40,254,087	18,083,791
12	Weather Normalization Adj Base -Sales		(12,220,479)	(8,766,303)	0	0	(1,070,260)	(1,617,608)	(600,103)
13									
14	Annual Base Therm - Trans Actual		129,319,171	81,962	1,908	0	1,982,789	16,124,058	27,584,660
15	Weather Normalization Adj Base -Trans		(1,769,907)	(2,413)	0	0	(82,763)	(599,945)	(932,942)
16									
17	Annual Therm Firm Sales Sendout		369,645,503	250,205,798	6,458,846	2,756	23,546,677	39,026,746	17,660,291
18	Annual Therm Firm Trans Sendout		128,837,641	80,353	1,927	0	1,919,218	15,680,922	26,920,927
19	Tot Ann Therm Firm Throughput Sendout		498,483,144	250,286,151	6,460,773	2,756	25,465,895	54,707,668	44,581,218
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

ALLOCATION FACTOR TABLE CONT-25

COMMODITY RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Base Commodity Gas Costs	EBASE	1,577,413	2,506,976	8,208,799	4,357,592	1,184,913
2	Remaining Commodity Gas Costs	EREMAIN	1,678,560	945,632	2,525,235	933,008	1,292,187
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4							
5							
6							
7	Annual Therm Firm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
8	Annual Therm Firm Transportation		5,036,085	797,782	7,650,476	18,839,377	51,068,230
9	Total Annual Therm Firm Throughput		9,468,031	5,243,986	21,369,383	25,505,268	54,222,227
10							
11	Annual Base Therm - Sales Actual		4,598,151	4,446,204	13,718,907	6,665,891	3,153,997
12	Weather Normalization Adj Base -Sales		(166,205)	0	0	0	0
13							
14	Annual Base Therm - Trans Actual		5,187,929	797,782	7,650,476	18,839,377	51,068,230
15	Weather Normalization Adj Base -Trans		(151,844)	0	0	0	0
16							
17	Annual Therm Firm Sales Sendout		4,476,713	4,491,115	13,857,482	6,733,223	3,185,856
18	Annual Therm Firm Trans Sendout		5,086,955	805,840	7,727,754	19,029,674	51,584,071
19	Tot Ann Therm Firm Throughput Sendout		9,563,668	5,296,955	21,585,236	25,762,897	54,769,927
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

ALLOCATION FACTOR TABLE CONT-26

CUSTOMER RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 380 Gas Services	CUST380	228,746,364	166,042,757	24,984,666	0	17,876,084	6,169,869	4,778,556
2	Acct 381 Gas Meters	CUST381	24,915,976	15,188,303	2,339,184	0	2,023,106	2,385,861	700,742
3	Acct 382 Meter Installations	CUST382	45,198,411	27,552,090	4,243,357	0	3,669,983	4,328,031	1,271,169
4	Acct 383 Gas Regulators	CUST383	13,612,047	8,297,644	1,277,938	0	1,105,260	1,303,439	382,828
5	Customer Deposits	CUSTDEP	2,065,320	26,212	151	0	747,953	611,185	143,020
6	Transportation Customers	CUSTTR	38,807	439	59	0	9,286	12,352	4,096
7	Acct 386.0 Gas Water Heaters	CUST3860	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
9	Acct 386.3 Conversion Burners	CUST3863	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
10	Acct 487-Return Check Charges	CUST487	27,736	20,434	1,226	0	2,093	1,971	653
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
12	Acct 882-Revenue Guardian Care & C/S	CUST882	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
13	Acct 902 Meter Reading Expense	CUST902	283,675	220,467	33,089	0	17,023	4,714	1,240
14	Acct 903-Cust Records & Collection Exp	CUST903	281,020	222,208	31,413	0	16,684	4,683	619
15	Acct 912-Demonstrating & Selling Exp	CUST912	100.0000%	64.3422%	6.5521%	0.0000%	5.5093%	6.3206%	4.5820%
16	Acct 913-Advertising Expense	CUST913	100.0000%	64.3422%	6.5521%	0.0000%	5.5093%	6.3206%	4.5820%
17	Acct 879-Customer Installations Exp	CUST879	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
18	Acct 903 Collections Expense	CUST903C	11,447,296	8,185,483	1,185,903	3	1,117,566	384,625	103,390
19	Number of Meters		282,127	220,467	33,089	0	16,910	4,443	1,015
20	Average Number of Bills		281,032	222,208	31,413	12	16,684	4,683	619
21	Average Number of Customers		279,901	219,642	33,050	12	16,541	4,664	617
22									
23	**TOTAL ANNUAL BILL COUNTS**		3,372,382	2,666,494	376,961	144	200,206	56,195	7,432
24	Bi-Monthly Sales Bills		23,554	0	23,554	0	0	0	0
25	Sales Bills		3,309,471	2,665,888	353,282	144	190,733	43,802	3,331
26	Farm Sales Bills		484	166	66	0	170	24	0
27	Transportation Bills		36,729	428	59	0	9,141	11,985	3,777
28	Farm Transportation Bills		80	12	0	0	12	23	24
29	Daily Metered Transportation Bills		2,064	0	0	0	150	361	300
30									
31	**TOTAL ANNUAL CUSTOMER COUNTS**		3,358,808	2,635,699	396,597	143	198,495	55,963	7,406
32	Bi-Monthly Sales Customers		47,645	0	47,645	0	0	0	0
33	Sales Customers		3,271,874	2,635,095	348,828	143	189,039	43,587	3,310
34	Farm Sales Customers		482	165	65	0	170	24	0
35	Transportation Customers		36,667	427	59	0	9,124	11,968	3,772
36	Farm Transportation Customers		80	12	0	0	12	23	24
37	Daily Metered Transportation Customers		2,060	0	0	0	150	361	300

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PRODUCTION COMPONENTS

ALLOCATION FACTOR TABLE CONT-26

CUSTOMER RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 380 Gas Services	CUST380	203,287	3,565,851	2,310,269	1,922,133	892,892
2	Acct 381 Gas Meters	CUST381	49,813	647,509	1,022,284	382,655	176,519
3	Acct 382 Meter Installations	CUST382	90,363	1,174,602	1,854,457	694,148	320,211
4	Acct 383 Gas Regulators	CUST383	27,214	353,746	558,492	209,051	96,435
5	Customer Deposits	CUSTDEP	79,450	140,898	246,296	70,155	0
6	Transportation Customers	CUSTTR	120	4,054	5,806	1,889	706
7	Acct 386.0 Gas Water Heaters	CUST3860	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
9	Acct 386.3 Conversion Burners	CUST3863	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
10	Acct 487-Return Check Charges	CUST487	111	382	562	211	93
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
12	Acct 882-Revenue Guardian Care & C/S	CUST882	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
13	Acct 902 Meter Reading Expense	CUST902	153	3,563	2,143	663	622
14	Acct 903-Cust Records & Collection Exp	CUST903	15	3,326	1,756	249	67
15	Acct 912-Demonstrating & Selling Exp	CUST912	0.9620%	1.1208%	2.4771%	2.6285%	5.5055%
16	Acct 913-Advertising Expense	CUST913	0.9620%	1.1208%	2.4771%	2.6285%	5.5055%
17	Acct 879-Customer Installations Exp	CUST879	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
18	Acct 903 Collections Expense	CUST903C	14,220	220,619	136,388	42,482	56,618
19	Number of Meters		63	3,546	2,076	427	91
20	Average Number of Bills		15	3,326	1,756	249	67
21	Average Number of Customers		15	3,300	1,746	248	66
22							
23	**TOTAL ANNUAL BILL COUNTS**		181	39,908	21,073	2,989	799
24	Bi-Monthly Sales Bills		0	0	0	0	0
25	Sales Bills		61	35,789	15,250	1,100	91
26	Farm Sales Bills		0	58	0	0	0
27	Transportation Bills		0	4,039	5,734	1,566	0
28	Farm Transportation Bills		0	0	0	9	0
29	Daily Metered Transportation Bills		120	22	89	314	708
30							
31	**TOTAL ANNUAL CUSTOMER COUNTS**		181	39,595	20,955	2,979	795
32	Bi-Monthly Sales Customers		0	0	0	0	0
33	Sales Customers		61	35,483	15,149	1,090	89
34	Farm Sales Customers		0	58	0	0	0
35	Transportation Customers		0	4,032	5,719	1,566	0
36	Farm Transportation Customers		0	0	0	9	0
37	Daily Metered Transportation Customers		120	22	87	314	706

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

ALLOCATION FACTOR TABLE CONT-27

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	INTERNALLY DEVELOPED								
	UNCOLLECTIBLE ACCOUNTS								
1	Residential Heating Rate R-3 & R-4	C904R3	331,590,664	231,098,617	0	0	0	0	0
2	Residential Non-Heating Rate R-1 & R-2	C904R1	16,939,871	0	6,083,568	0	0	0	0
3	Outdoor Lighting	C904OL	2,693	0	0	2,349	0	0	0
4	High Winter Low Annual Rate G40 & T40	C904R40	33,620,240	0	0	0	22,317,201	0	0
5	High Winter Med Annual Rate G41 & T41	C904R41	48,311,134	0	0	0	0	35,455,301	0
6	High Winter High Annual Rate G42 & T42	C904R42	23,925,108	0	0	0	0	0	15,672,529
7	High Wint Large Annual Rate G43 & T43	C904R43	5,446,019	0	0	0	0	0	0
8	Low Winter Low Annual Rate G50 & T50	C904R50	6,359,348	0	0	0	0	0	0
9	Low Winter Med Annual Rate G51 & T51	C904T51	16,288,662	0	0	0	0	0	0
10	Low Winter High Annual Rate G52 & T52	C904R52	9,387,490	0	0	0	0	0	0
11	Low Wint Large Annual Rate G53 & T53	C904R53	8,599,628	0	0	0	0	0	0
12									
13	LATE PAYMENT CHARGES								
14									
15	High Winter Low Annual Rate G40 & T40	C487R40	33,620,240	0	0	0	22,317,201	0	0
16	High Winter Med Annual Rate G41 & T41	C487R41	48,311,134	0	0	0	0	35,455,301	0
17	High Winter High Annual Rate G42 & T42	C487R42	23,925,108	0	0	0	0	0	15,672,529
18	High Wint Large Annual Rate G43 & T43	C487R43	5,446,019	0	0	0	0	0	0
19	Low Winter Low Annual Rate G50 & T50	C487R50	6,359,348	0	0	0	0	0	0
20	Low Winter Med Annual Rate G51 & T51	C487T51	16,288,662	0	0	0	0	0	0
21	Low Winter High Annual Rate G52 & T52	C487R52	9,387,490	0	0	0	0	0	0
22	Low Wint Large Annual Rate G53 & T53	C487R53	8,599,628	0	0	0	0	0	0
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

ALLOCATION FACTOR TABLE CONT-27

INTERNALLY DEVELOPED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	UNCOLLECTIBLE ACCOUNTS						
1	Residential Heating Rate R-3 & R-4	C904R3	0	0	0	0	0
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0	0	0	0	0
3	Outdoor Lighting	C904OL	0	0	0	0	0
4	High Winter Low Annual Rate G40 & T40	C904R40	0	0	0	0	0
5	High Winter Med Annual Rate G41 & T41	C904R41	0	0	0	0	0
6	High Winter High Annual Rate G42 & T42	C904R42	0	0	0	0	0
7	High Wint Large Annual Rate G43 & T43	C904R43	3,990,050	0	0	0	0
8	Low Winter Low Annual Rate G50 & T50	C904R50	0	4,012,209	0	0	0
9	Low Winter Med Annual Rate G51 & T51	C904T51	0	0	12,089,481	0	0
10	Low Winter High Annual Rate G52 & T52	C904R52	0	0	0	5,838,324	0
11	Low Wint Large Annual Rate G53 & T53	C904R53	0	0	0	0	2,808,693
12							
13	LATE PAYMENT CHARGES						
14							
15	High Winter Low Annual Rate G40 & T40	C487R40	0	0	0	0	0
16	High Winter Med Annual Rate G41 & T41	C487R41	0	0	0	0	0
17	High Winter High Annual Rate G42 & T42	C487R42	0	0	0	0	0
18	High Wint Large Annual Rate G43 & T43	C487R43	3,990,050	0	0	0	0
19	Low Winter Low Annual Rate G50 & T50	C487R50	0	4,012,209	0	0	0
20	Low Winter Med Annual Rate G51 & T51	C487T51	0	0	12,089,481	0	0
21	Low Winter High Annual Rate G52 & T52	C487R52	0	0	0	5,838,324	0
22	Low Wint Large Annual Rate G53 & T53	C487R53	0	0	0	0	2,808,693
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PRODUCTION COMPONENTS

ALLOCATION FACTOR TABLE CONT-27

		ALLOC	TOTAL COMPANY INPUT
	INTERNALLY DEVELOPED		
	UNCOLLECTIBLE ACCOUNTS		
1	Residential Heating Rate R-3 & R-4	C904R3	Page 23 , Line 10, Col 2
2	Residential Non-Heating Rate R-1 & R-2	C904R1	Page 23 , Line 10, Col 3
3	Outdoor Lighting	C904OL	Page 23 , Line 10, Col 4
4	High Winter Low Annual Rate G40 & T40	C904R40	Page 23 , Line 10, Col 5
5	High Winter Med Annual Rate G41 & T41	C904R41	Page 23 , Line 10, Col 6
6	High Winter High Annual Rate G42 & T42	C904R42	Page 23 , Line 10, Col 7
7	High Wint Large Annual Rate G43 & T43	C904R43	Page 23 , Line 10, Col 8
8	Low Winter Low Annual Rate G50 & T50	C904R50	Page 23 , Line 10, Col 9
9	Low Winter Med Annual Rate G51 & T51	C904T51	Page 23 , Line 10, Col 10
10	Low Winter High Annual Rate G52 & T52	C904R52	Page 23 , Line 10, Col 11
11	Low Wint Large Annual Rate G53 & T53	C904R53	Page 23 , Line 10, Col 12
12			
13	LATE PAYMENT CHARGES		
14			
15	High Winter Low Annual Rate G40 & T40	C487R40	Page 23 , Line 10, Col 5
16	High Winter Med Annual Rate G41 & T41	C487R41	Page 23 , Line 10, Col 6
17	High Winter High Annual Rate G42 & T42	C487R42	Page 23 , Line 10, Col 7
18	High Wint Large Annual Rate G43 & T43	C487R43	Page 23 , Line 10, Col 8
19	Low Winter Low Annual Rate G50 & T50	C487R50	Page 23 , Line 10, Col 9
20	Low Winter Med Annual Rate G51 & T51	C487T51	Page 23 , Line 10, Col 10
21	Low Winter High Annual Rate G52 & T52	C487R52	Page 23 , Line 10, Col 11
22	Low Wint Large Annual Rate G53 & T53	C487R53	Page 23 , Line 10, Col 12
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED-28	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Plant In Service	PLANT	754,551,098	13,395,569	105,218	0	1,637,374	2,428,692	953,430
2	Sum of Allocated Labor Expense	LABOR	28,074,804	753,249	8,693	0	91,181	129,966	50,756
3	Acct 301 Organization	PLT301	689,189	12,235	96	0	1,496	2,218	871
4	Acct 303 Misc. Intangible Plant	PLT303	34,573,711	927,615	10,705	0	112,289	160,052	62,506
5	Acct 305 Structures & Improvements	PLT305	2,368,951	1,178,404	8,599	0	144,250	215,214	84,549
6	Acct 311 L.P. Gas Equipment	PLT311	4,339,415	2,158,585	15,751	0	264,235	394,227	154,876
7	Acct 320 Other Equipment	PLT320	819,245	407,523	2,974	0	49,885	74,427	29,239
8	Acct 321 L.N.G. Equipment	PLT321	15,428,067	7,674,491	56,000	0	939,445	1,401,608	550,636
9	Acct 365 Right of Way	PLT365	79,051	0	0	0	0	0	0
10	Acct 366 Structures & Improvements	PLT366	2,108,612	0	0	0	0	0	0
11	Acct 367 Gas Mains	PLT367	309,786,822	0	0	0	0	0	0
12	Acct 368 Compressor Station Equipment	PLT368	327,265	0	0	0	0	0	0
13	Acct 369 Meas. & Reg. Station Equip	PLT369	12,355,156	0	0	0	0	0	0
14	Acct 380 Gas Services	PLT380	228,746,364	0	0	0	0	0	0
15	Acct 381 Gas Meters	PLT381	24,915,974	0	0	0	0	0	0
16	Acct 382 Meter Installations	PLT382	45,198,411	0	0	0	0	0	0
17	Acct 383 Gas Regulators	PLT383	13,612,047	0	0	0	0	0	0
18	Acct 386 Gas Water Heaters	PLT3860	14,053,382	0	0	0	0	0	0
19	Acct 386 Cascade Diamond Boilers	PLT3862	569,752	0	0	0	0	0	0
20	Acct 386 Conversion Burners	PLT3863	7,835,153	0	0	0	0	0	0
21	Acct 387 Other Equipment	PLT387	1,719,559	0	0	0	0	0	0
22	Acct 379 Other Equipment	PLT379	510,252	0	0	0	0	0	0
23	Acct 390 Structures & Improvements	PLT390	7,303,824	195,962	2,262	0	23,721	33,811	13,205
24	Acct 391 Office Equipment	PLT391	11,420,359	306,409	3,536	0	37,091	52,868	20,647
25	Acct 392 Transportation Equipment	PLT392	2,363,594	63,415	732	0	7,676	10,942	4,273
26	Acct 393 Stores Equipment	PLT393	50,473	1,354	16	0	164	234	91
27	Acct 394 Tools, Shop & Garage Equip	PLT394	1,847,938	49,580	572	0	6,002	8,555	3,341
28	Acct 396 Power Operated Equipment	PLT396	406,425	10,904	126	0	1,320	1,881	735
29	Acct 397 Communication Equip-Other	PLT397O	7,400,316	198,551	2,291	0	24,035	34,258	13,379
30	Acct 398 Miscellaneous Equipment	PLT398	25,220	677	8	0	82	117	46
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	137,472	68,383	499	0	8,371	12,489	4,906
32	Acct 717-LPG Gas Expenses	EXP717	476	237	2	0	29	43	17
33	Acct 719-Handling Expense	EXP719	20,028	9,963	73	0	1,220	1,820	715
34	Acct 735-Miscellaneous Production Exp	EXP735	213,302	106,104	774	0	12,988	19,378	7,613
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	47,828	23,791	174	0	2,912	4,345	1,707
36	Acct 741-Maintenance of Struct & Improv	EXP741	12,023	5,981	44	0	732	1,092	429
37	Acct 742-Maintenance of Production Eq	EXP742	107,427	53,438	390	0	6,541	9,759	3,834
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	541,175	269,201	1,964	0	32,953	49,165	19,315
39	Acct 754-Liquefaction Expense	EXP754	165,884	82,517	602	0	10,101	15,070	5,920
40	Acct 757-Vaporization Expense	EXP757	29,356	14,603	107	0	1,788	2,667	1,048

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED-28

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Plant In Service	PLANT	223,889	82,374	227,736	66,911	84,641
2	Sum of Allocated Labor Expense	LABOR	11,905	5,244	12,700	3,696	4,551
3	Acct 301 Organization	PLT301	204	75	208	61	77
4	Acct 303 Misc. Intangible Plant	PLT303	14,661	6,458	15,639	4,552	5,604
5	Acct 305 Structures & Improvements	PLT305	19,858	7,101	20,059	5,902	7,495
6	Acct 311 L.P. Gas Equipment	PLT311	36,375	13,008	36,744	10,811	13,730
7	Acct 320 Other Equipment	PLT320	6,867	2,456	6,937	2,041	2,592
8	Acct 321 L.N.G. Equipment	PLT321	129,325	46,249	130,637	38,437	48,814
9	Acct 365 Right of Way	PLT365	0	0	0	0	0
10	Acct 366 Structures & Improvements	PLT366	0	0	0	0	0
11	Acct 367 Gas Mains	PLT367	0	0	0	0	0
12	Acct 368 Compressor Station Equipment	PLT368	0	0	0	0	0
13	Acct 369 Meas. & Reg. Station Equip	PLT369	0	0	0	0	0
14	Acct 380 Gas Services	PLT380	0	0	0	0	0
15	Acct 381 Gas Meters	PLT381	0	0	0	0	0
16	Acct 382 Meter Installations	PLT382	0	0	0	0	0
17	Acct 383 Gas Regulators	PLT383	0	0	0	0	0
18	Acct 386 Gas Water Heaters	PLT3860	0	0	0	0	0
19	Acct 386 Cascade Diamond Boilers	PLT3862	0	0	0	0	0
20	Acct 386 Conversion Burners	PLT3863	0	0	0	0	0
21	Acct 387 Other Equipment	PLT387	0	0	0	0	0
22	Acct 379 Other Equipment	PLT379	0	0	0	0	0
23	Acct 390 Structures & Improvements	PLT390	3,097	1,364	3,304	962	1,184
24	Acct 391 Office Equipment	PLT391	4,843	2,133	5,166	1,504	1,851
25	Acct 392 Transportation Equipment	PLT392	1,002	441	1,069	311	383
26	Acct 393 Stores Equipment	PLT393	21	9	23	7	8
27	Acct 394 Tools, Shop & Garage Equip	PLT394	784	345	836	243	300
28	Acct 396 Power Operated Equipment	PLT396	172	76	184	54	66
29	Acct 397 Communication Equip-Other	PLT397O	3,138	1,382	3,348	974	1,200
30	Acct 398 Miscellaneous Equipment	PLT398	11	5	11	3	4
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	1,152	412	1,164	342	435
32	Acct 717-LPG Gas Expenses	EXP717	4	1	4	1	2
33	Acct 719-Handling Expense	EXP719	168	60	170	50	63
34	Acct 735-Miscellaneous Production Exp	EXP735	1,788	639	1,806	531	675
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	401	143	405	119	151
36	Acct 741-Maintenance of Struct & Improv	EXP741	101	36	102	30	38
37	Acct 742-Maintenance of Production Eq	EXP742	900	322	910	268	340
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	4,536	1,622	4,582	1,348	1,712
39	Acct 754-Liquefaction Expense	EXP754	1,391	497	1,405	413	525
40	Acct 757-Vaporization Expense	EXP757	246	88	249	73	93

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PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED-28	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Plant In Service	PLANT	Page 4 , Line 18
2	Sum of Allocated Labor Expense	LABOR	Page 22 , Line 21
3	Acct 301 Organization	PLT301	Page 2 , Line 3
4	Acct 303 Misc. Intangible Plant	PLT303	Page 2 , Line 4
5	Acct 305 Structures & Improvements	PLT305	Page 2 , Line 13
6	Acct 311 L.P. Gas Equipment	PLT311	Page 2 , Line 14
7	Acct 320 Other Equipment	PLT320	Page 2 , Line 18
8	Acct 321 L.N.G. Equipment	PLT321	Page 2 , Line 19
9	Acct 365 Right of Way	PLT365	Page 3 , Line 2
10	Acct 366 Structures & Improvements	PLT366	Page 3 , Line 3
11	Acct 367 Gas Mains	PLT367	Page 3 , Line 11
12	Acct 368 Compressor Station Equipment	PLT368	Page 3 , Line 12
13	Acct 369 Meas. & Reg. Station Equip	PLT369	Page 3 , Line 13
14	Acct 380 Gas Services	PLT380	Page 3 , Line 14
15	Acct 381 Gas Meters	PLT381	Page 3 , Line 15
16	Acct 382 Meter Installations	PLT382	Page 3 , Line 16
17	Acct 383 Gas Regulators	PLT383	Page 3 , Line 17
18	Acct 386 Gas Water Heaters	PLT3860	Page 3 , Line 18
19	Acct 386 Cascade Diamond Boilers	PLT3862	Page 3 , Line 19
20	Acct 386 Conversion Burners	PLT3863	Page 3 , Line 20
21	Acct 387 Other Equipment	PLT387	Page 3 , Line 22
22	Acct 379 Other Equipment	PLT379	Page 3 , Line 24
23	Acct 390 Structures & Improvements	PLT390	Page 4 , Line 2
24	Acct 391 Office Equipment	PLT391	Page 4 , Line 6
25	Acct 392 Transportation Equipment	PLT392	Page 4 , Line 7
26	Acct 393 Stores Equipment	PLT393	Page 4 , Line 8
27	Acct 394 Tools, Shop & Garage Equip	PLT394	Page 4 , Line 9
28	Acct 396 Power Operated Equipment	PLT396	Page 4 , Line 10
29	Acct 397 Communication Equip-Other	PLT397O	Page 4 , Line 11 & 12
30	Acct 398 Miscellaneous Equipment	PLT398	Page 4 , Line 16
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	Pg 19, Ln 2 to 4
32	Acct 717-LPG Gas Expenses	EXP717	Page 9 , Line 2
33	Acct 719-Handling Expense	EXP719	Page 9 , Line 3
34	Acct 735-Miscellaneous Production Exp	EXP735	Page 9 , Line 6
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	Pg 19, Ln 9 to 10
36	Acct 741-Maintenance of Struct & Improv	EXP741	Page 9 , Line 9
37	Acct 742-Maintenance of Production Eq	EXP742	Page 9 , Line 10
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	Pg 19, Ln 14 to 18
39	Acct 754-Liquefaction Expense	EXP754	Page 9 , Line 14
40	Acct 757-Vaporization Expense	EXP757	Page 9 , Line 15

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-29

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 759-Handling Expense	EXP759	26,304	13,085	95	0	1,602	2,390	939
2	Acct 775-Miscellaneous Production Exp	EXP775	644,763	320,729	2,340	0	39,261	58,575	23,012
3	Acct 777-Lease Expense	EXP777	914,499	454,905	3,319	0	55,686	83,080	32,639
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	110,159	54,797	400	0	6,708	10,008	3,932
5	Acct 781-Maintenance of Struct & Improv	EXP781	11,060	5,502	40	0	673	1,005	395
6	Acct 782-Maintenance of Production Eq	EXP782	262,396	130,525	952	0	15,978	23,838	9,365
7	Total Intangible Plant	INTPLT	35,262,900	939,850	10,801	0	113,784	162,270	63,377
8	Total Production Plant	PRODPLT	23,368,270	11,624,242	84,821	0	1,422,939	2,122,959	834,026
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	10,090,604	0	0	0	0	0	0
10	Acct 851-Sys Control & Load Dispatch	EXP851	0	0	0	0	0	0	0
11	Acct 852-Communication System Exp	EXP852	143,882	0	0	0	0	0	0
12	Acct 857-Measuring & Regul Stat Exp	EXP857	405,485	0	0	0	0	0	0
13	Acct 874-Mains and Services Exp	EXP874	3,764,532	0	0	0	0	0	0
14	Acct 878-Meter & House Regulator Exp	EXP878	5,633,560	0	0	0	0	0	0
15	Acct 879-Customer Installations Exp	EXP879	5,923,626	0	0	0	0	0	0
16	Acct 880-Other Expenses	EXP880	580,567	0	0	0	0	0	0
17	Acct 881-Rents	EXP881	61,576	0	0	0	0	0	0
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	4,225,605	0	0	0	0	0	0
19	Acct 886-Maintenance of Struct & Improv	EXP886	41,025	0	0	0	0	0	0
20	Acct 887-Maintenance of Mains	EXP887	3,789,693	0	0	0	0	0	0
21	Acct 888-Maint of Compressor Station Eq	EXP888	0	0	0	0	0	0	0
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	229,637	0	0	0	0	0	0
23	Acct 892-Maintenance of Services	EXP892	1,687,229	0	0	0	0	0	0
24	Acct 893-Mnt of Meters and House Regul	EXP893	436,322	0	0	0	0	0	0
25	Acct 894-Maintenance of Other Equip	EXP894	403,627	0	0	0	0	0	0
26	Customer Accts Labor Accts 902 to 903	LABCA	5,617,451	0	0	0	0	0	0
27	Acct 902-Meter Reading Expenses	EXP902	695,743	0	0	0	0	0	0
28	Acct 903-Cust Records & Collection Exp	EXP903	7,500,932	0	0	0	0	0	0
29	Sales Expenses Labor Accts 912 to 916	LABSA	125,024	0	0	0	0	0	0
30	Acct 912-Demonstrating & Selling Exp	EXP912	159,642	0	0	0	0	0	0
31	Acct 913-Advertising Exp	EXP913	198,371	0	0	0	0	0	0
32	Acct 916-Miscellaneous Sales Exp	EXP916	7,065	0	0	0	0	0	0
33	Acct 920-Administrative & General Sal	EXP920	1,745,741	111,830	5,502	0	12,187	9,282	3,204
34	Acct 921-Office Supplies & Expenses	EXP921	3,909,418	250,432	12,320	0	27,292	20,786	7,174
35	Acct 922-Administrative Exp Transf-Cr	EXP922	(3,814,124)	(244,328)	(12,020)	(0)	(26,627)	(20,279)	(6,999)
36	Acct 923-Outside Services Employed	EXP923	24,687,388	2,039,978	73,803	12	215,436	255,492	104,203
37	Acct 924-Property Insurance	EXP924	0	0	0	0	0	0	0
38	Acct 925-Injuries & Damages	EXP925	2,903,441	185,991	9,150	0	20,269	15,437	5,328
39	Acct 926-Employees Pensions & Benef	EXP926	14,803,575	262,321	3,027	0	31,754	45,261	17,676
40	Acct 928-Regulatory Commission Exp	EXP928	690,943	44,261	2,177	0	4,824	3,674	1,268

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-29	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 759-Handling Expense	EXP759	220	79	223	66	83
2	Acct 775-Miscellaneous Production Exp	EXP775	5,405	1,933	5,460	1,606	2,040
3	Acct 777-Lease Expense	EXP777	7,666	2,741	7,743	2,278	2,893
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	923	330	933	274	349
5	Acct 781-Maintenance of Struct & Improv	EXP781	93	33	94	28	35
6	Acct 782-Maintenance of Production Eq	EXP782	2,200	787	2,222	654	830
7	Total Intangible Plant	INTPLT	14,865	6,533	15,847	4,613	5,681
8	Total Production Plant	PRODPLT	195,883	70,052	197,870	58,218	73,936
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	0	0	0	0	0
10	Acct 851-Sys Control & Load Dispatch	EXP851	0	0	0	0	0
11	Acct 852-Communication System Exp	EXP852	0	0	0	0	0
12	Acct 857-Measuring & Regul Stat Exp	EXP857	0	0	0	0	0
13	Acct 874-Mains and Services Exp	EXP874	0	0	0	0	0
14	Acct 878-Meter & House Regulator Exp	EXP878	0	0	0	0	0
15	Acct 879-Customer Installations Exp	EXP879	0	0	0	0	0
16	Acct 880-Other Expenses	EXP880	0	0	0	0	0
17	Acct 881-Rents	EXP881	0	0	0	0	0
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	0	0	0	0	0
19	Acct 886-Maintenance of Struct & Improv	EXP886	0	0	0	0	0
20	Acct 887-Maintenance of Mains	EXP887	0	0	0	0	0
21	Acct 888-Maint of Compressor Station Eq	EXP888	0	0	0	0	0
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	0	0	0	0	0
23	Acct 892-Maintenance of Services	EXP892	0	0	0	0	0
24	Acct 893-Mnt of Meters and House Regul	EXP893	0	0	0	0	0
25	Acct 894-Maintenance of Other Equip	EXP894	0	0	0	0	0
26	Customer Accts Labor Accts 902 to 903	LABCA	0	0	0	0	0
27	Acct 902-Meter Reading Expenses	EXP902	0	0	0	0	0
28	Acct 903-Cust Records & Collection Exp	EXP903	0	0	0	0	0
29	Sales Expenses Labor Accts 912 to 916	LABSA	0	0	0	0	0
30	Acct 912-Demonstrating & Selling Exp	EXP912	0	0	0	0	0
31	Acct 913-Advertising Exp	EXP913	0	0	0	0	0
32	Acct 916-Miscellaneous Sales Exp	EXP916	0	0	0	0	0
33	Acct 920-Administrative & General Sal	EXP920	729	1,707	1,724	448	359
34	Acct 921-Office Supplies & Expenses	EXP921	1,633	3,822	3,860	1,003	804
35	Acct 922-Administrative Exp Transf-Cr	EXP922	(1,593)	(3,729)	(3,766)	(978)	(784)
36	Acct 923-Outside Services Employed	EXP923	25,632	33,888	72,618	31,447	16,379
37	Acct 924-Property Insurance	EXP924	0	0	0	0	0
38	Acct 925-Injuries & Damages	EXP925	1,213	2,839	2,867	745	597
39	Acct 926-Employees Pensions & Benef	EXP926	4,146	1,826	4,423	1,287	1,585
40	Acct 928-Regulatory Commission Exp	EXP928	289	676	682	177	142

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PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-29	ALLOC	TOTAL COMPANY INPUT
1	Acct 759-Handling Expense	EXP759	Page 9 , Line 17
2	Acct 775-Miscellaneous Production Exp	EXP775	Page 9 , Line 20
3	Acct 777-Lease Expense	EXP777	Page 9 , Line 21
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	Pg 19, Ln 21 to 22
5	Acct 781-Maintenance of Struct & Improv	EXP781	Page 9 , Line 24
6	Acct 782-Maintenance of Production Eq	EXP782	Page 9 , Line 25
7	Total Intangible Plant	INTPLT	Page 2 , Line 5
8	Total Production Plant	PRODPLT	Page 2 , Line 20
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	Pg 20, Ln 2 to 9
10	Acct 851-Sys Control & Load Dispatch	EXP851	Page 11 , Line 2
11	Acct 852-Communication System Exp	EXP852	Page 11 , Line 3
12	Acct 857-Measuring & Regul Stat Exp	EXP857	Page 11 , Line 4
13	Acct 874-Mains and Services Exp	EXP874	Page 11 , Line 5
14	Acct 878-Meter & House Regulator Exp	EXP878	Page 11 , Line 6
15	Acct 879-Customer Installations Exp	EXP879	Page 11 , Line 7
16	Acct 880-Other Expenses	EXP880	Page 11 , Line 8
17	Acct 881-Rents	EXP881	Page 11 , Line 9
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	Pg 20, Ln 12 to 18
19	Acct 886-Maintenance of Struct & Improv	EXP886	Page 11 , Line 12
20	Acct 887-Maintenance of Mains	EXP887	Page 11 , Line 13
21	Acct 888-Maint of Compressor Station Eq	EXP888	Page 11 , Line 14
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	Page 11 , Line 15
23	Acct 892-Maintenance of Services	EXP892	Page 11 , Line 16
24	Acct 893-Mnt of Meters and House Regul	EXP893	Page 11 , Line 17
25	Acct 894-Maintenance of Other Equip	EXP894	Page 11 , Line 18
26	Customer Accts Labor Accts 902 to 903	LABCA	Pg 21, Ln 2 to 3
27	Acct 902-Meter Reading Expenses	EXP902	Page 12 , Line 2
28	Acct 903-Cust Records & Collection Exp	EXP903	Page 12 , Line 8
29	Sales Expenses Labor Accts 912 to 916	LABSA	Pg 21, Ln 6 to 8
30	Acct 912-Demonstrating & Selling Exp	EXP912	Page 12 , Line 28
31	Acct 913-Advertising Exp	EXP913	Page 12 , Line 32
32	Acct 916-Miscellaneous Sales Exp	EXP916	Page 12 , Line 33
33	Acct 920-Administrative & General Sal	EXP920	Page 13 , Line 1
34	Acct 921-Office Supplies & Expenses	EXP921	Page 13 , Line 4
35	Acct 922-Administrative Exp Transf-Cr	EXP922	Page 13 , Line 5
36	Acct 923-Outside Services Employed	EXP923	Page 13 , Line 38
37	Acct 924-Property Insurance	EXP924	Page 13 , Line 39
38	Acct 925-Injuries & Damages	EXP925	Page 13 , Line 43
39	Acct 926-Employees Pensions & Benef	EXP926	Page 14 , Line 4
40	Acct 928-Regulatory Commission Exp	EXP928	Page 14 , Line 7

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-30

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 929-Duplicate Charges-Cr	EXP929	0	0	0	0	0	0	0
2	Acct 930-Miscellaneous General Exp	EXP930	863,406	55,309	2,721	0	6,028	4,591	1,584
3	Acct 931 Rents	EXP931	3,496,560	70,632	3,475	0	7,698	5,862	2,023
4	Acct 932 Maintenance of General Plant	EXP932	846,177	20,765	240	0	2,514	3,583	1,399
5	Total LPG Gas Operating Labor	TLABPO	178,302	88,694	647	0	10,857	16,198	6,364
6	Tot LPG Gas Maintenence Labor	TLABPM	57,587	28,646	209	0	3,507	5,232	2,055
7	Total LNG Gas Operating Labor	TLABLO	994,820	494,860	3,611	0	60,577	90,377	35,506
8	Tot LNG Gas Maintenence Labor	TLABLM	116,542	57,973	423	0	7,096	10,588	4,159
9	Total Transm & Distr Operating Labor	TLABDO	10,606,968	0	0	0	0	0	0
10	Total Transm & Distr Maintenance Labor	TLABDM	4,229,868	0	0	0	0	0	0
11	Total Customer Accounts Labor	TLABCA	5,838,988	0	0	0	0	0	0
12	Total Sales Expense Labor	TLABSA	205,166	0	0	0	0	0	0
13	Total General Plant	GENPLT	33,883,089	831,477	9,596	0	100,651	143,464	56,028
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	175,912,241	11,268,710	554,379	13	1,228,069	935,297	322,806
15	Sales Expense Accounts 912 to 913	EXP9123	358,013	0	0	0	0	0	0
16	Acct 367 Mains and Acct 380 Services	PLT36780	538,533,185	0	0	0	0	0	0
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	83,726,431	0	0	0	0	0	0
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	312,472,794	0	0	0	0	0	0
19	Transm & Distr Oper Accts 851 to 879	EXP8519	15,871,085	0	0	0	0	0	0
20	Total Customer Deposits	TOTCDEP	3,090,784	0	0	0	0	0	0
21	Acct 386 Other Property on Cust's Prem	PLT386	22,458,288	0	0	0	0	0	0
22	Total Transmission & Distribution Plant	DISTRPLT	662,036,839	0	0	0	0	0	0
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	8,489,829	4,298,151	333,264	0	563,053	175,508	20,731
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	412,767	0	0	0	0	0	0
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	2,554,359	0	0	0	0	0	0
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	20,020,721	0	0	0	0	0	0
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	5,690,941	0	0	0	0	0	0
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	8,274,626	0	0	0	0	0	0
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	146,116,729	0	0	0	0	0	0
30	Acct 367-Gas Mains - Plastic	PLT367P	126,075,826	0	0	0	0	0	0
31	Acct 391-Office Equipment	PLT391OE	5,917,985	158,780	1,832	0	19,220	27,396	10,699
32	Acct 391-Office IT Equipment	PLT391IT	5,502,374	147,629	1,704	0	17,871	25,472	9,948
33	Acct 397-Comm Equip Metscan	PLT397M	644,449	0	0	0	0	0	0
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	2,248,171	0	0	0	0	0	0
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	367,132	182,625	1,333	0	22,355	33,353	13,103
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	1,768,764	879,849	6,420	0	107,703	160,689	63,128
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	753,385	374,762	2,735	0	45,875	68,443	26,889
38	Total Gas Operation & Maintenance Labor	OMLAB	23,718,343	753,249	8,693	0	91,181	129,966	50,756
39	Inflation Adjustment Residual O&M	OTHOMINF	36,141,958	1,289,344	12,471	0	156,849	228,193	89,358

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-30

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 929-Duplicate Charges-Cr	EXP929	0	0	0	0	0
2	Acct 930-Miscellaneous General Exp	EXP930	361	844	852	221	178
3	Acct 931 Rents	EXP931	460	1,078	1,089	283	227
4	Acct 932 Maintenance of General Plant	EXP932	328	145	350	102	125
5	Total LPG Gas Operating Labor	TLABPO	1,495	534	1,510	444	564
6	Tot LPG Gas Maintenence Labor	TLABPM	483	173	488	143	182
7	Total LNG Gas Operating Labor	TLABLO	8,339	2,982	8,424	2,478	3,148
8	Tot LNG Gas Maintenence Labor	TLABLM	977	349	987	290	369
9	Total Transm & Distr Operating Labor	TLABDO	0	0	0	0	0
10	Total Transm & Distr Maintenance Labor	TLABDM	0	0	0	0	0
11	Total Customer Accounts Labor	TLABCA	0	0	0	0	0
12	Total Sales Expense Labor	TLABSA	0	0	0	0	0
13	Total General Plant	GENPLT	13,141	5,789	14,018	4,080	5,023
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	73,466	171,996	173,689	45,115	36,165
15	Sales Expense Accounts 912 to 913	EXP9123	0	0	0	0	0
16	Acct 367 Mains and Acct 380 Services	PLT36780	0	0	0	0	0
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	0	0	0	0	0
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	0	0	0	0	0
19	Transm & Distr Oper Accts 851 to 879	EXP8519	0	0	0	0	0
20	Total Customer Deposits	TOTCDEP	0	0	0	0	0
21	Acct 386 Other Property on Cust's Prem	PLT386	0	0	0	0	0
22	Total Transmission & Distribution Plant	DISTRPLT	0	0	0	0	0
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	567	106,751	66,462	7,917	1,110
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	0	0	0	0	0
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	0	0	0	0	0
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	0	0	0	0	0
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	0	0	0	0	0
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	0	0	0	0	0
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	0	0	0	0	0
30	Acct 367-Gas Mains - Plastic	PLT367P	0	0	0	0	0
31	Acct 391-Office Equipment	PLT391OE	2,509	1,105	2,677	779	959
32	Acct 391-Office IT Equipment	PLT391IT	2,333	1,028	2,489	724	892
33	Acct 397-Comm Equip Metscan	PLT397M	0	0	0	0	0
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	0	0	0	0	0
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	3,077	1,101	3,109	915	1,162
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	14,827	5,302	14,977	4,407	5,596
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	6,315	2,258	6,379	1,877	2,384
38	Total Gas Operation & Maintenance Labor	OMLAB	11,905	5,244	12,700	3,696	4,551
39	Inflation Adjustment Residual O&M	OTHOMINF	20,972	8,445	21,830	6,384	7,971

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PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-30	ALLOC	TOTAL COMPANY INPUT
1	Acct 929-Duplicate Charges-Cr	EXP929	Page 14 , Line 8
2	Acct 930-Miscellaneous General Exp	EXP930	Page 14 , Line 12
3	Acct 931 Rents	EXP931	Page 14 , Line 18
4	Acct 932 Maintenance of General Plant	EXP932	Page 14 , Line 22
5	Total LPG Gas Operating Labor	TLABPO	Page 19 , Line 5
6	Tot LPG Gas Maintenence Labor	TLABPM	Page 19 , Line 11
7	Total LNG Gas Operating Labor	TLABLO	Page 19 , Line 19
8	Tot LNG Gas Maintenence Labor	TLABLM	Page 19 , Line 23
9	Total Transm & Distr Operating Labor	TLABDO	Page 20 , Line 10
10	Total Transm & Distr Maintenance Labor	TLABDM	Page 20 , Line 19
11	Total Customer Accounts Labor	TLABCA	Page 21 , Line 4
12	Total Sales Expense Labor	TLABSA	Page 21 , Line 9
13	Total General Plant	GENPLT	Pg 4 , Ln 3 & 17
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	See Allocator Descriptions
15	Sales Expense Accounts 912 to 913	EXP9123	Pg 12 , Ln 28 & 32
16	Acct 367 Mains and Acct 380 Services	PLT36780	Pg 3 , Ln 11 & 14
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	Pg 3 , Line 15, 16 & 17
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	Pg 3 , Line 14, 15, 16 & 17
19	Transm & Distr Oper Accts 851 to 879	EXP8519	Pg 11 , Line 2 to 7
20	Total Customer Deposits	TOTCDEP	Page 7 , Line 23
21	Acct 386 Other Property on Cust's Prem	PLT386	Page 3 , Line 21
22	Total Transmission & Distribution Plant	DISTRPLT	Page 3 , Line 23 & 25
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	Pg 12 , Line 9 to 19
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	Page 12 , Line 22 & 23
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	Page 3 , Line 4
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	Page 3 , Line 5
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	Page 3 , Line 6
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	Page 3 , Line 7
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	Page 3 , Line 8
30	Acct 367-Gas Mains - Plastic	PLT367P	Page 3 , Line 9
31	Acct 391-Office Equipment	PLT391OE	Page 4 , Line 4
32	Acct 391-Office IT Equipment	PLT391IT	Page 4 , Line 5
33	Acct 397-Comm Equip Metscan	PLT397M	Page 4 , Line 13
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	Page 4 , Line 14
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	Page 2 , Line 6 & 7
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	Page 2 , Line 10 & 11
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	Page 2 , Line 15 & 16
38	Total Gas Operation & Maintenance Labor	OMLAB	Page 22 , Line 15
39	Inflation Adjustment Residual O&M	OTHOMINF	See Allocator Descriptions

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-31	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Supply Expense	GASCOSTS	324,558,618	219,829,907	5,529,189	2,336	21,089,132	34,520,005	15,349,723
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	6,522,561	0	0	0	0	0	0
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4									
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8									
9									
10									
11	**NiSource Service Charges Allocators**								
12	Basis 1 - 50% Gross Plant	BASIS1P	754,551,098	13,395,569	105,218	0	1,637,374	2,428,692	953,430
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	73,838,274	7,726,696	458,732	1	986,739	592,161	169,594
14	Basis 10 - Number of Annual Customers	BASIS10	3,358,808	2,635,699	396,597	143	198,495	55,963	7,406
15	Basis 11 - Labor	BASIS11	28,074,804	753,249	8,693	0	91,181	129,966	50,756
16	Basis 2 - Gross Plant	BASIS2	754,551,098	13,395,569	105,218	0	1,637,374	2,428,692	953,430
17	Basis 20 - Total Direct Billed	BASIS20	4,524,370	238,589	11,462	0	26,090	20,457	7,118
18	Basis 7 - 50% Deprec Plant	BASIS7P	718,484,245	12,245,857	92,866	0	1,497,906	2,228,142	875,016
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	398,396,892	227,556,602	5,987,921	2,337	22,075,871	35,112,165	15,519,317
20	Basis 9 - Labor	BASIS9	28,074,804	753,249	8,693	0	91,181	129,966	50,756
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	20,141,561	956,932	45,007	1	110,051	89,834	31,218
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23									
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25									
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS INTERNALLY DEVELOPED CONT-31	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Supply Expense	GASCOSTS	3,916,584	3,840,213	11,915,793	5,793,209	2,772,528
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	0	0	0	0	0
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11	**NiSource Service Charges Allocators**						
12	Basis 1 - 50% Gross Plant	BASIS1P	223,889	82,374	227,736	66,911	84,641
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	34,271	153,427	122,290	20,955	14,408
14	Basis 10 - Number of Annual Customers	BASIS10	181	39,595	20,955	2,979	795
15	Basis 11 - Labor	BASIS11	11,905	5,244	12,700	3,696	4,551
16	Basis 2 - Gross Plant	BASIS2	223,889	82,374	227,736	66,911	84,641
17	Basis 20 - Total Direct Billed	BASIS20	1,623	3,581	3,688	962	786
18	Basis 7 - 50% Deprec Plant	BASIS7P	205,492	74,571	208,317	61,248	77,626
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	3,950,855	3,993,640	12,038,083	5,814,164	2,786,936
20	Basis 9 - Labor	BASIS9	11,905	5,244	12,700	3,696	4,551
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	7,079	15,084	16,563	4,470	3,375
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PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-31	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Supply Expense	GASCOSTS	Page 10 , Line 7
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	Pg 12 , Line 3 to 5
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11	**NiSource Service Charges Allocators**		
12	Basis 1 - 50% Gross Plant	BASIS1P	Page 4 , Line 18
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	See Allocator Descriptions
14	Basis 10 - Number of Annual Customers	BASIS10	Page 26 , Line 31
15	Basis 11 - Labor	BASIS11	Page 22 , Line 21
16	Basis 2 - Gross Plant	BASIS2	Page 4 , Line 18
17	Basis 20 - Total Direct Billed	BASIS20	Page 13 , Line 28
18	Basis 7 - 50% Deprec Plant	BASIS7P	See Allocator Descriptions
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	See Allocator Descriptions
20	Basis 9 - Labor	BASIS9	Page 22 , Line 21
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	Page 13 , Ln 6 to 17 & 28
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-32

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	REVENUES FROM GAS SALES								
1	Revenues Firm Sales of Gas		478,651,282	323,429,755	10,830,018	2,726	31,946,429	46,870,369	22,321,850
2	Annual Base Revenues - Sales Actual		122,553,551	90,306,804	5,317,329	479	9,322,851	8,796,996	2,913,844
3	Annual Base Rev - Trans Actual		17,846,899	23,420	1,127	0	646,079	3,200,449	4,286,966
4	GAF Direct Revenues		307,478,651	211,649,336	5,037,827	2,066	20,118,078	31,776,012	13,793,415
5	Production & Storage Revenues		9,129,632	6,662,418	66,089	7	602,472	924,653	396,525
6	GAF Indirect Bad Debt Revenues		7,118,165	4,941,538	109,207	47	438,488	717,301	324,983
7	Weather Normalztn Adj Base Rev-Sales		(2,307,187)	(1,714,352)	0	0	(250,352)	(253,911)	(82,199)
8	Weather Normalztn Adj Base Rev-Trans		(248,396)	(504)	0	0	(19,193)	(94,414)	(127,701)
9	GAF Deferred Direct Gas Revenues		17,079,967	11,561,095	298,440	127	1,088,006	1,803,283	816,017
10	GAF Indirect Revenues		19,129,611	13,280,067	293,486	125	1,178,409	1,927,700	873,371
	REVENUE REQUIREMENT INPUTS								
1	Claimed Rate of Return		9.050%	9.050%	9.050%	9.050%	9.050%	9.050%	9.050%
2	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
3	Annual Booked Therm Throughput		493,498,312	247,783,289	6,396,166	2,728	25,211,236	54,160,592	44,135,406
4	Proposed Sales Revenues		339,368,322	231,098,617	6,083,568	2,349	22,317,201	35,455,301	15,672,529
5	Total Annual Bills		3,395,936	2,666,494	400,515	144	200,206	56,195	7,432

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS INTERNALLY DEVELOPED CONT-32	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	REVENUES FROM GAS SALES						
1	Revenues Firm Sales of Gas		4,903,279	5,775,878	15,241,815	9,011,447	8,317,714
2	Annual Base Revenues - Sales Actual		488,932	1,654,681	2,437,223	913,027	401,385
3	Annual Base Rev - Trans Actual		664,767	254,714	1,207,966	2,393,361	5,168,050
4	GAF Direct Revenues		3,381,173	3,503,816	10,545,356	5,181,132	2,490,440
5	Production & Storage Revenues		92,312	71,008	168,782	91,183	54,183
6	GAF Indirect Bad Debt Revenues		82,200	84,141	242,185	121,626	56,450
7	Weather Normalztn Adj Base Rev-Sales		(6,373)	0	0	0	0
8	Weather Normalztn Adj Base Rev-Trans		(6,584)	0	0	0	0
9	GAF Deferred Direct Gas Revenues		206,853	207,518	640,304	311,118	147,207
10	GAF Indirect Revenues		220,906	226,123	650,856	326,863	151,705
	REVENUE REQUIREMENT INPUTS						
1	Claimed Rate of Return		9.050%	9.050%	9.050%	9.050%	9.050%
2	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
3	Annual Booked Therm Throughput		9,468,031	5,243,986	21,369,383	25,505,268	54,222,227
4	Proposed Sales Revenues		3,990,050	4,012,209	12,089,481	5,838,324	2,808,693
5	Total Annual Bills		181	39,908	21,073	2,989	799

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS RATIO TABLE-33	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	CAPACITY RELATED								
1	PRODUCTION ALLOCATORS								
2	Design Day Remaining Demands - Sales		1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
3	LPG Production Allocator - Prod Function		1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
4	LNG Production Allocator - Prod Function		1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
5	LPG & LNG Prod Alloc - Distr Function		0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
6	LPG & LNG Distr Pressure Support %		28.6%						
7									
8									
9	PROD-PRESSURE SUPP ALLOC								
10	LPG Prod & Presure Support Alloc	DEMLPG	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
11	LNG Prod & Presure Support Alloc	DEMLNG	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
12									
13	GAS COST ALLOCATORS								
14	Base Demand Gas Costs	DBASE	1.00000	0.61433	0.04784	0.00003	0.02681	0.05699	0.03264
15	Remaining Demand Gas Costs	DREMAIN	1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
16									
17									
18									
	DISTRIBUTION ALLOCATORS								
1	Distribution Allocator	DISTR	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2									
3	Pension & PBOP Expense Allocator	PENSION	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS RATIO TABLE-33	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CAPACITY RELATED						
1	PRODUCTION ALLOCATORS						
2	Design Day Remaining Demands - Sales		0.01174	0.00420	0.01186	0.00349	0.00443
3	LPG Production Allocator - Prod Function		0.01174	0.00420	0.01186	0.00349	0.00443
4	LNG Production Allocator - Prod Function		0.01174	0.00420	0.01186	0.00349	0.00443
5	LPG & LNG Prod Alloc - Distr Function		0.00000	0.00000	0.00000	0.00000	0.00000
6	LPG & LNG Distr Pressure Support %						
7							
8							
9	PROD-PRESSURE SUPP ALLOC						
10	LPG Prod & Presure Support Alloc	DEMLPG	0.00838	0.00300	0.00847	0.00249	0.00316
11	LNG Prod & Presure Support Alloc	DEMLNG	0.00838	0.00300	0.00847	0.00249	0.00316
12							
13	GAS COST ALLOCATORS						
14	Base Demand Gas Costs	DBASE	0.01953	0.03106	0.10155	0.05452	0.01469
15	Remaining Demand Gas Costs	DREMAIN	0.01174	0.00420	0.01186	0.00349	0.00443
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18							
	DISTRIBUTION ALLOCATORS						
1	Distribution Allocator	DISTR	0.00000	0.00000	0.00000	0.00000	0.00000
2							
3	Pension & PBOP Expense Allocator	PENSION	0.00000	0.00000	0.00000	0.00000	0.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

RATIO TABLE CONT-34

COMMODITY RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Base Commodity Gas Costs	EBASE	1.00000	0.61477	0.04788	0.00003	0.02673	0.05719	0.03260
2	Remaining Commodity Gas Costs	EREMAIN	1.00000	0.70111	0.00589	0.00000	0.07750	0.12371	0.05333
3									
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7	Annual Therm Firm Sales Sendout		1.00000	0.67688	0.01747	0.00001	0.06370	0.10558	0.04778
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

RATIO TABLE CONT-34

COMMODITY RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Base Commodity Gas Costs	EBASE	0.01953	0.03104	0.10163	0.05395	0.01467
2	Remaining Commodity Gas Costs	EREMAIN	0.00876	0.00493	0.01317	0.00487	0.00674
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7	Annual Therm Firm Sales Sendout		0.01211	0.01215	0.03749	0.01822	0.00862
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

RATIO TABLE CONT-35

CUSTOMER RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 380 Gas Services	CUST380	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 381 Gas Meters	CUST381	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
3	Acct 382 Meter Installations	CUST382	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
4	Acct 383 Gas Regulators	CUST383	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
5	Customer Deposits	CUSTDEP	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
6	Transportation Customers	CUSTTR	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
7	Acct 386.0 Gas Water Heaters	CUST3860	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9	Acct 386.3 Conversion Burners	CUST3863	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
10	Acct 487-Return Check Charges	CUST487	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
12	Acct 882-Revenue Guardian Care & C/S	CUST882	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
13	Acct 902 Meter Reading Expense	CUST902	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
14	Acct 903-Cust Records & Collection Exp	CUST903	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
15	Acct 912-Demonstrating & Selling Exp	CUST912	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
16	Acct 913-Advertising Expense	CUST913	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
17	Acct 879-Customer Installations Exp	CUST879	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
18	Acct 903 Collections Expense	CUST903C	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

RATIO TABLE CONT-35

CUSTOMER RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 380 Gas Services	CUST380	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 381 Gas Meters	CUST381	0.00000	0.00000	0.00000	0.00000	0.00000
3	Acct 382 Meter Installations	CUST382	0.00000	0.00000	0.00000	0.00000	0.00000
4	Acct 383 Gas Regulators	CUST383	0.00000	0.00000	0.00000	0.00000	0.00000
5	Customer Deposits	CUSTDEP	0.00000	0.00000	0.00000	0.00000	0.00000
6	Transportation Customers	CUSTTR	0.00000	0.00000	0.00000	0.00000	0.00000
7	Acct 386.0 Gas Water Heaters	CUST3860	0.00000	0.00000	0.00000	0.00000	0.00000
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	0.00000	0.00000	0.00000	0.00000	0.00000
9	Acct 386.3 Conversion Burners	CUST3863	0.00000	0.00000	0.00000	0.00000	0.00000
10	Acct 487-Return Check Charges	CUST487	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	0.00000	0.00000	0.00000	0.00000	0.00000
12	Acct 882-Revenue Guardian Care & C/S	CUST882	0.00000	0.00000	0.00000	0.00000	0.00000
13	Acct 902 Meter Reading Expense	CUST902	0.00000	0.00000	0.00000	0.00000	0.00000
14	Acct 903-Cust Records & Collection Exp	CUST903	0.00000	0.00000	0.00000	0.00000	0.00000
15	Acct 912-Demonstrating & Selling Exp	CUST912	0.00000	0.00000	0.00000	0.00000	0.00000
16	Acct 913-Advertising Expense	CUST913	0.00000	0.00000	0.00000	0.00000	0.00000
17	Acct 879-Customer Installations Exp	CUST879	0.00000	0.00000	0.00000	0.00000	0.00000
18	Acct 903 Collections Expense	CUST903C	0.00000	0.00000	0.00000	0.00000	0.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	UNCOLLECTIBLE ACCOUNTS								
1	Residential Heating Rate R-3 & R-4	C904R3	0.69694	0.69694	0.00000	0.00000	0.00000	0.00000	0.00000
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0.35913	0.00000	0.35913	0.00000	0.00000	0.00000	0.00000
3	Outdoor Lighting	C904OL	0.87204	0.00000	0.00000	0.87204	0.00000	0.00000	0.00000
4	High Winter Low Annual Rate G40 & T40	C904R40	0.66380	0.00000	0.00000	0.00000	0.66380	0.00000	0.00000
5	High Winter Med Annual Rate G41 & T41	C904R41	0.73390	0.00000	0.00000	0.00000	0.00000	0.73390	0.00000
6	High Winter High Annual Rate G42 & T42	C904R42	0.65507	0.00000	0.00000	0.00000	0.00000	0.00000	0.65507
7	High Wint Large Annual Rate G43 & T43	C904R43	0.73265	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8	Low Winter Low Annual Rate G50 & T50	C904R50	0.63092	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9	Low Winter Med Annual Rate G51 & T51	C904T51	0.74220	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
10	Low Winter High Annual Rate G52 & T52	C904R52	0.62193	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Low Wint Large Annual Rate G53 & T53	C904R53	0.32661	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
12									
13	LATE PAYMENT CHARGES								
14									
15	High Winter Low Annual Rate G40 & T40	C487R40	0.66380	0.00000	0.00000	0.00000	0.66380	0.00000	0.00000
16	High Winter Med Annual Rate G41 & T41	C487R41	0.73390	0.00000	0.00000	0.00000	0.00000	0.73390	0.00000
17	High Winter High Annual Rate G42 & T42	C487R42	0.65507	0.00000	0.00000	0.00000	0.00000	0.00000	0.65507
18	High Wint Large Annual Rate G43 & T43	C487R43	0.73265	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
19	Low Winter Low Annual Rate G50 & T50	C487R50	0.63092	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	Low Winter Med Annual Rate G51 & T51	C487T51	0.74220	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	Low Winter High Annual Rate G52 & T52	C487R52	0.62193	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	Low Wint Large Annual Rate G53 & T53	C487R53	0.32661	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	UNCOLLECTIBLE ACCOUNTS						
1	Residential Heating Rate R-3 & R-4	C904R3	0.00000	0.00000	0.00000	0.00000	0.00000
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0.00000	0.00000	0.00000	0.00000	0.00000
3	Outdoor Lighting	C904OL	0.00000	0.00000	0.00000	0.00000	0.00000
4	High Winter Low Annual Rate G40 & T40	C904R40	0.00000	0.00000	0.00000	0.00000	0.00000
5	High Winter Med Annual Rate G41 & T41	C904R41	0.00000	0.00000	0.00000	0.00000	0.00000
6	High Winter High Annual Rate G42 & T42	C904R42	0.00000	0.00000	0.00000	0.00000	0.00000
7	High Wint Large Annual Rate G43 & T43	C904R43	0.73265	0.00000	0.00000	0.00000	0.00000
8	Low Winter Low Annual Rate G50 & T50	C904R50	0.00000	0.63092	0.00000	0.00000	0.00000
9	Low Winter Med Annual Rate G51 & T51	C904T51	0.00000	0.00000	0.74220	0.00000	0.00000
10	Low Winter High Annual Rate G52 & T52	C904R52	0.00000	0.00000	0.00000	0.62193	0.00000
11	Low Wint Large Annual Rate G53 & T53	C904R53	0.00000	0.00000	0.00000	0.00000	0.32661
12							
13	LATE PAYMENT CHARGES						
14							
15	High Winter Low Annual Rate G40 & T40	C487R40	0.00000	0.00000	0.00000	0.00000	0.00000
16	High Winter Med Annual Rate G41 & T41	C487R41	0.00000	0.00000	0.00000	0.00000	0.00000
17	High Winter High Annual Rate G42 & T42	C487R42	0.00000	0.00000	0.00000	0.00000	0.00000
18	High Wint Large Annual Rate G43 & T43	C487R43	0.73265	0.00000	0.00000	0.00000	0.00000
19	Low Winter Low Annual Rate G50 & T50	C487R50	0.00000	0.63092	0.00000	0.00000	0.00000
20	Low Winter Med Annual Rate G51 & T51	C487T51	0.00000	0.00000	0.74220	0.00000	0.00000
21	Low Winter High Annual Rate G52 & T52	C487R52	0.00000	0.00000	0.00000	0.62193	0.00000
22	Low Wint Large Annual Rate G53 & T53	C487R53	0.00000	0.00000	0.00000	0.00000	0.32661
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PRODUCTION COMPONENTS

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	TOTAL COMPANY INPUT
	UNCOLLECTIBLE ACCOUNTS		
1	Residential Heating Rate R-3 & R-4	C904R3	Page 23 , Line 10, Col 2
2	Residential Non-Heating Rate R-1 & R-2	C904R1	Page 23 , Line 10, Col 3
3	Outdoor Lighting	C904OL	Page 23 , Line 10, Col 4
4	High Winter Low Annual Rate G40 & T40	C904R40	Page 23 , Line 10, Col 5
5	High Winter Med Annual Rate G41 & T41	C904R41	Page 23 , Line 10, Col 6
6	High Winter High Annual Rate G42 & T42	C904R42	Page 23 , Line 10, Col 7
7	High Wint Large Annual Rate G43 & T43	C904R43	Page 23 , Line 10, Col 8
8	Low Winter Low Annual Rate G50 & T50	C904R50	Page 23 , Line 10, Col 9
9	Low Winter Med Annual Rate G51 & T51	C904T51	Page 23 , Line 10, Col 10
10	Low Winter High Annual Rate G52 & T52	C904R52	Page 23 , Line 10, Col 11
11	Low Wint Large Annual Rate G53 & T53	C904R53	Page 23 , Line 10, Col 12
12			
13	LATE PAYMENT CHARGES		
14			
15	High Winter Low Annual Rate G40 & T40	C487R40	Page 23 , Line 10, Col 5
16	High Winter Med Annual Rate G41 & T41	C487R41	Page 23 , Line 10, Col 6
17	High Winter High Annual Rate G42 & T42	C487R42	Page 23 , Line 10, Col 7
18	High Wint Large Annual Rate G43 & T43	C487R43	Page 23 , Line 10, Col 8
19	Low Winter Low Annual Rate G50 & T50	C487R50	Page 23 , Line 10, Col 9
20	Low Winter Med Annual Rate G51 & T51	C487T51	Page 23 , Line 10, Col 10
21	Low Winter High Annual Rate G52 & T52	C487R52	Page 23 , Line 10, Col 11
22	Low Wint Large Annual Rate G53 & T53	C487R53	Page 23 , Line 10, Col 12
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED-37

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Plant In Service	PLANT	0.02545	0.01775	0.00014	0.00000	0.00217	0.00322	0.00126
2	Sum of Allocated Labor Expense	LABOR	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
3	Acct 301 Organization	PLT301	0.02545	0.01775	0.00014	0.00000	0.00217	0.00322	0.00126
4	Acct 303 Misc. Intangible Plant	PLT303	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
5	Acct 305 Structures & Improvements	PLT305	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
6	Acct 311 L.P. Gas Equipment	PLT311	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
7	Acct 320 Other Equipment	PLT320	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
8	Acct 321 L.N.G. Equipment	PLT321	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
9	Acct 365 Right of Way	PLT365	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
10	Acct 366 Structures & Improvements	PLT366	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 367 Gas Mains	PLT367	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
12	Acct 368 Compressor Station Equipment	PLT368	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
13	Acct 369 Meas. & Reg. Station Equip	PLT369	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
14	Acct 380 Gas Services	PLT380	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
15	Acct 381 Gas Meters	PLT381	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
16	Acct 382 Meter Installations	PLT382	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
17	Acct 383 Gas Regulators	PLT383	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
18	Acct 386 Gas Water Heaters	PLT3860	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
19	Acct 386 Cascade Diamond Boilers	PLT3862	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	Acct 386 Conversion Burners	PLT3863	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	Acct 387 Other Equipment	PLT387	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	Acct 379 Other Equipment	PLT379	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
23	Acct 390 Structures & Improvements	PLT390	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
24	Acct 391 Office Equipment	PLT391	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
25	Acct 392 Transportation Equipment	PLT392	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
26	Acct 393 Stores Equipment	PLT393	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
27	Acct 394 Tools, Shop & Garage Equip	PLT394	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
28	Acct 396 Power Operated Equipment	PLT396	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
29	Acct 397 Communication Equip-Other	PLT397O	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
30	Acct 398 Miscellaneous Equipment	PLT398	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
32	Acct 717-LPG Gas Expenses	EXP717	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
33	Acct 719-Handling Expense	EXP719	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
34	Acct 735-Miscellaneous Production Exp	EXP735	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
36	Acct 741-Maintenance of Struct & Improv	EXP741	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
37	Acct 742-Maintenance of Production Eq	EXP742	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
39	Acct 754-Liquefaction Expense	EXP754	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
40	Acct 757-Vaporization Expense	EXP757	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED-37	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Plant In Service	PLANT	0.00030	0.00011	0.00030	0.00009	0.00011
2	Sum of Allocated Labor Expense	LABOR	0.00042	0.00019	0.00045	0.00013	0.00016
3	Acct 301 Organization	PLT301	0.00030	0.00011	0.00030	0.00009	0.00011
4	Acct 303 Misc. Intangible Plant	PLT303	0.00042	0.00019	0.00045	0.00013	0.00016
5	Acct 305 Structures & Improvements	PLT305	0.00838	0.00300	0.00847	0.00249	0.00316
6	Acct 311 L.P. Gas Equipment	PLT311	0.00838	0.00300	0.00847	0.00249	0.00316
7	Acct 320 Other Equipment	PLT320	0.00838	0.00300	0.00847	0.00249	0.00316
8	Acct 321 L.N.G. Equipment	PLT321	0.00838	0.00300	0.00847	0.00249	0.00316
9	Acct 365 Right of Way	PLT365	0.00000	0.00000	0.00000	0.00000	0.00000
10	Acct 366 Structures & Improvements	PLT366	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 367 Gas Mains	PLT367	0.00000	0.00000	0.00000	0.00000	0.00000
12	Acct 368 Compressor Station Equipment	PLT368	0.00000	0.00000	0.00000	0.00000	0.00000
13	Acct 369 Meas. & Reg. Station Equip	PLT369	0.00000	0.00000	0.00000	0.00000	0.00000
14	Acct 380 Gas Services	PLT380	0.00000	0.00000	0.00000	0.00000	0.00000
15	Acct 381 Gas Meters	PLT381	0.00000	0.00000	0.00000	0.00000	0.00000
16	Acct 382 Meter Installations	PLT382	0.00000	0.00000	0.00000	0.00000	0.00000
17	Acct 383 Gas Regulators	PLT383	0.00000	0.00000	0.00000	0.00000	0.00000
18	Acct 386 Gas Water Heaters	PLT3860	0.00000	0.00000	0.00000	0.00000	0.00000
19	Acct 386 Cascade Diamond Boilers	PLT3862	0.00000	0.00000	0.00000	0.00000	0.00000
20	Acct 386 Conversion Burners	PLT3863	0.00000	0.00000	0.00000	0.00000	0.00000
21	Acct 387 Other Equipment	PLT387	0.00000	0.00000	0.00000	0.00000	0.00000
22	Acct 379 Other Equipment	PLT379	0.00000	0.00000	0.00000	0.00000	0.00000
23	Acct 390 Structures & Improvements	PLT390	0.00042	0.00019	0.00045	0.00013	0.00016
24	Acct 391 Office Equipment	PLT391	0.00042	0.00019	0.00045	0.00013	0.00016
25	Acct 392 Transportation Equipment	PLT392	0.00042	0.00019	0.00045	0.00013	0.00016
26	Acct 393 Stores Equipment	PLT393	0.00042	0.00019	0.00045	0.00013	0.00016
27	Acct 394 Tools, Shop & Garage Equip	PLT394	0.00042	0.00019	0.00045	0.00013	0.00016
28	Acct 396 Power Operated Equipment	PLT396	0.00042	0.00019	0.00045	0.00013	0.00016
29	Acct 397 Communication Equip-Other	PLT397O	0.00042	0.00019	0.00045	0.00013	0.00016
30	Acct 398 Miscellaneous Equipment	PLT398	0.00042	0.00019	0.00045	0.00013	0.00016
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	0.00838	0.00300	0.00847	0.00249	0.00316
32	Acct 717-LPG Gas Expenses	EXP717	0.00838	0.00300	0.00847	0.00249	0.00316
33	Acct 719-Handling Expense	EXP719	0.00838	0.00300	0.00847	0.00249	0.00316
34	Acct 735-Miscellaneous Production Exp	EXP735	0.00838	0.00300	0.00847	0.00249	0.00316
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	0.00838	0.00300	0.00847	0.00249	0.00316
36	Acct 741-Maintenance of Struct & Improv	EXP741	0.00838	0.00300	0.00847	0.00249	0.00316
37	Acct 742-Maintenance of Production Eq	EXP742	0.00838	0.00300	0.00847	0.00249	0.00316
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	0.00838	0.00300	0.00847	0.00249	0.00316
39	Acct 754-Liquefaction Expense	EXP754	0.00838	0.00300	0.00847	0.00249	0.00316
40	Acct 757-Vaporization Expense	EXP757	0.00838	0.00300	0.00847	0.00249	0.00316

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PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED-37	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Plant In Service	PLANT	Page 4 , Line 18
2	Sum of Allocated Labor Expense	LABOR	Page 22 , Line 21
3	Acct 301 Organization	PLT301	Page 2 , Line 3
4	Acct 303 Misc. Intangible Plant	PLT303	Page 2 , Line 4
5	Acct 305 Structures & Improvements	PLT305	Page 2 , Line 13
6	Acct 311 L.P. Gas Equipment	PLT311	Page 2 , Line 14
7	Acct 320 Other Equipment	PLT320	Page 2 , Line 18
8	Acct 321 L.N.G. Equipment	PLT321	Page 2 , Line 19
9	Acct 365 Right of Way	PLT365	Page 3 , Line 2
10	Acct 366 Structures & Improvements	PLT366	Page 3 , Line 3
11	Acct 367 Gas Mains	PLT367	Page 3 , Line 11
12	Acct 368 Compressor Station Equipment	PLT368	Page 3 , Line 12
13	Acct 369 Meas. & Reg. Station Equip	PLT369	Page 3 , Line 13
14	Acct 380 Gas Services	PLT380	Page 3 , Line 14
15	Acct 381 Gas Meters	PLT381	Page 3 , Line 15
16	Acct 382 Meter Installations	PLT382	Page 3 , Line 16
17	Acct 383 Gas Regulators	PLT383	Page 3 , Line 17
18	Acct 386 Gas Water Heaters	PLT3860	Page 3 , Line 18
19	Acct 386 Cascade Diamond Boilers	PLT3862	Page 3 , Line 19
20	Acct 386 Conversion Burners	PLT3863	Page 3 , Line 20
21	Acct 387 Other Equipment	PLT387	Page 3 , Line 22
22	Acct 379 Other Equipment	PLT379	Page 3 , Line 24
23	Acct 390 Structures & Improvements	PLT390	Page 4 , Line 2
24	Acct 391 Office Equipment	PLT391	Page 4 , Line 6
25	Acct 392 Transportation Equipment	PLT392	Page 4 , Line 7
26	Acct 393 Stores Equipment	PLT393	Page 4 , Line 8
27	Acct 394 Tools, Shop & Garage Equip	PLT394	Page 4 , Line 9
28	Acct 396 Power Operated Equipment	PLT396	Page 4 , Line 10
29	Acct 397 Communication Equip-Other	PLT397O	Page 4 , Line 11 & 12
30	Acct 398 Miscellaneous Equipment	PLT398	Page 4 , Line 16
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	Pg 19, Ln 2 to 4
32	Acct 717-LPG Gas Expenses	EXP717	Page 9 , Line 2
33	Acct 719-Handling Expense	EXP719	Page 9 , Line 3
34	Acct 735-Miscellaneous Production Exp	EXP735	Page 9 , Line 6
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	Pg 19, Ln 9 to 10
36	Acct 741-Maintenance of Struct & Improv	EXP741	Page 9 , Line 9
37	Acct 742-Maintenance of Production Eq	EXP742	Page 9 , Line 10
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	Pg 19, Ln 14 to 18
39	Acct 754-Liquefaction Expense	EXP754	Page 9 , Line 14
40	Acct 757-Vaporization Expense	EXP757	Page 9 , Line 15

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-38

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 759-Handling Expense	EXP759	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
2	Acct 775-Miscellaneous Production Exp	EXP775	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
3	Acct 777-Lease Expense	EXP777	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
5	Acct 781-Maintenance of Struct & Improv	EXP781	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
6	Acct 782-Maintenance of Production Eq	EXP782	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
7	Total Intangible Plant	INTPLT	0.03793	0.02665	0.00031	0.00000	0.00323	0.00460	0.00180
8	Total Production Plant	PRODPLT	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
10	Acct 851-Sys Control & Load Dispatch	EXP851	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 852-Communication System Exp	EXP852	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
12	Acct 857-Measuring & Regul Stat Exp	EXP857	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
13	Acct 874-Mains and Services Exp	EXP874	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
14	Acct 878-Meter & House Regulator Exp	EXP878	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
15	Acct 879-Customer Installations Exp	EXP879	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
16	Acct 880-Other Expenses	EXP880	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
17	Acct 881-Rents	EXP881	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
19	Acct 886-Maintenance of Struct & Improv	EXP886	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	Acct 887-Maintenance of Mains	EXP887	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	Acct 888-Maint of Compressor Station Eq	EXP888	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
23	Acct 892-Maintenance of Services	EXP892	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
24	Acct 893-Mnt of Meters and House Regul	EXP893	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
25	Acct 894-Maintenance of Other Equip	EXP894	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
26	Customer Accts Labor Accts 902 to 903	LABCA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
27	Acct 902-Meter Reading Expenses	EXP902	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
28	Acct 903-Cust Records & Collection Exp	EXP903	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
29	Sales Expenses Labor Accts 912 to 916	LABSA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30	Acct 912-Demonstrating & Selling Exp	EXP912	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
31	Acct 913-Advertising Exp	EXP913	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
32	Acct 916-Miscellaneous Sales Exp	EXP916	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
33	Acct 920-Administrative & General Sal	EXP920	0.08419	0.06406	0.00315	0.00000	0.00698	0.00532	0.00184
34	Acct 921-Office Supplies & Expenses	EXP921	0.08419	0.06406	0.00315	0.00000	0.00698	0.00532	0.00184
35	Acct 922-Administrative Exp Transf-Cr	EXP922	0.08419	0.06406	0.00315	0.00000	0.00698	0.00532	0.00184
36	Acct 923-Outside Services Employed	EXP923	0.11621	0.08263	0.00299	0.00000	0.00873	0.01035	0.00422
37	Acct 924-Property Insurance	EXP924	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
38	Acct 925-Injuries & Damages	EXP925	0.08419	0.06406	0.00315	0.00000	0.00698	0.00532	0.00184
39	Acct 926-Employees Pensions & Benef	EXP926	0.02522	0.01772	0.00020	0.00000	0.00215	0.00306	0.00119
40	Acct 928-Regulatory Commission Exp	EXP928	0.08419	0.06406	0.00315	0.00000	0.00698	0.00532	0.00184

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-38

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 759-Handling Expense	EXP759	0.00838	0.00300	0.00847	0.00249	0.00316
2	Acct 775-Miscellaneous Production Exp	EXP775	0.00838	0.00300	0.00847	0.00249	0.00316
3	Acct 777-Lease Expense	EXP777	0.00838	0.00300	0.00847	0.00249	0.00316
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	0.00838	0.00300	0.00847	0.00249	0.00316
5	Acct 781-Maintenance of Struct & Improv	EXP781	0.00838	0.00300	0.00847	0.00249	0.00316
6	Acct 782-Maintenance of Production Eq	EXP782	0.00838	0.00300	0.00847	0.00249	0.00316
7	Total Intangible Plant	INTPLT	0.00042	0.00019	0.00045	0.00013	0.00016
8	Total Production Plant	PRODPLT	0.00838	0.00300	0.00847	0.00249	0.00316
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	0.00000	0.00000	0.00000	0.00000	0.00000
10	Acct 851-Sys Control & Load Dispatch	EXP851	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 852-Communication System Exp	EXP852	0.00000	0.00000	0.00000	0.00000	0.00000
12	Acct 857-Measuring & Regul Stat Exp	EXP857	0.00000	0.00000	0.00000	0.00000	0.00000
13	Acct 874-Mains and Services Exp	EXP874	0.00000	0.00000	0.00000	0.00000	0.00000
14	Acct 878-Meter & House Regulator Exp	EXP878	0.00000	0.00000	0.00000	0.00000	0.00000
15	Acct 879-Customer Installations Exp	EXP879	0.00000	0.00000	0.00000	0.00000	0.00000
16	Acct 880-Other Expenses	EXP880	0.00000	0.00000	0.00000	0.00000	0.00000
17	Acct 881-Rents	EXP881	0.00000	0.00000	0.00000	0.00000	0.00000
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	0.00000	0.00000	0.00000	0.00000	0.00000
19	Acct 886-Maintenance of Struct & Improv	EXP886	0.00000	0.00000	0.00000	0.00000	0.00000
20	Acct 887-Maintenance of Mains	EXP887	0.00000	0.00000	0.00000	0.00000	0.00000
21	Acct 888-Maint of Compressor Station Eq	EXP888	0.00000	0.00000	0.00000	0.00000	0.00000
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	0.00000	0.00000	0.00000	0.00000	0.00000
23	Acct 892-Maintenance of Services	EXP892	0.00000	0.00000	0.00000	0.00000	0.00000
24	Acct 893-Mnt of Meters and House Regul	EXP893	0.00000	0.00000	0.00000	0.00000	0.00000
25	Acct 894-Maintenance of Other Equip	EXP894	0.00000	0.00000	0.00000	0.00000	0.00000
26	Customer Accts Labor Accts 902 to 903	LABCA	0.00000	0.00000	0.00000	0.00000	0.00000
27	Acct 902-Meter Reading Expenses	EXP902	0.00000	0.00000	0.00000	0.00000	0.00000
28	Acct 903-Cust Records & Collection Exp	EXP903	0.00000	0.00000	0.00000	0.00000	0.00000
29	Sales Expenses Labor Accts 912 to 916	LABSA	0.00000	0.00000	0.00000	0.00000	0.00000
30	Acct 912-Demonstrating & Selling Exp	EXP912	0.00000	0.00000	0.00000	0.00000	0.00000
31	Acct 913-Advertising Exp	EXP913	0.00000	0.00000	0.00000	0.00000	0.00000
32	Acct 916-Miscellaneous Sales Exp	EXP916	0.00000	0.00000	0.00000	0.00000	0.00000
33	Acct 920-Administrative & General Sal	EXP920	0.00042	0.00098	0.00099	0.00026	0.00021
34	Acct 921-Office Supplies & Expenses	EXP921	0.00042	0.00098	0.00099	0.00026	0.00021
35	Acct 922-Administrative Exp Transf-Cr	EXP922	0.00042	0.00098	0.00099	0.00026	0.00021
36	Acct 923-Outside Services Employed	EXP923	0.00104	0.00137	0.00294	0.00127	0.00066
37	Acct 924-Property Insurance	EXP924	0.00000	0.00000	0.00000	0.00000	0.00000
38	Acct 925-Injuries & Damages	EXP925	0.00042	0.00098	0.00099	0.00026	0.00021
39	Acct 926-Employees Pensions & Benef	EXP926	0.00028	0.00012	0.00030	0.00009	0.00011
40	Acct 928-Regulatory Commission Exp	EXP928	0.00042	0.00098	0.00099	0.00026	0.00021

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PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-38	ALLOC	TOTAL COMPANY INPUT
1	Acct 759-Handling Expense	EXP759	Page 9 , Line 17
2	Acct 775-Miscellaneous Production Exp	EXP775	Page 9 , Line 20
3	Acct 777-Lease Expense	EXP777	Page 9 , Line 21
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	Pg 19, Ln 21 to 22
5	Acct 781-Maintenance of Struct & Improv	EXP781	Page 9 , Line 24
6	Acct 782-Maintenance of Production Eq	EXP782	Page 9 , Line 25
7	Total Intangible Plant	INTPLT	Page 2 , Line 5
8	Total Production Plant	PRODPLT	Page 2 , Line 20
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	Pg 20, Ln 2 to 9
10	Acct 851-Sys Control & Load Dispatch	EXP851	Page 11 , Line 2
11	Acct 852-Communication System Exp	EXP852	Page 11 , Line 3
12	Acct 857-Measuring & Regul Stat Exp	EXP857	Page 11 , Line 4
13	Acct 874-Mains and Services Exp	EXP874	Page 11 , Line 5
14	Acct 878-Meter & House Regulator Exp	EXP878	Page 11 , Line 6
15	Acct 879-Customer Installations Exp	EXP879	Page 11 , Line 7
16	Acct 880-Other Expenses	EXP880	Page 11 , Line 8
17	Acct 881-Rents	EXP881	Page 11 , Line 9
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	Pg 20, Ln 12 to 18
19	Acct 886-Maintenance of Struct & Improv	EXP886	Page 11 , Line 12
20	Acct 887-Maintenance of Mains	EXP887	Page 11 , Line 13
21	Acct 888-Maint of Compressor Station Eq	EXP888	Page 11 , Line 14
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	Page 11 , Line 15
23	Acct 892-Maintenance of Services	EXP892	Page 11 , Line 16
24	Acct 893-Mnt of Meters and House Regul	EXP893	Page 11 , Line 17
25	Acct 894-Maintenance of Other Equip	EXP894	Page 11 , Line 18
26	Customer Accts Labor Accts 902 to 903	LABCA	Pg 21, Ln 2 to 3
27	Acct 902-Meter Reading Expenses	EXP902	Page 12 , Line 2
28	Acct 903-Cust Records & Collection Exp	EXP903	Page 12 , Line 8
29	Sales Expenses Labor Accts 912 to 916	LABSA	Pg 21, Ln 6 to 8
30	Acct 912-Demonstrating & Selling Exp	EXP912	Page 12 , Line 28
31	Acct 913-Advertising Exp	EXP913	Page 12 , Line 32
32	Acct 916-Miscellaneous Sales Exp	EXP916	Page 12 , Line 33
33	Acct 920-Administrative & General Sal	EXP920	Page 13 , Line 1
34	Acct 921-Office Supplies & Expenses	EXP921	Page 13 , Line 4
35	Acct 922-Administrative Exp Transf-Cr	EXP922	Page 13 , Line 5
36	Acct 923-Outside Services Employed	EXP923	Page 13 , Line 38
37	Acct 924-Property Insurance	EXP924	Page 13 , Line 39
38	Acct 925-Injuries & Damages	EXP925	Page 13 , Line 43
39	Acct 926-Employees Pensions & Benef	EXP926	Page 14 , Line 4
40	Acct 928-Regulatory Commission Exp	EXP928	Page 14 , Line 7

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-39	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 929-Duplicate Charges-Cr	EXP929	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 930-Miscellaneous General Exp	EXP930	0.08419	0.06406	0.00315	0.00000	0.00698	0.00532	0.00184
3	Acct 931 Rents	EXP931	0.02655	0.02020	0.00099	0.00000	0.00220	0.00168	0.00058
4	Acct 932 Maintenance of General Plant	EXP932	0.03492	0.02454	0.00028	0.00000	0.00297	0.00423	0.00165
5	Total LPG Gas Operating Labor	TLABPO	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
6	Tot LPG Gas Maintenence Labor	TLABPM	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
7	Total LNG Gas Operating Labor	TLABLO	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
8	Tot LNG Gas Maintenence Labor	TLABLM	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
9	Total Transm & Distr Operating Labor	TLABDO	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
10	Total Transm & Distr Maintenance Labor	TLABDM	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Total Customer Accounts Labor	TLABCA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
12	Total Sales Expense Labor	TLABSA	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
13	Total General Plant	GENPLT	0.03492	0.02454	0.00028	0.00000	0.00297	0.00423	0.00165
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	0.08419	0.06406	0.00315	0.00000	0.00698	0.00532	0.00184
15	Sales Expense Accounts 912 to 913	EXP9123	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
16	Acct 367 Mains and Acct 380 Services	PLT36780	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
19	Transm & Distr Oper Accts 851 to 879	EXP8519	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	Total Customer Deposits	TOTCDEP	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	Acct 386 Other Property on Cust's Prem	PLT386	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	Total Transmission & Distribution Plant	DISTRPLT	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	0.65649	0.50627	0.03925	0.00000	0.06632	0.02067	0.00244
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
30	Acct 367-Gas Mains - Plastic	PLT367P	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
31	Acct 391-Office Equipment	PLT391OE	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
32	Acct 391-Office IT Equipment	PLT391IT	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
33	Acct 397-Comm Equip Metscan	PLT397M	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
36	Acct 305 St & Impr LNG & LPG Dir Csts	PLT305L	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	0.71400	0.49744	0.00363	0.00000	0.06089	0.09085	0.03569
38	Total Gas Operation & Maintenance Labor	OMLAB	0.04519	0.03176	0.00037	0.00000	0.00384	0.00548	0.00214
39	Inflation Adjustment Residual O&M	OTHOMINF	0.05096	0.03567	0.00035	0.00000	0.00434	0.00631	0.00247

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-39	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 929-Duplicate Charges-Cr	EXP929	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 930-Miscellaneous General Exp	EXP930	0.00042	0.00098	0.00099	0.00026	0.00021
3	Acct 931 Rents	EXP931	0.00013	0.00031	0.00031	0.00008	0.00006
4	Acct 932 Maintenance of General Plant	EXP932	0.00039	0.00017	0.00041	0.00012	0.00015
5	Total LPG Gas Operating Labor	TLABPO	0.00838	0.00300	0.00847	0.00249	0.00316
6	Tot LPG Gas Maintenence Labor	TLABPM	0.00838	0.00300	0.00847	0.00249	0.00316
7	Total LNG Gas Operating Labor	TLABLO	0.00838	0.00300	0.00847	0.00249	0.00316
8	Tot LNG Gas Maintenence Labor	TLABLM	0.00838	0.00300	0.00847	0.00249	0.00316
9	Total Transm & Distr Operating Labor	TLABDO	0.00000	0.00000	0.00000	0.00000	0.00000
10	Total Transm & Distr Maintenance Labor	TLABDM	0.00000	0.00000	0.00000	0.00000	0.00000
11	Total Customer Accounts Labor	TLABCA	0.00000	0.00000	0.00000	0.00000	0.00000
12	Total Sales Expense Labor	TLABSA	0.00000	0.00000	0.00000	0.00000	0.00000
13	Total General Plant	GENPLT	0.00039	0.00017	0.00041	0.00012	0.00015
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	0.00042	0.00098	0.00099	0.00026	0.00021
15	Sales Expense Accounts 912 to 913	EXP9123	0.00000	0.00000	0.00000	0.00000	0.00000
16	Acct 367 Mains and Acct 380 Services	PLT36780	0.00000	0.00000	0.00000	0.00000	0.00000
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	0.00000	0.00000	0.00000	0.00000	0.00000
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	0.00000	0.00000	0.00000	0.00000	0.00000
19	Transm & Distr Oper Accts 851 to 879	EXP8519	0.00000	0.00000	0.00000	0.00000	0.00000
20	Total Customer Deposits	TOTCDEP	0.00000	0.00000	0.00000	0.00000	0.00000
21	Acct 386 Other Property on Cust's Prem	PLT386	0.00000	0.00000	0.00000	0.00000	0.00000
22	Total Transmission & Distribution Plant	DISTRPLT	0.00000	0.00000	0.00000	0.00000	0.00000
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	0.00007	0.01257	0.00783	0.00093	0.00013
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	0.00000	0.00000	0.00000	0.00000	0.00000
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	0.00000	0.00000	0.00000	0.00000	0.00000
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	0.00000	0.00000	0.00000	0.00000	0.00000
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	0.00000	0.00000	0.00000	0.00000	0.00000
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	0.00000	0.00000	0.00000	0.00000	0.00000
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	0.00000	0.00000	0.00000	0.00000	0.00000
30	Acct 367-Gas Mains - Plastic	PLT367P	0.00000	0.00000	0.00000	0.00000	0.00000
31	Acct 391-Office Equipment	PLT391OE	0.00042	0.00019	0.00045	0.00013	0.00016
32	Acct 391-Office IT Equipment	PLT391IT	0.00042	0.00019	0.00045	0.00013	0.00016
33	Acct 397-Comm Equip Metscan	PLT397M	0.00000	0.00000	0.00000	0.00000	0.00000
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	0.00000	0.00000	0.00000	0.00000	0.00000
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	0.00838	0.00300	0.00847	0.00249	0.00316
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305I	0.00838	0.00300	0.00847	0.00249	0.00316
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	0.00838	0.00300	0.00847	0.00249	0.00316
38	Total Gas Operation & Maintenance Labor	OMLAB	0.00050	0.00022	0.00054	0.00016	0.00019
39	Inflation Adjustment Residual O&M	OTHOMINF	0.00058	0.00023	0.00060	0.00018	0.00022

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PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-39	ALLOC	TOTAL COMPANY INPUT
1	Acct 929-Duplicate Charges-Cr	EXP929	Page 14 , Line 8
2	Acct 930-Miscellaneous General Exp	EXP930	Page 14 , Line 12
3	Acct 931 Rents	EXP931	Page 14 , Line 18
4	Acct 932 Maintenance of General Plant	EXP932	Page 14 , Line 22
5	Total LPG Gas Operating Labor	TLABPO	Page 19 , Line 5
6	Tot LPG Gas Maintenence Labor	TLABPM	Page 19 , Line 11
7	Total LNG Gas Operating Labor	TLABLO	Page 19 , Line 19
8	Tot LNG Gas Maintenence Labor	TLABLM	Page 19 , Line 23
9	Total Transm & Distr Operating Labor	TLABDO	Page 20 , Line 10
10	Total Transm & Distr Maintenance Labor	TLABDM	Page 20 , Line 19
11	Total Customer Accounts Labor	TLABCA	Page 21 , Line 4
12	Total Sales Expense Labor	TLABSA	Page 21 , Line 9
13	Total General Plant	GENPLT	Pg 4 , Ln 3 & 17
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	See Allocator Descriptions
15	Sales Expense Accounts 912 to 913	EXP9123	Pg 12 , Ln 28 & 32
16	Acct 367 Mains and Acct 380 Services	PLT36780	Pg 3 , Ln 11 & 14
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	Pg 3 , Line 15, 16 & 17
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	Pg 3 , Line 14, 15, 16 & 17
19	Transm & Distr Oper Accts 851 to 879	EXP8519	Pg 11 , Line 2 to 7
20	Total Customer Deposits	TOTCDEP	Page 7 , Line 23
21	Acct 386 Other Property on Cust's Prem	PLT386	Page 3 , Line 21
22	Total Transmission & Distribution Plant	DISTRPLT	Page 3 , Line 23 & 25
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	Pg 12 , Line 9 to 19
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	Page 12 , Line 22 & 23
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	Page 3 , Line 4
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	Page 3 , Line 5
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	Page 3 , Line 6
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	Page 3 , Line 7
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	Page 3 , Line 8
30	Acct 367-Gas Mains - Plastic	PLT367P	Page 3 , Line 9
31	Acct 391-Office Equipment	PLT391OE	Page 4 , Line 4
32	Acct 391-Office IT Equipment	PLT391IT	Page 4 , Line 5
33	Acct 397-Comm Equip Metscan	PLT397M	Page 4 , Line 13
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	Page 4 , Line 14
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	Page 2 , Line 6 & 7
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	Page 2 , Line 10 & 11
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	Page 2 , Line 15 & 16
38	Total Gas Operation & Maintenance Labor	OMLAB	Page 22 , Line 15
39	Inflation Adjustment Residual O&M	OTHOMINF	See Allocator Descriptions

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	PRODUCTION COMPONENTS INTERNALLY DEVELOPED CONT-40	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Supply Expense	GASCOSTS	1.00000	0.67732	0.01704	0.00001	0.06498	0.10636	0.04729
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
3									
4									
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10									
11	**NiSource Service Charges Allocators**								
12	Basis 1 - 50% Gross Plant	BASIS1P	0.02545	0.01775	0.00014	0.00000	0.00217	0.00322	0.00126
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	0.13921	0.10464	0.00621	0.00000	0.01336	0.00802	0.00230
14	Basis 10 - Number of Annual Customers	BASIS10	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
15	Basis 11 - Labor	BASIS11	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
16	Basis 2 - Gross Plant	BASIS2	0.02545	0.01775	0.00014	0.00000	0.00217	0.00322	0.00126
17	Basis 20 - Total Direct Billed	BASIS20	0.06948	0.05273	0.00253	0.00000	0.00577	0.00452	0.00157
18	Basis 7 - 50% Deprec Plant	BASIS7P	0.02445	0.01704	0.00013	0.00000	0.00208	0.00310	0.00122
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	0.84046	0.57118	0.01503	0.00001	0.05541	0.08813	0.03895
20	Basis 9 - Labor	BASIS9	0.03818	0.02683	0.00031	0.00000	0.00325	0.00463	0.00181
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	0.06353	0.04751	0.00223	0.00000	0.00546	0.00446	0.00155
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-40

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Supply Expense	GASCOSTS	0.01207	0.01183	0.03671	0.01785	0.00854
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	0.00000	0.00000	0.00000	0.00000	0.00000
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10							
11	**NiSource Service Charges Allocators**						
12	Basis 1 - 50% Gross Plant	BASIS1P	0.00030	0.00011	0.00030	0.00009	0.00011
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	0.00046	0.00208	0.00166	0.00028	0.00020
14	Basis 10 - Number of Annual Customers	BASIS10	0.00000	0.00000	0.00000	0.00000	0.00000
15	Basis 11 - Labor	BASIS11	0.00042	0.00019	0.00045	0.00013	0.00016
16	Basis 2 - Gross Plant	BASIS2	0.00030	0.00011	0.00030	0.00009	0.00011
17	Basis 20 - Total Direct Billed	BASIS20	0.00036	0.00079	0.00082	0.00021	0.00017
18	Basis 7 - 50% Deprec Plant	BASIS7P	0.00029	0.00010	0.00029	0.00009	0.00011
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	0.00992	0.01002	0.03022	0.01459	0.00700
20	Basis 9 - Labor	BASIS9	0.00042	0.00019	0.00045	0.00013	0.00016
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	0.00035	0.00075	0.00082	0.00022	0.00017
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PRODUCTION COMPONENTS

	INTERNALLY DEVELOPED CONT-40	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Supply Expense	GASCOSTS	Page 10 , Line 7
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	Pg 12 , Line 3 to 5
3			
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9			
10			
11	**NiSource Service Charges Allocators**		
12	Basis 1 - 50% Gross Plant	BASIS1P	Page 4 , Line 18
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	See Allocator Descriptions
14	Basis 10 - Number of Annual Customers	BASIS10	Page 26 , Line 31
15	Basis 11 - Labor	BASIS11	Page 26 , Line 31
16	Basis 2 - Gross Plant	BASIS2	Page 22 , Line 21
17	Basis 20 - Total Direct Billed	BASIS20	Page 4 , Line 18
18	Basis 7 - 50% Deprec Plant	BASIS7P	Page 13 , Line 28
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	See Allocator Descriptions
20	Basis 9 - Labor	BASIS9	See Allocator Descriptions
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	Page 22 , Line 21
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-41

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	REVENUES FROM GAS SALES								
1	Revenues Firm Sales of Gas		1.00000	0.67571	0.02263	0.00001	0.06674	0.09792	0.04663
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRODUCTION COMPONENTS

INTERNALLY DEVELOPED CONT-41

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	REVENUES FROM GAS SALES						
1	Revenues Firm Sales of Gas		0.01024	0.01207	0.03184	0.01883	0.01738
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	SUMMARY OF RESULTS	PRODUCTION (18)-4	DELIVERY (19)
	DEVELOPMENT OF RATE BASE		
1	Gas Plant in Service	19,205,834	735,345,264
2	Less: Depreciation Reserve	7,687,563	275,704,699
3	Net Gas Plant in Service	11,518,271	459,640,565
	ADD:		
4	Cash Working Capital	1,493,576	9,960,037
5	Materials & Supplies	0	3,408,069
6	Total Additions to Net Plant	1,493,576	13,368,106
	DEDUCT:		
7	Deferred Taxes	2,136,824	83,385,714
8	Unamortized Pre-1971 ITC	284	10,886
9	Customer Contributions	0	11,088
10	Customer Deposits	0	3,090,784
11	Unclaimed Checks	23,430	254,880
12	Total Deductions to Net Plant	2,160,539	86,753,351
13	Total Rate Base	10,851,309	386,255,320
	DEVELOPMENT OF RETURN		
14	Revenues from Sales of Gas	338,894,809	143,677,486
15	Other Operating Revenues	916,396	15,919,281
16	Total Gas Operating Revenues	339,811,205	159,596,767
	LESS: OPERATING EXPENSES		
17	Operation & Maintenance Expense	337,791,165	86,295,456
18	Depreciation & Amortization Expense	790,215	34,563,637
19	Taxes Other Than Income	291,685	9,775,482
20	Interest on Customer Deposits	0	72,506
21	Income Taxes	243,874	6,906,650
22	Total Operating Expenses	339,116,939	137,613,732
23	Operating Income	694,266	21,983,036
24	Rate of Return	6.40%	5.69%
25	Index Rate of Return	1.000	1.000

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DEVELOPMENT OF RATE BASE-2

			PRODUCTION (18)-4	DELIVERY (19)
	GAS PLANT IN SERVICE			
	INTANGIBLE PLANT			
	301 Organization			
1	Organization	PLANT	112,833	4,320,086
2	Adj Organization	PLANT	(95,290)	(3,648,440)
3	Total Account 301		17,542	671,646
4	303 Misc. Intangible Plant	LABOR	1,320,081	33,253,631
5	Total Intangible Plant		1,337,623	33,925,277
	PRODUCTION PLANT			
	304 Land & Land Rights			
6	LNG Related	DEMLNG	188,664	75,571
7	LPG Related	DEMLPG	73,469	29,429
8	LNG & LPG Related	PLT304L	32,458	13,001
9	Total Account 304		294,591	118,001
	305 Structures & Improvements			
10	LNG Related	DEMLNG	799,649	320,307
11	LPG Related	DEMLPG	463,249	185,559
12	LNG & LPG Related	PLT305L	428,534	171,654
13	Total Account 305		1,691,431	677,520
14	311 L.P. Gas Equipment	DEMLPG	3,098,342	1,241,073
	320 Other Equipment			
15	LNG Related	DEMLNG	412,449	165,211
16	LPG Related	DEMLPG	125,468	50,257
17	LNG & LPG Related	PLT320L	47,024	18,836
18	Total Account 320		584,941	234,304
19	321 L.N.G. Equipment	DEMLNG	11,015,640	4,412,427
20	Total Production Plant		16,684,945	6,683,325

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DEVELOPMENT OF RATE BASE CONT-3

			PRODUCTION (18)-4	DELIVERY (19)
	GAS PLANT IN SERVICE CON'T			
	DISTRIBUTION PLANT			
1	364 Land & Land Rights	DISTR	0	219,041
2	365 Right of Way	DISTR	0	79,051
3	366 Structures & Improvements	DISTR	0	2,108,612
	367 Gas Mains			
4	Gas Mains - Bare Steel	DISTR	0	2,554,359
5	Gas Mains - Joint Clamping	DISTR	0	20,020,721
6	Gas Mains - Cast Iron	DISTR	0	5,690,941
7	Gas Mains - Cathodic Protection	DISTR	0	8,274,626
8	Gas Mains - Coated Steel	DISTR	0	146,116,729
9	Gas Mains - Plastic	DISTR	0	126,075,826
10	Adj Gas Mains - Plastic	DISTR	0	1,053,621
11	Total Account 367		0	309,786,822
12	368 Compressor Station Equipment	DISTR	0	327,265
13	369 Meas. & Reg. Station Equipment	DISTR	0	12,355,156
14	380 Gas Services	CUST380	0	228,746,364
15	381 Gas Meters	CUST381	0	24,915,974
16	382 Meter Installations	CUST382	0	45,198,411
17	383 Gas Regulators	CUST383	0	13,612,047
	386 Other Property on Cust's Premises			
18	Gas Water Heaters	CUST3860	0	14,053,382
19	Cascade Diamond Boilers	CUST3862	0	569,752
20	Conversion Burners	CUST3863	0	7,835,153
21	Total Account 386		0	22,458,288
22	387 Other Equipment	DISTR	0	1,719,559
23	Total Distribution Plant		0	661,526,587
	TRANSMISSION PLANT			
24	379 Other Equipment	DISTR	0	510,252
25	Total Transmission Plant		0	510,252

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DEVELOPMENT OF RATE BASE CONT-4

			PRODUCTION (18)-4	DELIVERY (19)
	GAS PLANT IN SERVICE CON'T			
	GENERAL PLANT			
1	389 Land & Land Rights	LABOR	6,579	165,741
2	390 Structures & Improvements	LABOR	278,872	7,024,952
3	Total General Plant		285,451	7,190,693
	GENERAL PLANT (Equipment)			
	391 Office Equipment			
4	Office Equipment	LABOR	225,958	5,692,027
5	Office IT Equipment	LABOR	210,090	5,292,284
6	Total Account 391		436,048	10,984,311
7	392 Transportation Equipment	LABOR	90,246	2,273,348
8	393 Stores Equipment	LABOR	1,927	48,545
9	394 Tools, Shop & Garage Equipment	LABOR	70,557	1,777,380
10	396 Power Operated Equipment	LABOR	15,518	390,907
	397 Communication Equipment			
11	Communications Equip & Metscan	LABOR	483,643	12,183,254
12	Communications Equip Metscan Adj	LABOR	(201,087)	(5,065,494)
13	Communications Equip Metscan	PLT381	0	644,449
14	Communications Equip ERT/ITRON	PLT381	0	2,248,171
15	Total Account 397		282,556	10,010,380
16	398 Miscellaneous Equipment	LABOR	963	24,257
17	Total General Plant (Equipment)		897,815	25,509,130
18	Total Gas Plant In Service		19,205,834	735,345,264

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DEVELOPMENT OF RATE BASE CONT-5

			PRODUCTION (18)-4	DELIVERY (19)
	DEPRECIATION RESERVE			
	INTANGIBLE PLANT RESERVE			
	301 Organization			
1	Organization	PLT301	88,145	3,374,855
2	Adj Organization	PLT301	(74,750)	(2,862,005)
3	Total Account 301		13,395	512,850
4	303 Misc. Intangible Plant	PLT303	714,658	18,002,670
5	Total Intangible Plant Reserve		728,053	18,515,520
	PRODUCTION PLANT RESERVE			
6	305 Structures & Improvements	PLT305	1,106,694	443,298
7	311 L.P. Gas Equipment	PLT311	2,370,206	949,410
8	320 Other Equipment	PLT320	207,293	83,033
9	321 L.N.G. Equipment	PLT321	2,719,573	1,089,353
10	Total Production Plant Reserve		6,403,766	2,565,094
	DISTRIBUTION PLANT RESERVE			
11	365 Right of Way	PLT365	0	1,573
12	366 Structures & Improvements	PLT366	0	1,525,122
13	367 Gas Mains	PLT367	0	79,409,611
14	368 Compressor Station Equipment	PLT368	0	250,135
15	369 Meas. & Reg. Station Equipment	PLT369	0	3,636,205
16	380 Gas Services	PLT380	0	124,158,847
17	381 Gas Meters	PLT381	0	10,092,102
18	382 Meter Installations	PLT382	0	10,511,706
19	383 Gas Regulators	PLT383	0	5,385,754
	386 Other Property on Cust's Premises			
20	Gas Water Heaters	PLT3860	0	2,962,994
21	Cascade Diamond Boilers	PLT3862	0	443,949
22	Conversion Burners	PLT3863	0	1,444,172
23	Total Account 386		0	4,851,115
24	387 Other Equipment	PLT387	0	371,382
25	Total Distribution Plant Reserve		0	240,193,554

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DEVELOPMENT OF RATE BASE CONT-6

			PRODUCTION (18)-4	DELIVERY (19)
	DEPRECIATION RESERVE CON'T			
	TRANSMISSION PLANT RESERVE			
1	379 Other Equipment	PLT379	0	223,628
2	Total Transmission Plant Reserve		0	223,628
	GENERAL PLANT RESERVE			
3	390 Structures & Improvements	PLT390	83,566	2,105,090
4	Total General Plant Reserve		83,566	2,105,090
	GENERAL PLT RESERVE (Equipment)			
5	391 Office Equipment	PLT391	292,171	7,359,957
6	392 Transportation Equipment	PLT392	49,063	1,235,936
7	393 Stores Equipment	PLT393	(75)	(1,893)
8	394 Tools, Shop & Garage Equipment	PLT394	31,106	783,589
9	396 Power Operated Equipment	PLT396	6,670	168,032
	397 Communication Equipment			
10	Communications Equip & Metscan	PLT397O	174,617	4,398,714
11	Communications Equip Metscan Adj	PLT397O	(81,908)	(2,063,307)
12	Communications Equip Metscan	PLT397M	0	157,481
13	Communications Equip ERT/ITRON	PLT397E	0	49,882
14	Total Account 397		92,709	2,542,770
15	398 Miscellaneous Equipment	PLT398	533	13,422
16	Tot Gen Plt Reserve (Equipment)		472,178	12,101,813
17	Total Depreciation Reserve		7,687,563	275,704,699
19	Net Gas Plant in Service		11,518,271	459,640,565

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

DEVELOPMENT OF RATE BASE CONT-7

			PRODUCTION (18)-4	DELIVERY (19)
	ADDITIONS TO NET PLANT			
	Cash Working Capital			
1	Purchased Gas		0	0
2	Other O&M		1,493,576	9,960,037
3	Total Cash Working Capital		1,493,576	9,960,037
	Materials & Supplies			
4	Stores Expense Undistributed	DISTRPLT	0	205,330
5	Truck Stock	DISTRPLT	0	140,504
6	Meters Stock	PLT3813	0	42,334
7	Inventory-Imprest	DISTRPLT	0	210,158
8	Mat Management System IC Stock	DISTRPLT	0	2,719,413
9	Appliances & Parts	PLT386	0	55,590
10	Other Inventory Charges	DISTRPLT	0	34,740
11	Total Materials & Supplies		0	3,408,069
12	Total Additions to Net Plant		1,493,576	13,368,106
	DEDUCTIONS TO NET PLANT			
	Deferred Taxes			
13	Intangible Related	INTPLT	232,567	5,898,444
14	Production Related	PRODPLT	1,787,628	716,052
15	Transmission & Distribution Related	DISTRPLT	0	73,495,972
16	General Related	GENPLT	137,964	3,812,663
17	Communications Equip Metscan Adj	PLT397O	(21,334)	(537,418)
18	Deferred Taxes		2,136,824	83,385,714
19	Unamortized Pre-1971 ITC	PLANT	284	10,886
20	Customer Contributions	PLT3803	0	11,088
	Customer Deposits			
21	Customer Deposits - Firm Customers	CUSTDEP	0	2,175,434
22	Customer Deposits - Marketers	CUSTTR	0	915,350
23	Total Customer Deposits		0	3,090,784
24	Unclaimed Checks	REVCLAIM	23,430	254,880
25	Total Deductions to Net Plant		2,160,539	86,753,351
26	Total Rate Base		10,851,309	386,255,320

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

OPERATING REVENUES-8

			PRODUCTION (18)-4	DELIVERY (19)
	REVENUES			
	GAS OPERATING REVENUES			
	SALES REVENUES			
1	Firm Sales of Gas		338,894,809	139,756,473
2	Special Contracts	DISTR	0	2,500,200
3	Special Contracts Adjustment	DISTR	0	418,748
4	Special Contracts - Other	DISTR	0	1,002,065
5	Total Sales of Gas		338,894,809	143,677,486
	OTHER OPERATING REVENUES			
	487-Late Payment Charges			
6	High Wint Low Ann Rate G40 & T40	C487R40	156,701	79,364
7	High Wint Med Ann Rate G41 & T41	C487R41	163,129	59,150
8	High Wint High Ann Rate G42 & T42	C487R42	48,263	25,413
9	High Wint Lrg Ann Rate G43 & T43	C487R43	9,199	3,357
10	Low Wint Low Ann Rate G50 & T50	C487R50	27,162	15,890
11	Low Wint Med Ann Rate G51 & T51	C487T51	47,065	16,348
12	Low Wint High Ann Rate G52 & T52	C487R52	14,774	8,982
13	Low Wint Lrg Ann Rate G53 & T53	C487R53	3,411	7,033
14	Total Account 487		469,705	215,536
15	487-Return Check Charges	CUST487	0	27,736
16	488-Rental Revenues-W/H & Conv Burn	CUST488	0	6,824,456
17	882-Revenue Guardian Care & C/S	CUST882	0	7,690,936
	493-Rent from Gas Property			
18	Rent from Gas Property	PLANT	441	16,890
19	LNG Tank Lease Revenue	DEMLNG	446,250	178,750
20	I/C Rents	DISTRPLT	0	871,002
21	Total Account 493		446,691	1,066,642
22	903-Cust R&C, Shutoff & Turn-Off	DISTRPLT	0	93,975
23	Total Other Operating Revenues		916,396	15,919,281
24	Total Gas Operating Revenues		339,811,205	159,596,767

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

OPERATION & MAINTENANCE EXP-9

			PRODUCTION (18)-4	DELIVERY (19)
	OPERATION & MAINTENANCE EXP			
	LIQUEFIED PROPANE GAS PRODUCTION			
	Operation Expense			
1	710-Supervision	TLABPO	33,314	13,344
2	717-LPG Gas Expenses	DEMLPG	340	136
3	719-Handling Expense	DEMLPG	14,300	5,728
4	723-Fuel for LPG Gas Process	EREMAIN	0	0
5	728-Liquefied Petroleum Gas	EREMAIN	0	0
6	735-Miscellaneous Production Exp	DEMLPG	152,298	61,004
7	Total Operation Expense		200,252	80,213
	Maintenance			
8	740-Supervision	TLABPM	8,190	3,281
9	741-Maintenance of Struct & Improv	DEMLPG	8,584	3,439
10	742-Maintenance of Production Equip	DEMLPG	76,703	30,724
11	Total Maintenance Expense		93,477	37,443
12	Total Liquefied Propane Gas Prod Exp		293,729	117,656
	LIQUEFIED NATURAL GAS PRODUCTION			
	Operation Expense			
13	750-Supervision	TLABLO	370,139	148,263
14	754-Liquefaction Expense	DEMLNG	118,441	47,443
15	757-Vaporization Expense	DEMLNG	20,960	8,396
16	758-Liquefied Natural Gas	EREMAIN	0	0
17	759-Handling Expense	DEMLNG	18,781	7,523
18	763-Fuel for Vaporization Expense	EREMAIN	0	0
19	768-LNG Raw Materials	EREMAIN	0	0
20	775-Miscellaneous Production Exp	DEMLNG	460,361	184,402
21	777-Lease Expense	DEMLNG	652,952	261,547
22	Total Operation Expense		1,641,635	657,574
	Maintenance			
23	780-Supervision	TLABLM	5,357	2,146
24	781-Maintenance of Struct & Improv	DEMLNG	7,897	3,163
25	782-Maintenance of Production Equip	DEMLNG	187,351	75,045
26	Total Maintenance Expense		200,604	80,354
27	Total Liquefied Natural Gas Prod Exp		1,842,239	737,928

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

OPERATION & MAINT EXP CONT-10

			PRODUCTION (18)-4	DELIVERY (19)
	OTHER GAS SUPPLY EXPENSES			
	PURCHASED GAS SUPPLY			
	Gas Supply Demand Charges			
1	Base Demand Charges	DBASE	6,288,067	0
2	Remaining Demand Charges	DREMAIN	45,807,642	0
3	Total Demand Gas Costs		52,095,709	0
	Gas Supply Commodity Charges			
4	Base Commodity Charges	EBASE	80,774,205	0
5	Remaining Commodity Charges	EREMAIN	191,688,704	0
6	Total Commodity Gas Costs		272,462,909	0
7	Total Gas Supply Expense		324,558,618	0
8	Total Production Expense		326,694,586	855,584

BAY STATE GAS COMPANY
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OPERATION & MAINT EXP CONT-11

TRANSMISSION & DISTRIBUTION EXP

			PRODUCTION (18)-4	DELIVERY (19)
	Operation Expense			
1	850-Operation Supervision & Engineer	TLABDO	0	707,572
2	851-System Control & Load Dispatch	DISTR	0	0
3	852-Communication System Exp	DISTR	0	143,882
4	857-Measuring & Regulating Stat Exp	PLT369	0	405,485
5	874-Mains and Services Exp	PLT36780	0	3,764,532
6	878-Meter & House Regulator Exp	PLT3813	0	5,633,560
7	879-Customer Installations Exp	CUST879	0	5,923,626
8	880-Other Expenses	EXP8519	0	580,567
9	881-Rents	DISTR	0	61,576
10	Total Operation Expense		0	17,220,800
	Maintenance			
11	885-Supervision	TLABDM	0	4,267
12	886-Maintenance of Struct & Improv	PLT366	0	41,025
13	887-Maintenance of Mains	PLT367	0	3,789,693
14	888-Maint of Compressor Station Equip	PLT368	0	0
15	889-Maint of Meas & Reg Station Equip	PLT369	0	229,637
16	892-Maintenance of Services	PLT380	0	1,687,229
17	893-Maint of Meters and House Regul	PLT3813	0	436,322
18	894-Maintenance of Other Equipment	PLT387	0	403,627
19	Total Maintenance Expense		0	6,591,800
20	Total Transmission and Distribution Exp		0	23,812,600

BAY STATE GAS COMPANY
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OPERATION & MAINT EXP CONT-12

			PRODUCTION (18)-4	DELIVERY (19)
	CUSTOMER ACCOUNTS EXPENSES			
1	901-Supervision	TLABCA	0	220,334
2	902-Meter Reading Expenses	CUST902	0	695,743
	903-Cust Records & Collection Exp			
3	Cust Billing & Payment Proc Exp	CUST903	0	2,489,985
4	Collections Expense	CUST903C	0	2,684,835
5	Service Customer Equipment	DISTRPLT	0	1,347,741
6	Call Center Expenses	EXP903T	0	910,424
7	Postage Adjustment	CUST903	0	67,947
8	Total Account 903		0	7,500,932
	904-Uncollectible Accounts			
9	Resid Heating Rate R-3 & R-4	C904R3	4,298,151	1,869,029
10	Resid Non-Heating Rate R-1 & R-2	C904R1	333,264	594,719
11	Outdoor Lighting	C904OL	0	0
12	High Wint Low Ann Rate G40 & T40	C904R40	563,053	285,171
13	High Wint Med Ann Rate G41 & T41	C904R41	175,508	63,638
14	High Wint High Ann Rate G42 & T42	C904R42	20,731	10,916
15	High Wint Lrg Ann Rate G43 & T43	C904R43	567	207
16	Low Wint Low Ann Rate G50 & T50	C904R50	106,751	62,449
17	Low Wint Med Ann Rate G51 & T51	C904T51	66,462	23,085
18	Low Wint High Ann Rate G52 & T52	C904R52	7,917	4,813
19	Low Wint Lrg Ann Rate G53 & T53	C904R53	1,110	2,288
20	Adjustment Bad Debt Gas Sales	EXP904S	1,192,124	623,773
21	Adj Uncollectible Prop Rate Increase	EXP904S	316,805	165,767
22	Bad Debt Expense - Cust Service	CUST882	0	86,737
23	Bad Debt Expense - Rental	PLT386	0	326,029
24	Adjust Bad Debt Other Revenues	EXP904O	0	246,232
25	Total Account 904		7,082,443	4,364,854
26	Total Customer Accounts Expenses		7,082,443	12,781,863
	SALES EXPENSES			
27	911-Supervision	TLABSA	0	66,710
28	912-Demonstrating & Selling Exp	CUST912	0	159,642
	913-Advertising Expense			
29	Advertising Expense	CUST913	0	62,710
30	Advertising Guardian Care	EXP879	0	126,327
31	Advertising Water Heating Program	PLT386	0	9,334
32	Total Account 913		0	198,371
33	916-Miscellaneous Sales Exp	EXP9123	0	7,065
34	Total Sales Expenses		0	431,788

BAY STATE GAS COMPANY
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OPERATION & MAINT EXP CONT-13

ADMINISTRATIVE & GENERAL EXP

			PRODUCTION (18)-4	DELIVERY (19)
	Operation Expense			
1	920-Administrative & General Salaries	REVCLAIM	146,970	1,598,771
	921-Office Supplies & Expenses			
2	Office Supplies & Expenses	REVCLAIM	360,590	3,922,563
3	LDAC Unbilled Revenues Adj	REVCLAIM	(31,464)	(342,271)
4	Total Account 921		329,126	3,580,292
5	922-Administrative Exp Transferred-Cr	REVCLAIM	(321,104)	(3,493,020)
	923-Outside Services Employed			
6	Nisource Basis 1 - 50% Gross Plt	BASIS1P	65,283	2,499,543
7	N Basis 1 - 50% O&M Ex Gas Costs	BASIS1OM	357,058	2,207,768
8	Outside Services Nisource Basis 10	BASIS10	0	1,465,284
9	Outside Services Nisource Basis 11	BASIS11	28,563	719,529
10	Outside Services Nisource Basis 13	REVCLAIM	226,257	2,461,266
11	Out Serv Basis 13 - Facilities Mgt	PLANT	7,242	277,276
12	Out Serv Basis 13 - IT Billing	CUST903	0	1,599,072
13	Outside Services Nisource Basis 2	BASIS2	16,222	621,087
14	Outside Services Nisource Basis 20	BASIS20	200,524	2,685,500
15	Nisource Basis 7 - 50% Deprec Plt	BASIS7P	1,775	70,821
16	Nisource Basis 7 - 50% O&M	BASIS7OM	61,014	11,582
17	Outside Services Nisource Basis 9	BASIS9	1,318	33,207
18	Outside Services Nisource Co 12	BASCO12	118,971	1,753,676
	Outside Serv Nisource Direct Billed			
19	BSG Communications	REVCLAIM	18,746	203,926
20	Regulatory External Affairs	REVCLAIM	27,782	302,216
21	Printing & Inserting	EXP903	0	204,082
22	Finance & Acct'g & HR	REVCLAIM	27,616	300,413
23	Regulatory	REVCLAIM	31,283	340,303
24	Legal Energy Distr East	REVCLAIM	46,997	511,239
25	Fleet Management	LABOR	10,404	262,072
26	Nisource Retail Services	EXP879	0	437,393
27	Oth Outside Servvice - Direct Billed	REVCLAIM	151,530	1,648,368
28	Total Out Serv - Direct Billed		314,358	4,210,012
29	Outside Services Employed BSG	REVCLAIM	113,661	1,236,425
30	NIS Gas Dispatching & Control	DISTR	0	672,581
31	NIS Gas Acq & Dispat Costs - Sales	GASCOSTS	1,491,704	0
32	NIS Gas Acq & Dispat Costs - Trans	DISTR	0	159,283
33	Nisource Payroll & Benefits Adj	REVCLAIM	63,718	693,139
34	Nisource PBOP & Pension	PENSION	0	603,831
35	Nisource Charitable Contr Adj	REVCLAIM	(735)	(8,000)
36	DSM Inplementation Expense Adj	REVCLAIM	(203,589)	(2,214,671)
37	Customer Choice Recoveries Adj	REVCLAIM	5,542	60,290
38	Total Account 923		2,868,887	21,818,500
39	924-Property Insurance	PLANT	0	0
	925-Injuries & Damages			
40	Injuries & Damages	REVCLAIM	229,701	2,498,722
41	Corporate Insurance Premiums Adj	REVCLAIM	7,998	86,999
42	Self Insurance Adjustment	REVCLAIM	6,737	73,284
43	Total Account 925		244,435	2,659,006

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			PRODUCTION (18)-4	DELIVERY (19)
	OPERATION & MAINT EXP CONT-14			
	ADMIN & GENERAL EXP CON'T			
	926-Employees Pensions & Benefits			
1	Employees Pensions & Benefits	LABOR	345,012	8,691,067
2	Medical & Dental Benefits Adj	LABOR	28,294	712,751
3	Pension & PBOP Expense	PENSION	0	5,026,451
4	Total Account 926		373,307	14,430,268
	928-Regulatory Commission Expenses			
5	Regulatory Commission Expenses	REVCLAIM	30,244	328,999
6	Rate Case Expense Adj	REVCLAIM	27,925	303,775
7	Total Account 928		58,169	632,774
8	929-Duplicate Charges-Cr	REVCLAIM	0	0
	930-Miscellaneous General Exp			
9	Miscellaneous General Exp	REVCLAIM	58,989	641,688
10	Charitable Contributions Adj	REVCLAIM	(12,398)	(134,873)
11	Research & Develop GRI/GTI Adj	REVCLAIM	26,098	283,902
12	Total Account 930		72,688	790,718
	931 Rents			
13	Rents - General & Admin	REVCLAIM	92,827	1,009,786
14	Metscan Lease Expense	PLT397M	0	4,817,413
15	Metscan Lease Expense Adj	PLT397M	0	(2,919,051)
16	Water Heater Lease Expense	PLT386	0	185,481
17	Itron Lease Payment Adj	PLT397E	0	310,104
18	Total Account 931		92,827	3,403,733
19	Total Operation Expense		3,865,306	45,421,041
	Maintenance			
	932 Maintenance of General Plant			
20	Maintenance of General Plant	GENPLT	71,836	1,985,210
21	ERC Remediation Adj	GENPLT	(42,286)	(1,168,583)
22	Total Account 932		29,550	816,627
23	Total Administrative & General Exp		3,894,857	46,237,668
24	Total Gas O&M Exp Before Other Adj		337,671,885	84,119,503
	ADJUSTMENTS TO O&M EXPENSES			
25	Total Gas Operation & Maintenance Exp		337,671,885	84,119,503
26	Payroll - Union Adjustment	OMLAB	53,032	1,120,386
27	Payroll - Non-Union Adjustment	OMLAB	20,059	423,781
28	Incentive Compensation Adjustment	OMLAB	(5,623)	(118,799)
29	Gain on Sale of Property Adjustment	PLANT	(10,390)	(397,807)
30	Farm Sales Adjustment	REVCLAIM	1,290	14,030
31	Inflation Adjustment	OTHOMINF	60,912	1,134,362
32	Total Adjusted Gas Oper & Maint Exp		337,791,165	86,295,456

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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DEPRECIATION & AMORT EXPENSE-15

			PRODUCTION (18)-4	DELIVERY (19)
	DEPRECIATION & AMORTIZATION EXP			
	INTANGIBLE PLANT AMORTIZATION			
	301 Organization			
1	Organization	PLT301	2,864	109,644
2	Adj Organization	PLT301	(2,544)	(97,408)
3	Total Account 301		320	12,236
	303 Misc. Intangible Plant			
4	Misc. Intangible Plant	PLT303	569,832	14,354,409
5	Adj Nipsco Amortization	PLT303	(421,038)	(10,606,213)
6	Total Account 303		148,793	3,748,196
7	Total Intangible Plant Amortization		149,113	3,760,432
	PRODUCTION PLANT DEPRECIATION			
8	305 Structures & Improvements	PLT305	51,758	20,732
9	311 L.P. Gas Equipment	PLT311	57,319	22,960
10	320 Other Equipment	PLT320	43,637	17,479
11	321 L.N.G. Equipment	PLT321	397,664	159,289
12	Total Production Plant Depreciation		550,378	220,460
	DISTRIBUTION PLANT DEPRECIATION			
13	365 Right of Way	PLT365	0	1,723
14	366 Structures & Improvements	PLT366	0	65,367
	367 Gas Mains			
15	Gas Mains - Bare Steel	PLT367BS	0	121,077
16	Gas Mains - Joint Clamping	PLT367JC	0	1,285,330
17	Gas Mains - Cast Iron	PLT367CI	0	137,152
18	Gas Mains - Cathodic Protection	PLT367CP	0	624,734
19	Gas Mains - Coated Steel	PLT367CS	0	3,696,753
20	Gas Mains - Plastic	PLT367P	0	2,735,845
21	Adj Gas Mains - Plastic	PLT367P	0	22,864
22	Total Account 367		0	8,623,755
23	368 Compressor Station Equipment	PLT368	0	16,821
24	369 Meas. & Reg. Station Equipment	PLT369	0	334,825
25	380 Gas Services	PLT380	0	11,620,315
26	381 Gas Meters	PLT381	0	986,673
27	382 Meter Installations	PLT382	0	1,509,627
28	383 Gas Regulators	PLT383	0	552,649
	386 Other Property on Cust's Premises			
29	Gas Water Heaters	PLT3860	0	992,169
30	Cascade Diamond Boilers	PLT3862	0	40,224
31	Conversion Burners	PLT3863	0	325,942
32	Total Account 386		0	1,358,335
33	387 Other Equipment	PLT387	0	256,386
34	Total Distribution Plant Depreciation		0	25,326,476

BAY STATE GAS COMPANY
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	DEPREC & AMORT EXP CONT-16		PRODUCTION (18)-4	DELIVERY (19)
	TRANSMISSION PLANT DEPRECIATION			
1	379 Other Equipment	PLT379	0	13,471
2	Total Transmission Plant Depreciation		0	13,471
	GENERAL PLANT DEPRECIATION			
3	390 Structures & Improvements	PLT390	5,856	147,524
4	Total General Plant Depreciation		5,856	147,524
	GENERAL PLT DEPRECIATION (Equip)			
	391 Office Equipment			
5	Office Equipment	PLT391OE	11,755	296,126
6	Office IT Equipment	PLT391IT	38,441	968,356
7	Total Account 391		50,197	1,264,481
8	392 Transportation Equipment	PLT392	12,517	315,313
9	393 Stores Equipment	PLT393	220	5,539
10	394 Tools, Shop & Garage Equipment	PLT394	3,112	78,382
11	396 Power Operated Equipment	PLT396	1,895	47,729
	397 Communication Equipment			
12	Communications Equipment Other	PLT397O	19,214	484,007
13	Communications Equip ERT/ITRON	PLT397E	0	160,519
14	Communications Equip Metscan	PLT397M	0	159,243
15	Total Account 397		19,214	803,769
16	398 Miscellaneous Equipment	PLT398	48	1,213
17	Tot Gen Plt Depreciation (Equip)		87,202	2,516,427
18	Adj Depreciation Exp Alloc Mgt. Fee	GENPLT	(2,334)	(64,503)
19	Adj Amortization of Metscan Devices	PLT397M	0	2,643,350
20	Total Depreciation & Amortization Exp		790,215	34,563,637

BAY STATE GAS COMPANY
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	STATE & FED TAXES & OTH EXP-17		PRODUCTION (18)-4	DELIVERY (19)
	TAXES OTHER THAN INCOME			
	Payroll Taxes			
1	Payroll Taxes	LABOR	94,760	2,387,063
2	Payroll Tax Adjustment	LABOR	3,479	87,635
3	Total Payroll Taxes		98,239	2,474,698
	Plant Related Taxes			
	Property Taxes			
4	Property Taxes	PLANT	179,999	6,891,745
5	Property Tax Adjustment	PLANT	7,909	302,801
6	Total Property Taxes		187,908	7,194,546
	Other Taxes			
7	Other Taxes	PLANT	1,678	64,253
8	Other Tax Adjustment	PLANT	0	0
9	Total Other Taxes		1,678	64,253
10	Total Plant Related Taxes		189,586	7,258,799
	Revenue Related Taxes			
11	Other State Taxes	REVCLAIM	3,860	41,985
12	Total Revenue Related Taxes		3,860	41,985
13	Total Taxes Other Than Income		291,685	9,775,482
	FEDERAL & STATE INCOME TAXES			
14	State Tax @ 6.50%		40,877	1,162,292
15	Federal Tax @ 35.00%		205,800	5,851,691
16	Amortization of ITC		(9,513)	(364,227)
17	Deferred Tax Flowback		6,710	256,894
18	Total Income Tax Expense		243,874	6,906,650
19	**INTEREST ON CUSTOMER DEPOSITS**	TOTCDEP	0	72,506
20	Total Expenses		339,116,939	137,613,732
21	Net Operating Income		694,266	21,983,036

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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DEVELOPMENT OF INCOME TAXES-18

FEDERAL & STATE TAX CALCULATION

			PRODUCTION (18)-4	DELIVERY (19)
1	Operating Revenues		339,811,205	159,596,767
	Operating Expenses			
2	Operation & Maintenance Expense		337,791,165	86,295,456
3	Depreciation & Amortization Expense		790,215	34,563,637
4	Taxes Other Than Income		291,685	9,775,482
	Interest Expense			
5	Interest on Customer Deposits		0	72,506
6	Interest Expense		309,262	11,008,277
7	Book Taxable Income		628,878	17,881,409
	Adjustments to Taxable Income			
10	Deductions	PLANT	0	0
11	Taxable Basis State Franchise Tax		628,878	17,881,409
	Less:			
12	State Tax @ 6.50%		40,877	1,162,292
13	Federal Taxable Basis		588,001	16,719,117
14	Federal Income Tax @ 35.00%		205,800	5,851,691
15	Federal Income Tax Liability		205,800	5,851,691
16	Amortization of ITC	PLANT	(9,513)	(364,227)
17	Deferred Tax Flowback	PLANT	6,710	256,894
18	Total Income Tax Expense		243,874	6,906,650
19	Net Income After Tax		694,266	21,983,036

Effective State Tax Rate	6.50%	6.50%
Federal Tax Rate - Current	35.00%	35.00%
1 - Incremental Tax Rate	0.60775	0.60775
Incremental Tax Rate	0.39225	0.39225
Effective Incremental Federal Rate	0.32725	0.32725
Factor for Taxable Basis	1.64541	1.64541
Interest Expense Percentage	2.85%	2.85%
Purchased Gas Working Capital %	11.564%	11.564%
Other O&M Working Capital %	0.00%	0.00%

BAY STATE GAS COMPANY
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DEVELOPMENT OF LABOR ALLOC-19

DEVELOPMENT OF LABOR ALLOCATOR

			PRODUCTION (18)-4	DELIVERY (19)
	LIQUEFIED PROPANE PROD LABOR			
	Operation Labor			
1	710-Supervision	LABPO	29,153	11,677
2	717-LPG Gas Expenses	EXP717	245	98
3	719-Handling Expense	EXP719	11,060	4,430
4	735-Miscellaneous Production Exp	EXP735	86,849	34,788
5	Total Operation Labor		127,307	50,994
	Maintenance Labor			
6	740-Supervision	LABPM	6,968	2,791
7	741-Maintenance of Struct & Improv	EXP741	3,124	1,251
8	742-Maintenance of Production Equip	EXP742	31,025	12,427
9	Total Maintenance Labor		41,117	16,470
10	Total Liquefied Propane Prod Labor		168,424	67,464
	LIQUEFIED NATURAL GAS LABOR			
	Operation Labor			
11	750-Supervision	LABLO	323,903	129,742
12	754-Liquefaction Expense	EXP754	92,906	37,215
13	757-Vaporization Expense	EXP757	16,441	6,586
14	759-Handling Expense	EXP759	14,526	5,818
15	775-Miscellaneous Production Exp	EXP775	262,525	105,157
16	777-Lease Expense	EXP777	0	0
17	Total Operation Labor		710,302	284,519
	Maintenance Labor			
18	780-Supervision	LABLM	4,558	1,826
19	781-Maintenance of Struct & Improv	EXP781	2,874	1,151
20	782-Maintenance of Production Equip	EXP782	75,780	30,354
21	Total Maintenance Labor		83,211	33,331
22	Total Liquefied Natural Gas Prod Labor		793,513	317,850
23	Total Production Labor		961,937	385,314

BAY STATE GAS COMPANY
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DEVEL OF LABOR ALLOC CON'T-20

TRANSMISSION & DISTRIB LABOR

			PRODUCTION (18)-4	DELIVERY (19)
	Operation Labor			
1	850-Operation Supervision & Engineer	LABDO	0	516,364
2	851-System Control & Load Dispatch	EXP851	0	0
3	852-Communication System Exp	EXP852	0	0
4	857-Measuring & Regulating Stat Exp	EXP857	0	247,504
5	874-Mains and Services Exp	EXP874	0	1,872,344
6	878-Meter & House Regulator Exp	EXP878	0	3,903,793
7	879-Customer Installations Exp	EXP879	0	3,699,668
8	880-Other Expenses	EXP880	0	367,296
9	881-Rents	EXP881	0	0
10	Total Operation Labor		0	10,606,968
	Maintenance Labor			
11	885-Supervision	LABDM	0	4,263
12	886-Maintenance of Struct & Improv	EXP886	0	21,780
13	887-Maintenance of Mains	EXP887	0	2,193,154
14	888-Maint of Compressor Station Equip	EXP888	0	0
15	889-Maint of Meas & Reg Station Equip	EXP889	0	179,726
16	892-Maintenance of Services	EXP892	0	1,261,488
17	893-Maint of Meters and House Regul	EXP893	0	312,751
18	894-Maintenance of Other Equipment	EXP894	0	256,706
19	Total Maintenance Labor		0	4,229,868
20	Total Transmission and Distribution Labor		0	14,836,836

BAY STATE GAS COMPANY
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DEVEL OF LABOR ALLOC CON'T-21

			PRODUCTION (18)-4	DELIVERY (19)
	CUSTOMER ACCOUNTS LABOR			
1	901-Supervision	LABCA	0	221,538
2	902-Meter Reading Expenses	EXP902	0	647,138
3	903-Cust Records & Collection Exp	EXP903	0	4,970,313
4	Total Customer Accounts Labor		0	5,838,988
	SALES EXPENSES LABOR			
5	911-Supervision	LABSA	0	80,141
6	912-Demonstrating & Selling Exp	EXP912	0	117,959
7	913-Advertising Exp	EXP913	0	0
8	916-Miscellaneous Sales Exp	EXP916	0	7,065
9	Total Sales Expenses Labor		0	205,166

BAY STATE GAS COMPANY
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DEVEL OF LABOR ALLOC CON'T-22

			PRODUCTION (18)-4	DELIVERY (19)
	ADMINISTRATIVE & GENERAL LABOR			
	Operation Labor			
1	920-Administrative & General Salaries	EXP920	87,275	949,392
2	921-Office Supplies & Expenses	EXP921	479	5,208
3	922-Administrative Exp Transferred-Cr	EXP922	0	0
4	923-Outside Services Employed	EXP923	28	212
5	924-Property Insurance	EXP924	0	0
6	925-Injuries & Damages	EXP925	2,008	21,845
7	926-Employees Pensions & Benefits	EXP926	337	13,038
8	928-Regulatory Commission Expenses	EXP928	0	0
9	929-Duplicate Charges-Cr	EXP929	0	0
10	930-Miscellaneous General Exp	EXP930	9,484	103,166
11	931 Rents	EXP931	0	0
12	Total Operation Labor		99,611	1,092,863
	Maintenance Labor			
13	932 Maintenance of General Plant	EXP932	10,394	287,235
14	Total Administrative & General Labor		110,005	1,380,097
15	Total Gas Operation & Maintenance Labor		1,071,942	22,646,401
	CONSTRUCION LABOR CAPITILIZED			
	Distribution Related			
16	Distribution/Transmission	DISTR	0	3,541,199
17	Metscan	PLT397M	0	8,430
18	ERT	PLT397E	0	794,442
19	Conversion Burners	CUST3863	0	12,391
20	Total Capitilized Labor		0	4,356,461
21	Sum of Allocated Labor Expense		1,071,942	27,002,862

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

REVENUE REQUIREMENTS-23

		PRODUCTION (18)-4	DELIVERY (19)
	PRESENT RATES		
1	Rate Base	10,851,309	386,255,320
2	Net Operating Income (Present Rates)	694,266	21,983,036
3	Rate of Return (Present Rates)	6.40%	5.69%
4	Relative Rate of Return	1.000	1.000
5	Sales Revenues (Present Rates)	338,894,809	139,756,473
6	Annual Booked Therm Sales	365,949,048	365,949,048
7	Sale Revenue $/Therm (Present Rates)	$0.9261	$0.3819
	CLAIMED RATE OF RETURN		
8	Claimed Rate of Return	9.05%	9.05%
9	Return Req for Claimed Rate of Return	982,043	34,956,106
10	Sales Revenue Required Claimed ROR	339,368,322	161,102,537
11	Revenue Deficiency Sales Revenues	473,512	21,346,064
12	Percent Increase Required	0.14%	15.27%
13	Annual Booked Therm Sales	365,949,048	365,949,048
14	Sales Revenue Required $/Therm	$0.9274	$0.4402
15	Revenue Deficiency $/Therm	$0.0013	$0.0583

BAY STATE GAS COMPANY
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RATIO TABLE-33

CAPACITY RELATED

			PRODUCTION (18)-4	DELIVERY (19)
1	PRODUCTION ALLOCATORS			
2	Design Day Remaining Demands - Sales		1.00000	1.00000
3	LPG Production Allocator - Prod Function		1.00000	0.00000
4	LNG Production Allocator - Prod Function		1.00000	0.00000
5	LPG & LNG Prod Alloc - Distr Function		0.00000	1.00000
6	LPG & LNG Distr Pressure Support %		28.6%	28.6%
7				
8				
9	PROD-PRESSURE SUPP ALLOC			
10	LPG Prod & Presure Support Alloc	DEMLPG	0.71400	0.28600
11	LNG Prod & Presure Support Alloc	DEMLNG	0.71400	0.28600
12				
13	GAS COST ALLOCATORS			
14	Base Demand Gas Costs	DBASE	1.00000	0.00000
15	Remaining Demand Gas Costs	DREMAIN	1.00000	0.00000
16				
17				
18				

DISTRIBUTION ALLOCATORS

1	Distribution Allocator	DISTR	0.00000	1.00000
2				
3	Pension & PBOP Expense Allocator	PENSION	0.00000	1.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

RATIO TABLE CONT-34

COMMODITY RELATED

			PRODUCTION (18)-4	DELIVERY (19)
1	Base Commodity Gas Costs	EBASE	1.00000	0.00000
2	Remaining Commodity Gas Costs	EREMAIN	1.00000	0.00000
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7	Annual Therm Firm Sales Sendout		1.00000	1.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

RATIO TABLE CONT-35

CUSTOMER RELATED

			PRODUCTION (18)-4	DELIVERY (19)
1	Acct 380 Gas Services	CUST380	0.00000	1.00000
2	Acct 381 Gas Meters	CUST381	0.00000	1.00000
3	Acct 382 Meter Installations	CUST382	0.00000	1.00000
4	Acct 383 Gas Regulators	CUST383	0.00000	1.00000
5	Customer Deposits	CUSTDEP	0.00000	1.00000
6	Transportation Customers	CUSTTR	0.00000	1.00000
7	Acct 386.0 Gas Water Heaters	CUST3860	0.00000	1.00000
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	0.00000	1.00000
9	Acct 386.3 Conversion Burners	CUST3863	0.00000	1.00000
10	Acct 487-Return Check Charges	CUST487	0.00000	1.00000
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	0.00000	1.00000
12	Acct 882-Revenue Guardian Care & C/S	CUST882	0.00000	1.00000
13	Acct 902 Meter Reading Expense	CUST902	0.00000	1.00000
14	Acct 903-Cust Records & Collection Exp	CUST903	0.00000	1.00000
15	Acct 912-Demonstrating & Selling Exp	CUST912	0.00000	1.00000
16	Acct 913-Advertising Expense	CUST913	0.00000	1.00000
17	Acct 879-Customer Installations Exp	CUST879	0.00000	1.00000
18	Acct 903 Collections Expense	CUST903C	0.00000	1.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

			PRODUCTION (18)-4	DELIVERY (19)
	UNCOLLECTIBLE ACCOUNTS			
1	Residential Heating Rate R-3 & R-4	C904R3	0.69694	0.30306
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0.35913	0.64087
3	Outdoor Lighting	C904OL	0.87204	0.12796
4	High Winter Low Annual Rate G40 & T40	C904R40	0.66380	0.33620
5	High Winter Med Annual Rate G41 & T41	C904R41	0.73390	0.26610
6	High Winter High Annual Rate G42 & T42	C904R42	0.65507	0.34493
7	High Wint Large Annual Rate G43 & T43	C904R43	0.73265	0.26735
8	Low Winter Low Annual Rate G50 & T50	C904R50	0.63092	0.36908
9	Low Winter Med Annual Rate G51 & T51	C904T51	0.74220	0.25780
10	Low Winter High Annual Rate G52 & T52	C904R52	0.62193	0.37807
11	Low Wint Large Annual Rate G53 & T53	C904R53	0.32661	0.67339
12				
13	LATE PAYMENT CHARGES			
14				
15	High Winter Low Annual Rate G40 & T40	C487R40	0.66380	0.33620
16	High Winter Med Annual Rate G41 & T41	C487R41	0.73390	0.26610
17	High Winter High Annual Rate G42 & T42	C487R42	0.65507	0.34493
18	High Wint Large Annual Rate G43 & T43	C487R43	0.73265	0.26735
19	Low Winter Low Annual Rate G50 & T50	C487R50	0.63092	0.36908
20	Low Winter Med Annual Rate G51 & T51	C487T51	0.74220	0.25780
21	Low Winter High Annual Rate G52 & T52	C487R52	0.62193	0.37807
22	Low Wint Large Annual Rate G53 & T53	C487R53	0.32661	0.67339
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

INTERNALLY DEVELOPED-37

			PRODUCTION (18)-4	DELIVERY (19)
1	Total Gas Plant In Service	PLANT	0.02545	0.97455
2	Sum of Allocated Labor Expense	LABOR	0.03818	0.96182
3	Acct 301 Organization	PLT301	0.02545	0.97455
4	Acct 303 Misc. Intangible Plant	PLT303	0.03818	0.96182
5	Acct 305 Structures & Improvements	PLT305	0.71400	0.28600
6	Acct 311 L.P. Gas Equipment	PLT311	0.71400	0.28600
7	Acct 320 Other Equipment	PLT320	0.71400	0.28600
8	Acct 321 L.N.G. Equipment	PLT321	0.71400	0.28600
9	Acct 365 Right of Way	PLT365	0.00000	1.00000
10	Acct 366 Structures & Improvements	PLT366	0.00000	1.00000
11	Acct 367 Gas Mains	PLT367	0.00000	1.00000
12	Acct 368 Compressor Station Equipment	PLT368	0.00000	1.00000
13	Acct 369 Meas. & Reg. Station Equip	PLT369	0.00000	1.00000
14	Acct 380 Gas Services	PLT380	0.00000	1.00000
15	Acct 381 Gas Meters	PLT381	0.00000	1.00000
16	Acct 382 Meter Installations	PLT382	0.00000	1.00000
17	Acct 383 Gas Regulators	PLT383	0.00000	1.00000
18	Acct 386 Gas Water Heaters	PLT3860	0.00000	1.00000
19	Acct 386 Cascade Diamond Boilers	PLT3862	0.00000	1.00000
20	Acct 386 Conversion Burners	PLT3863	0.00000	1.00000
21	Acct 387 Other Equipment	PLT387	0.00000	1.00000
22	Acct 379 Other Equipment	PLT379	0.00000	1.00000
23	Acct 390 Structures & Improvements	PLT390	0.03818	0.96182
24	Acct 391 Office Equipment	PLT391	0.03818	0.96182
25	Acct 392 Transportation Equipment	PLT392	0.03818	0.96182
26	Acct 393 Stores Equipment	PLT393	0.03818	0.96182
27	Acct 394 Tools, Shop & Garage Equip	PLT394	0.03818	0.96182
28	Acct 396 Power Operated Equipment	PLT396	0.03818	0.96182
29	Acct 397 Communication Equip-Other	PLT397O	0.03818	0.96182
30	Acct 398 Miscellaneous Equipment	PLT398	0.03818	0.96182
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	0.71400	0.28600
32	Acct 717-LPG Gas Expenses	EXP717	0.71400	0.28600
33	Acct 719-Handling Expense	EXP719	0.71400	0.28600
34	Acct 735-Miscellaneous Production Exp	EXP735	0.71400	0.28600
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	0.71400	0.28600
36	Acct 741-Maintenance of Struct & Improv	EXP741	0.71400	0.28600
37	Acct 742-Maintenance of Production Eq	EXP742	0.71400	0.28600
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	0.71400	0.28600
39	Acct 754-Liquefaction Expense	EXP754	0.71400	0.28600
40	Acct 757-Vaporization Expense	EXP757	0.71400	0.28600

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

INTERNALLY DEVELOPED CONT-38

			PRODUCTION (18)-4	DELIVERY (19)
1	Acct 759-Handling Expense	EXP759	0.71400	0.28600
2	Acct 775-Miscellaneous Production Exp	EXP775	0.71400	0.28600
3	Acct 777-Lease Expense	EXP777	0.71400	0.28600
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	0.71400	0.28600
5	Acct 781-Maintenance of Struct & Improv	EXP781	0.71400	0.28600
6	Acct 782-Maintenance of Production Eq	EXP782	0.71400	0.28600
7	Total Intangible Plant	INTPLT	0.03793	0.96207
8	Total Production Plant	PRODPLT	0.71400	0.28600
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	0.00000	1.00000
10	Acct 851-Sys Control & Load Dispatch	EXP851	0.00000	0.00000
11	Acct 852-Communication System Exp	EXP852	0.00000	1.00000
12	Acct 857-Measuring & Regul Stat Exp	EXP857	0.00000	1.00000
13	Acct 874-Mains and Services Exp	EXP874	0.00000	1.00000
14	Acct 878-Meter & House Regulator Exp	EXP878	0.00000	1.00000
15	Acct 879-Customer Installations Exp	EXP879	0.00000	1.00000
16	Acct 880-Other Expenses	EXP880	0.00000	1.00000
17	Acct 881-Rents	EXP881	0.00000	1.00000
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	0.00000	1.00000
19	Acct 886-Maintenance of Struct & Improv	EXP886	0.00000	1.00000
20	Acct 887-Maintenance of Mains	EXP887	0.00000	1.00000
21	Acct 888-Maint of Compressor Station Eq	EXP888	0.00000	0.00000
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	0.00000	1.00000
23	Acct 892-Maintenance of Services	EXP892	0.00000	1.00000
24	Acct 893-Mnt of Meters and House Regul	EXP893	0.00000	1.00000
25	Acct 894-Maintenance of Other Equip	EXP894	0.00000	1.00000
26	Customer Accts Labor Accts 902 to 903	LABCA	0.00000	1.00000
27	Acct 902-Meter Reading Expenses	EXP902	0.00000	1.00000
28	Acct 903-Cust Records & Collection Exp	EXP903	0.00000	1.00000
29	Sales Expenses Labor Accts 912 to 916	LABSA	0.00000	1.00000
30	Acct 912-Demonstrating & Selling Exp	EXP912	0.00000	1.00000
31	Acct 913-Advertising Exp	EXP913	0.00000	1.00000
32	Acct 916-Miscellaneous Sales Exp	EXP916	0.00000	1.00000
33	Acct 920-Administrative & General Sal	EXP920	0.08419	0.91581
34	Acct 921-Office Supplies & Expenses	EXP921	0.08419	0.91581
35	Acct 922-Administrative Exp Transf-Cr	EXP922	0.08419	0.91581
36	Acct 923-Outside Services Employed	EXP923	0.11621	0.88379
37	Acct 924-Property Insurance	EXP924	0.00000	0.00000
38	Acct 925-Injuries & Damages	EXP925	0.08419	0.91581
39	Acct 926-Employees Pensions & Benef	EXP926	0.02522	0.97478
40	Acct 928-Regulatory Commission Exp	EXP928	0.08419	0.91581

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

INTERNALLY DEVELOPED CONT-39

			PRODUCTION (18)-4	DELIVERY (19)
1	Acct 929-Duplicate Charges-Cr	EXP929	0.00000	0.00000
2	Acct 930-Miscellaneous General Exp	EXP930	0.08419	0.91581
3	Acct 931 Rents	EXP931	0.02655	0.97345
4	Acct 932 Maintenance of General Plant	EXP932	0.03492	0.96508
5	Total LPG Gas Operating Labor	TLABPO	0.71400	0.28600
6	Tot LPG Gas Maintenence Labor	TLABPM	0.71400	0.28600
7	Total LNG Gas Operating Labor	TLABLO	0.71400	0.28600
8	Tot LNG Gas Maintenence Labor	TLABLM	0.71400	0.28600
9	Total Transm & Distr Operating Labor	TLABDO	0.00000	1.00000
10	Total Transm & Distr Maintenance Labor	TLABDM	0.00000	1.00000
11	Total Customer Accounts Labor	TLABCA	0.00000	1.00000
12	Total Sales Expense Labor	TLABSA	0.00000	1.00000
13	Total General Plant	GENPLT	0.03492	0.96508
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	0.08419	0.91581
15	Sales Expense Accounts 912 to 913	EXP9123	0.00000	1.00000
16	Acct 367 Mains and Acct 380 Services	PLT36780	0.00000	1.00000
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	0.00000	1.00000
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	0.00000	1.00000
19	Transm & Distr Oper Accts 851 to 879	EXP8519	0.00000	1.00000
20	Total Customer Deposits	TOTCDEP	0.00000	1.00000
21	Acct 386 Other Property on Cust's Prem	PLT386	0.00000	1.00000
22	Total Transmission & Distribution Plant	DISTRPLT	0.00000	1.00000
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	0.65649	0.34351
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	0.00000	1.00000
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	0.00000	1.00000
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	0.00000	1.00000
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	0.00000	1.00000
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	0.00000	1.00000
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	0.00000	1.00000
30	Acct 367-Gas Mains - Plastic	PLT367P	0.00000	1.00000
31	Acct 391-Office Equipment	PLT391OE	0.03818	0.96182
32	Acct 391-Office IT Equipment	PLT391IT	0.03818	0.96182
33	Acct 397-Comm Equip Metscan	PLT397M	0.00000	1.00000
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	0.00000	1.00000
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	0.71400	0.28600
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	0.71400	0.28600
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	0.71400	0.28600
38	Total Gas Operation & Maintenance Labor	OMLAB	0.04519	0.95481
39	Inflation Adjustment Residual O&M	OTHOMINF	0.05096	0.94904
40				

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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INTERNALLY DEVELOPED CONT-40

			PRODUCTION (18)-4	DELIVERY (19)
1	Total Gas Supply Expense	GASCOSTS	1.00000	0.00000
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	0.00000	1.00000
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11	**NISource Service Charges Allocators**			
12	Basis 1 - 50% Gross Plant	BASIS1P	0.02545	0.97455
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	0.13921	0.86079
14	Basis 10 - Number of Annual Customers	BASIS10	0.00000	1.00000
15	Basis 11 - Labor	BASIS11	0.03818	0.96182
16	Basis 2 - Gross Plant	BASIS2	0.02545	0.97455
17	Basis 20 - Total Direct Billed	BASIS20	0.06948	0.93052
18	Basis 7 - 50% Deprec Plant	BASIS7P	0.02445	0.97555
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	0.84046	0.15954
20	Basis 9 - Labor	BASIS9	0.03818	0.96182
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	0.06353	0.93647
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRESENT RATE OF RETURN SUMMARY SCHEDULE - COMPONENT FORMAT

			TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	RATE OF RETURN		5.71%	6.95%	-11.66%	11.13%	5.17%	6.74%	5.41%
	REVENUES REQUIRED								
1	**CAPACITY COMPONENTS**		119,118,132	74,837,887	969,224	457	8,148,168	14,027,991	7,780,919
2	DEMAND PRODUCTION		58,557,528	40,520,408	594,636	170	4,630,393	6,856,302	2,737,666
3	PRODUCTION LPG		779,998	551,058	2,863	0	65,360	97,572	37,210
4	PRODUCTION LNG		4,180,612	2,975,474	9,278	0	342,951	524,600	195,650
5	PROD DEMAND GAS COSTS		53,596,918	36,993,876	582,495	170	4,222,082	6,234,130	2,504,806
6	DEMAND DISTRIBUTION								
7	PRESSURE SUPPORT		1,965,903	1,072,702	9,703	9	115,536	239,961	178,881
8	DISTRIBUTION OTHER		58,594,701	33,244,778	364,885	278	3,402,240	6,931,728	4,864,373
9	**COMMODITY COMPONENTS**		280,337,281	190,314,546	5,451,696	2,179	17,627,146	28,550,079	12,905,033
10	GAS COSTS		280,337,281	190,314,546	5,451,696	2,179	17,627,146	28,550,079	12,905,033
11	**CUSTOMER COMPONENTS**		79,195,868	58,277,322	4,409,098	90	6,171,115	4,292,299	1,635,898
12	CUSTOMER SERVICES		30,570,922	24,403,046	1,092,214	0	2,440,919	873,665	635,716
13	CUSTOMER METERS		29,074,291	19,011,070	1,437,907	0	2,399,877	2,885,720	808,679
14	CUSTOMER W/H & CON BURN		(3,319,753)	(1,686,600)	(81,653)	(8)	(219,566)	(388,944)	(335,637)
15	CUSTOMER DEPOSITS		(177,321)	(3,350)	328	(0)	(59,513)	(76,273)	(14,651)
16	CUST RETURNED CHECK		(31,780)	(23,438)	(1,478)	(0)	(2,404)	(2,203)	(727)
17	CUST GUARD/C & CUST SERV		(8,566,849)	(4,578,830)	(92,319)	(33)	(522,226)	(1,033,208)	(805,245)
18	CUSTOMER SALES COMP		490,696	319,927	30,131	(0)	27,104	30,567	21,862
19	CUST ADVERTISING COMP		13,337,148	7,163,564	134,819	52	807,489	1,607,080	1,242,625
20	CUSTOMER METER READING		1,611,638	1,266,933	175,273	0	96,756	26,345	6,836
21	CUST RECORDS & COLLECT		16,206,876	12,405,000	1,713,875	79	1,202,679	369,550	76,440
22	**TOTAL COMPANY**	478,651,282	478,651,282	323,429,755	10,830,018	2,726	31,946,429	46,870,369	22,321,850
		478,651,282							
23	**TOTAL PRODUCTION**		338,894,809	230,834,955	6,046,332	2,349	22,257,539	35,406,381	15,642,699
24	**TOTAL DELIVERY SERVICE**		139,756,473	92,594,801	4,783,687	377	9,688,890	11,463,988	6,679,151
25	**PRODUCTION COMPONENT $/Therm**		$0.9261	$0.9319	$0.9456	$0.8610	$0.9548	$0.9164	$0.8947
26	**DELIVERY COMPONENT $/Therm**		$0.2832	$0.3737	$0.7479	$0.1382	$0.3843	$0.2117	$0.1513
27	**CUSTOMER COMPONENT $/MO/CUST**		$23.32	$21.86	$11.01	$0.63	$30.82	$76.38	$220.12
28	**TOTAL THRUPUT THERMS**		493,498,312	247,783,289	6,396,166	2,728	25,211,233	54,160,592	44,135,406
29	**TOTAL SALES THERMS**		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
30	**TOTAL ANNUAL CUSTOMERS**		3,395,936	2,666,494	400,515	144	200,206	56,195	7,432

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

			HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	PRESENT RATE OF RETURN SUMMARY SCHEDULE - CO						
	RATE OF RETURN		2.53%	1.64%	3.41%	7.00%	8.19%
	REVENUES REQUIRED						
1	**CAPACITY COMPONENTS**		1,547,679	837,731	2,859,954	2,855,508	5,252,613
2	DEMAND PRODUCTION		711,835	420,203	1,244,409	522,075	319,430
3	PRODUCTION LPG		8,235	3,007	8,529	2,681	3,482
4	PRODUCTION LNG		41,009	14,774	43,257	14,473	19,146
5	PROD DEMAND GAS COSTS		662,591	402,422	1,192,623	504,922	296,803
6	DEMAND DISTRIBUTION						
7	PRESSURE SUPPORT		33,749	14,443	59,983	78,607	162,332
8	DISTRIBUTION OTHER		802,096	403,085	1,555,562	2,254,827	4,770,850
9	**COMMODITY COMPONENTS**		3,265,731	3,584,589	10,832,712	5,314,944	2,488,626
10	GAS COSTS		3,265,731	3,584,589	10,832,712	5,314,944	2,488,626
11	**CUSTOMER COMPONENTS**		89,869	1,353,558	1,549,150	840,995	576,475
12	CUSTOMER SERVICES		23,496	412,272	281,421	274,333	133,840
13	CUSTOMER METERS		51,959	682,601	1,108,675	465,184	222,620
14	CUSTOMER W/H & CON BURN		(84,904)	(38,691)	(137,887)	(123,742)	(222,121)
15	CUSTOMER DEPOSITS		(1,017)	(283)	(10,676)	(10,135)	(1,751)
16	CUST RETURNED CHECK		(123)	(439)	(629)	(235)	(104)
17	CUST GUARD/C & CUST SERV		(168,466)	(73,902)	(289,443)	(335,647)	(667,531)
18	CUSTOMER SALES COMP		4,488	5,387	11,709	12,697	26,825
19	CUST ADVERTISING COMP		255,642	112,302	442,243	523,301	1,048,030
20	CUSTOMER METER READING		824	19,771	11,698	3,699	3,503
21	CUST RECORDS & COLLECT		7,970	234,541	132,038	31,542	33,164
22	**TOTAL COMPANY**	478,651,282	4,903,279	5,775,878	15,241,815	9,011,447	8,317,714
		478,651,282					
23	**TOTAL PRODUCTION**		3,977,566	4,004,792	12,077,121	5,837,019	2,808,057
24	**TOTAL DELIVERY SERVICE**		925,713	1,771,085	3,164,694	3,174,428	5,509,658
25	**PRODUCTION COMPONENT $/Therm**		$0.8975	$0.9007	$0.8803	$0.8757	$0.8903
26	**DELIVERY COMPONENT $/Therm**		$0.0978	$0.3377	$0.1481	$0.1245	$0.1016
27	**CUSTOMER COMPONENT $/MO/CUST**		$496.51	$33.92	$73.51	$281.36	$721.50
28	**TOTAL THRUPUT THERMS**		9,468,031	5,243,986	21,369,383	25,505,268	54,222,227
29	**TOTAL SALES THERMS**		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
30	**TOTAL ANNUAL CUSTOMERS**		181	39,908	21,073	2,989	799

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

PRESENT RATE OF RETURN SUMMARY SCHEDULE - FUNCTION FORMAT

		TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	RATE OF RETURN	5.71%	6.95%	-11.66%	11.13%	5.17%	6.74%	5.41%
	$/THERM							
1	**CAPACITY COMPONENTS**	$0.3255	$0.3021	$0.1516	$0.1674	$0.3495	$0.3631	$0.4450
2	DEMAND PRODUCTION	$0.1600	$0.1636	$0.0930	$0.0623	$0.1986	$0.1775	$0.1566
3	PRODUCTION LPG	$0.0021	$0.0022	$0.0004	$0.0000	$0.0028	$0.0025	$0.0021
4	PRODUCTION LNG	$0.0114	$0.0120	$0.0015	$0.0000	$0.0147	$0.0136	$0.0112
5	PROD DEMAND GAS COSTS	$0.1465	$0.1493	$0.0911	$0.0623	$0.1811	$0.1614	$0.1433
6								
7	DEMAND DISTRIBUTION							
8	PRESSURE SUPPORT	$0.0054	$0.0043	$0.0015	$0.0032	$0.0050	$0.0062	$0.0102
9	DISTRIBUTION OTHER	$0.1601	$0.1342	$0.0571	$0.1019	$0.1459	$0.1794	$0.2782
10								
11	**COMMODITY COMPONENTS**	$0.7661	$0.7683	$0.8526	$0.7987	$0.7562	$0.7389	$0.7381
12	GAS COSTS	$0.7661	$0.7683	$0.8526	$0.7987	$0.7562	$0.7389	$0.7381
13								
14	**CUSTOMER COMPONENTS**	$0.2164	$0.2353	$0.6895	$0.0331	$0.2647	$0.1111	$0.0936
15	CUSTOMER SERVICES	$0.0835	$0.0985	$0.1708	$0.0000	$0.1047	$0.0226	$0.0364
16	CUSTOMER METERS	$0.0794	$0.0767	$0.2249	$0.0000	$0.1029	$0.0747	$0.0463
17	CUSTOMER W/H & CON BURN	-$0.0091	-$0.0068	-$0.0128	-$0.0029	-$0.0094	-$0.0101	-$0.0192
18	CUSTOMER DEPOSITS	-$0.0005	$0.0000	$0.0001	$0.0000	-$0.0026	-$0.0020	-$0.0008
19	CUST RETURNED CHECK	-$0.0001	-$0.0001	-$0.0002	$0.0000	-$0.0001	-$0.0001	$0.0000
20	CUST GUARD/C & CUST SERV	-$0.0234	-$0.0185	-$0.0144	-$0.0120	-$0.0224	-$0.0267	-$0.0461
21	CUSTOMER SALES COMP	$0.0013	$0.0013	$0.0047	$0.0000	$0.0012	$0.0008	$0.0013
22	CUST ADVERTISING COMP	$0.0364	$0.0289	$0.0211	$0.0191	$0.0346	$0.0416	$0.0711
23	CUSTOMER METER READING	$0.0044	$0.0051	$0.0274	$0.0000	$0.0042	$0.0007	$0.0004
24	CUST RECORDS & COLLECT	$0.0443	$0.0501	$0.2680	$0.0289	$0.0516	$0.0096	$0.0044
25	**TOTAL COMPANY**	$1.3080	$1.3057	$1.6937	$0.9992	$1.3704	$1.2131	$1.2767
26								
27								
28	**TOTAL PRODUCTION**	$0.9261	$0.9319	$0.9456	$0.8610	$0.9548	$0.9164	$0.8947
29								
30	**TOTAL DELIVERY SERVICE**	$0.3819	$0.3738	$0.7481	$0.1382	$0.4156	$0.2967	$0.3820

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

		HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	PRESENT RATE OF RETURN SUMMARY SCHEDULE - FUI					
	RATE OF RETURN	2.53%	1.84%	3.41%	7.00%	8.19%
	$/THERM					
1	**CAPACITY COMPONENTS**	$0.3492	$0.1884	$0.2085	$0.4284	$1.6654
2	DEMAND PRODUCTION	$0.1606	$0.0945	$0.0907	$0.0783	$0.1013
3	PRODUCTION LPG	$0.0019	$0.0007	$0.0006	$0.0004	$0.0011
4	PRODUCTION LNG	$0.0095	$0.0033	$0.0032	$0.0022	$0.0061
5	PROD DEMAND GAS COSTS	$0.1495	$0.0905	$0.0869	$0.0757	$0.0941
6						
7	DEMAND DISTRIBUTION					
8	PRESSURE SUPPORT	$0.0076	$0.0032	$0.0044	$0.0118	$0.0515
9	DISTRIBUTION OTHER	$0.1810	$0.0907	$0.1134	$0.3383	$1.5126
10						
11	**COMMODITY COMPONENTS**	$0.7369	$0.8062	$0.7896	$0.7973	$0.7890
12	GAS COSTS	$0.7369	$0.8062	$0.7896	$0.7973	$0.7890
13						
14	**CUSTOMER COMPONENTS**	$0.0203	$0.3044	$0.1129	$0.1262	$0.1828
15	CUSTOMER SERVICES	$0.0053	$0.0927	$0.0205	$0.0412	$0.0424
16	CUSTOMER METERS	$0.0117	$0.1535	$0.0808	$0.0698	$0.0706
17	CUSTOMER W/H & CON BURN	-$0.0192	-$0.0087	-$0.0101	-$0.0186	-$0.0704
18	CUSTOMER DEPOSITS	-$0.0002	-$0.0001	-$0.0008	-$0.0015	-$0.0006
19	CUST RETURNED CHECK	$0.0000	-$0.0001	$0.0000	$0.0000	$0.0000
20	CUST GUARD/C & CUST SERV	-$0.0380	-$0.0166	-$0.0211	-$0.0504	-$0.2116
21	CUSTOMER SALES COMP	$0.0010	$0.0012	$0.0009	$0.0019	$0.0085
22	CUST ADVERTISING COMP	$0.0577	$0.0253	$0.0322	$0.0785	$0.3323
23	CUSTOMER METER READING	$0.0002	$0.0044	$0.0009	$0.0006	$0.0011
24	CUST RECORDS & COLLECT	$0.0018	$0.0528	$0.0096	$0.0047	$0.0105
25	**TOTAL COMPANY**	$1.1063	$1.2991	$1.1110	$1.3519	$2.6372
26						
27						
28	**TOTAL PRODUCTION**	$0.8975	$0.9007	$0.8803	$0.8757	$0.8903
29						
30	**TOTAL DELIVERY SERVICE**	$0.2089	$0.3983	$0.2307	$0.4762	$1.7469

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

			TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	CLAIMED RATE OF RETURN SUMMARY SCHEDULE - COMPONENT FORMAT								
	RATE OF RETURN		9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%
	REVENUES REQUIRED								
1	**CAPACITY COMPONENTS**		129,478,549	79,127,251	1,771,089	427	9,055,456	15,106,659	9,078,725
2	DEMAND PRODUCTION		58,976,356	40,759,325	613,512	170	4,684,692	6,903,709	2,766,871
3	PRODUCTION LPG		817,739	572,618	4,424	0	70,244	101,904	39,885
4	PRODUCTION LNG		4,552,718	3,188,020	24,632	0	391,081	567,345	222,059
5	PROD DEMAND GAS COSTS		53,605,898	36,998,687	584,457	170	4,223,366	6,234,461	2,504,927
6	DEMAND DISTRIBUTION								
7	PRESSURE SUPPORT		2,140,552	1,143,912	23,222	8	130,536	258,117	201,224
8	DISTRIBUTION OTHER		68,361,642	37,224,014	1,134,354	249	4,240,228	7,944,832	6,110,630
9	**COMMODITY COMPONENTS**		280,391,966	190,339,292	5,470,056	2,179	17,632,509	28,551,592	12,905,657
10	GAS COSTS		280,391,966	190,339,292	5,470,056	2,179	17,632,509	28,551,592	12,905,657
11	**CUSTOMER COMPONENTS**		90,600,343	62,124,121	9,698,726	87	6,932,274	4,652,883	1,940,726
12	CUSTOMER SERVICES		36,688,930	26,506,049	4,223,098	0	2,859,708	959,732	740,551
13	CUSTOMER METERS		33,217,706	20,231,467	3,299,248	0	2,700,605	3,096,794	906,170
14	CUSTOMER W/H & CON BURN		(2,629,914)	(1,405,427)	(28,531)	(10)	(160,379)	(317,127)	(247,226)
15	CUSTOMER DEPOSITS		(374,393)	(4,665)	(202)	(0)	(123,978)	(111,961)	(29,494)
16	CUST RETURNED CHECK		(31,814)	(23,453)	(1,490)	(0)	(2,407)	(2,204)	(728)
17	CUST GUARD/C & CUST SERV		(8,572,987)	(4,581,408)	(93,006)	(33)	(522,802)	(1,033,769)	(805,907)
18	CUSTOMER SALES COMP		503,584	324,710	35,012	(0)	27,863	31,082	22,448
19	CUST ADVERTISING COMP		13,551,206	7,250,913	151,872	52	825,919	1,629,191	1,269,794
20	CUSTOMER METER READING		1,665,322	1,286,321	204,419	0	99,530	26,799	7,024
21	CUST RECORDS & COLLECT		16,582,703	12,539,613	1,908,306	79	1,228,216	374,346	78,094
22	**TOTAL COMPANY**	500,470,859	500,470,859	331,590,664	16,939,871	2,693	33,620,240	48,311,134	23,925,108
		500,470,859							
23	**TOTAL PRODUCTION**		339,368,322	231,098,617	6,083,568	2,349	22,317,201	35,455,301	15,672,529
24	**TOTAL DELIVERY SERVICE**		161,102,537	100,492,047	10,856,303	345	11,303,039	12,855,832	8,252,580
25	**PRODUCTION COMPONENT $/Therm**		$0.9274	$0.9330	$0.9514	$0.8610	$0.9574	$0.9177	$0.8964
26	**DISTRIBUTION COMPONENT $/THERM**		$0.3265	$0.4056	$1.6973	$0.1263	$0.4483	$0.2374	$0.1870
27	**CUSTOMER COMPONENT $/MO/CUST**		$26.68	$23.30	$24.22	$0.61	$34.63	$82.80	$261.13
28	**TOTAL THRUPUT THERMS**		493,498,312	247,783,289	6,396,166	2,728	25,211,236	54,160,592	44,135,406
29	**TOTAL SALES THERMS**		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
30	**TOTAL ANNUAL CUSTOMERS**		3,395,936	2,666,494	400,515	144	200,206	56,195	7,432

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

			HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CLAIMED RATE OF RETURN SUMMARY SCHEDULE - CON						
	RATE OF RETURN		9.05%	9.05%	9.05%	9.05%	9.05%
	REVENUES REQUIRED						
1	**CAPACITY COMPONENTS**		2,035,434	1,073,598	3,574,355	3,154,113	5,501,442
2	DEMAND PRODUCTION		724,101	425,433	1,255,266	523,232	320,043
3	PRODUCTION LPG		9,359	3,466	9,513	2,786	3,538
4	PRODUCTION LNG		52,107	19,300	52,965	15,511	19,699
5	PROD DEMAND GAS COSTS		662,635	402,667	1,192,788	504,936	296,805
6	DEMAND DISTRIBUTION						
7	PRESSURE SUPPORT		42,125	18,492	72,366	83,845	166,705
8	DISTRIBUTION OTHER		1,269,208	629,673	2,246,723	2,547,036	5,014,694
9	**COMMODITY COMPONENTS**		3,265,949	3,586,776	10,834,215	5,315,091	2,488,650
10	GAS COSTS		3,265,949	3,586,776	10,834,215	5,315,091	2,488,650
11	**CUSTOMER COMPONENTS**		144,636	1,698,975	1,880,092	918,286	609,537
12	CUSTOMER SERVICES		31,476	571,821	359,946	298,077	138,471
13	CUSTOMER METERS		64,358	866,434	1,329,043	495,160	228,425
14	CUSTOMER W/H & CON BURN		(51,755)	(22,719)	(88,910)	(103,013)	(204,816)
15	CUSTOMER DEPOSITS		(10,311)	(30,121)	(47,534)	(14,139)	(1,988)
16	CUST RETURNED CHECK		(124)	(440)	(630)	(235)	(104)
17	CUST GUARD/C & CUST SERV		(168,711)	(74,060)	(289,828)	(335,803)	(667,659)
18	CUSTOMER SALES COMP		4,709	5,682	12,201	12,886	26,992
19	CUST ADVERTISING COMP		265,824	117,284	457,334	529,674	1,053,349
20	CUSTOMER METER READING		866	20,880	12,202	3,755	3,526
21	CUST RECORDS & COLLECT		8,304	244,214	136,269	31,923	33,340
22	**TOTAL COMPANY**	500,470,859	5,446,019	6,359,348	16,288,662	9,387,490	8,599,628
		500,470,859					
23	**TOTAL PRODUCTION**		3,990,050	4,012,209	12,089,481	5,838,324	2,808,693
24	**TOTAL DELIVERY SERVICE**		1,455,970	2,347,139	4,199,180	3,549,167	5,790,935
25	**PRODUCTION COMPONENT $/Therm**		$0.9003	$0.9024	$0.8812	$0.8759	$0.8905
26	**DISTRIBUTION COMPONENT $/THERM**		$0.1538	$0.4476	$0.1965	$0.1392	$0.1068
27	**CUSTOMER COMPONENT $/MO/CUST**		$799.10	$42.57	$89.22	$307.22	$762.87
28	**TOTAL THRUPUT THERMS**		9,468,031	5,243,986	21,369,383	25,505,268	54,222,227
29	**TOTAL SALES THERMS**		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
30	**TOTAL ANNUAL CUSTOMERS**		181	39,908	21,073	2,989	799

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

CLAIMED RATE OF RETURN SUMMARY SCHEDULE - FUNCTION FORMAT

		TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	RATE OF RETURN	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%	9.05%
	$/THERM							
1	**CAPACITY COMPONENTS**	$0.3538	$0.3194	$0.2770	$0.1566	$0.3885	$0.3910	$0.5193
2	DEMAND PRODUCTION	$0.1612	$0.1645	$0.0959	$0.0623	$0.2010	$0.1787	$0.1583
3	PRODUCTION LPG	$0.0022	$0.0023	$0.0007	$0.0000	$0.0030	$0.0026	$0.0023
4	PRODUCTION LNG	$0.0124	$0.0129	$0.0039	$0.0000	$0.0168	$0.0147	$0.0127
5	PROD DEMAND GAS COSTS	$0.1465	$0.1494	$0.0914	$0.0623	$0.1812	$0.1614	$0.1433
6								
7	DEMAND DISTRIBUTION							
8	PRESSURE SUPPORT	$0.0058	$0.0046	$0.0036	$0.0030	$0.0056	$0.0067	$0.0115
9	DISTRIBUTION OTHER	$0.1868	$0.1503	$0.1774	$0.0913	$0.1819	$0.2056	$0.3495
10								
11	**COMMODITY COMPONENTS**	$0.7662	$0.7684	$0.8555	$0.7987	$0.7564	$0.7390	$0.7382
12	GAS COSTS	$0.7662	$0.7684	$0.8555	$0.7987	$0.7564	$0.7390	$0.7382
13								
14	**CUSTOMER COMPONENTS**	$0.2476	$0.2508	$1.5168	$0.0320	$0.2974	$0.1204	$0.1110
15	CUSTOMER SERVICES	$0.1003	$0.1070	$0.6605	$0.0000	$0.1227	$0.0248	$0.0424
16	CUSTOMER METERS	$0.0908	$0.0817	$0.5160	$0.0000	$0.1159	$0.0802	$0.0518
17	CUSTOMER W/H & CON BURN	-$0.0072	-$0.0057	-$0.0045	-$0.0037	-$0.0069	-$0.0082	-$0.0141
18	CUSTOMER DEPOSITS	-$0.0010	$0.0000	$0.0000	$0.0000	-$0.0053	-$0.0029	-$0.0017
19	CUST RETURNED CHECK	-$0.0001	-$0.0001	-$0.0002	$0.0000	-$0.0001	-$0.0001	$0.0000
20	CUST GUARD/C & CUST SERV	-$0.0234	-$0.0185	-$0.0145	-$0.0120	-$0.0224	-$0.0268	-$0.0461
21	CUSTOMER SALES COMP	$0.0014	$0.0013	$0.0055	$0.0000	$0.0012	$0.0008	$0.0013
22	CUST ADVERTISING COMP	$0.0370	$0.0293	$0.0238	$0.0189	$0.0354	$0.0422	$0.0726
23	CUSTOMER METER READING	$0.0046	$0.0052	$0.0320	$0.0000	$0.0043	$0.0007	$0.0004
24	CUST RECORDS & COLLECT	$0.0453	$0.0506	$0.2984	$0.0288	$0.0527	$0.0097	$0.0045
25	**TOTAL COMPANY**	$1.3676	$1.3387	$2.6492	$0.9873	$1.4422	$1.2504	$1.3684
26								
27								
28	**TOTAL PRODUCTION**	$0.9274	$0.9330	$0.9514	$0.8610	$0.9574	$0.9177	$0.8964
29								
30	**TOTAL DELIVERY SERVICE**	$0.4402	$0.4057	$1.6978	$0.1263	$0.4849	$0.3327	$0.4720

BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

		HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CLAIMED RATE OF RETURN SUMMARY SCHEDULE - FUN					
	RATE OF RETURN	9.05%	9.05%	9.05%	9.05%	9.05%
	$/THERM					
1	**CAPACITY COMPONENTS**	$0.4593	$0.2415	$0.2605	$0.4732	$1.7443
2	DEMAND PRODUCTION	$0.1634	$0.0957	$0.0915	$0.0785	$0.1015
3	PRODUCTION LPG	$0.0021	$0.0008	$0.0007	$0.0004	$0.0011
4	PRODUCTION LNG	$0.0118	$0.0043	$0.0039	$0.0023	$0.0062
5	PROD DEMAND GAS COSTS	$0.1495	$0.0906	$0.0869	$0.0757	$0.0941
6						
7	DEMAND DISTRIBUTION					
8	PRESSURE SUPPORT	$0.0095	$0.0042	$0.0053	$0.0126	$0.0529
9	DISTRIBUTION OTHER	$0.2864	$0.1416	$0.1638	$0.3821	$1.5899
10						
11	**COMMODITY COMPONENTS**	$0.7369	$0.8067	$0.7897	$0.7974	$0.7890
12	GAS COSTS	$0.7369	$0.8067	$0.7897	$0.7974	$0.7890
13						
14	**CUSTOMER COMPONENTS**	$0.0326	$0.3821	$0.1370	$0.1378	$0.1933
15	CUSTOMER SERVICES	$0.0071	$0.1286	$0.0262	$0.0447	$0.0439
16	CUSTOMER METERS	$0.0145	$0.1949	$0.0969	$0.0743	$0.0724
17	CUSTOMER W/H & CON BURN	-$0.0117	-$0.0051	-$0.0065	-$0.0155	-$0.0649
18	CUSTOMER DEPOSITS	-$0.0023	-$0.0068	-$0.0035	-$0.0021	-$0.0006
19	CUST RETURNED CHECK	$0.0000	-$0.0001	$0.0000	$0.0000	$0.0000
20	CUST GUARD/C & CUST SERV	-$0.0381	-$0.0167	-$0.0211	-$0.0504	-$0.2117
21	CUSTOMER SALES COMP	$0.0011	$0.0013	$0.0009	$0.0019	$0.0086
22	CUST ADVERTISING COMP	$0.0600	$0.0264	$0.0333	$0.0795	$0.3340
23	CUSTOMER METER READING	$0.0002	$0.0047	$0.0009	$0.0006	$0.0011
24	CUST RECORDS & COLLECT	$0.0019	$0.0549	$0.0099	$0.0048	$0.0106
25	**TOTAL COMPANY**	$1.2288	$1.4303	$1.1873	$1.4083	$2.7266
26						
27						
28	**TOTAL PRODUCTION**	$0.9003	$0.9024	$0.8812	$0.8759	$0.8905
29						
30	**TOTAL DELIVERY SERVICE**	$0.3285	$0.5279	$0.3061	$0.5324	$1.8361

ALLOCATORS, Page 24

1. DBASE – Base Demand Costs
   Ratio Page 33 Line 14
   Items Allocated
   Page 10 Line 1

2. DREMAIN – Remaining Demand Gas Costs
   Ratio Page 33 Line 15
   Items Allocated
   Page 10 Line 2

3. DISTR – Distribution Allocator
   Ratio Page 33 Line 1 – Second Section
   Items Allocated
   Page 3 Lines 1 to 3
   Lines 4 to 10
   Lines 12 to 13
   Line 22
   Line 24
   Page 8 Lines 2 to 4
   Page 11 Lines 2 to 3
   Line 9
   Page 13 Line 30
   Line 32
   Page 22 Line 16

4. PENSION – Pension & PBOP Allocator
   Ratio Page 33 Line 3 – Second Section
   Items Allocated
   Page 13 Line 34
   Page 14 Line 3

ALLOCATORS, Page 25

1. EBASE – Base Commodity Gas Costs
   Ratio Page 34 Line 1
   Items Allocated
   Page 10 Line 4

2. EREMAIN – Remaining Commodity Gas Costs
   Ratio Page 34 Line 2
   Items Allocated
   Page 9 Lines 4 to 5
   Line 16
   Lines 18 to 19
   Page 10 Line 5

ALLOCATORS, Page 26

1. CUST380 – Acct 380 Gas Services
   Ratio Page 35 Line 1
   Items Allocated
   Page 3 Line 14

2. CUST381 – Acct 381 Gas Meters
   Ratio Page 35 Line 2
   Items Allocated
   Page 3 Line 15

3. CUST382 – Acct 382 Meter Installations
   Ratio Page 35 Line 3
   Items Allocated
   Page 3 Line 16

4. CUST383 – Acct 383 Gas Regulators
   Ratio Page 35 Line 4
   Items Allocated
   Page 3 Line 17

5. CUSTDEP – Customer Deposits
   Ratio Page 35 Line 5
   Items Allocated
   Page 7 Line 21

6. CUSTTR – Transportation Customers
   Ratio Page 35 Line 6
   Items Allocated
   Page 7 Line 22

7. CUST3860 – Acct 386.0 Gas Water Heaters
   Ratio Page 35 Line 7
   Items Allocated
   Page 3 Line 18

8. CUST3862 – Acct 386.2 Cascade Diamond Boilers
   Ratio Page 35 Line 8
   Items Allocated
   Page 3 Line 19

9. CUST3863 – Acct 386.3 Conversion Burners
   Ratio Page 35 Line 9
   Items Allocated
   Page 3 Line 20
   Page 22 Line 19

10. CUST487 – Acct 487-Return Check Charges
    Ratio Page 35 Line 10
    Items Allocated
    Page 8 Line 15

11. CUST488 – Acct 488-Rental Rev-W/H & Conv Burn
    Ratio Page 35 Line 11
    Items Allocated
    Page 8 Line 16

12. CUST882 – Acct 882-Revenue Guardian Care & C/S
    Ratio Page 35 Line 12
    Items Allocated
    Page 8 Line 17
    Page 12 Line 22

13. CUST902 – Acct 902 Meter Reading Expense
    Ratio Page 35 Line 13
    Items Allocated
    Page 12 Line 2

14. CUST903 – Acct 903-Cust Records & Collection Exp
    Ratio Page 35 Line 14
    Items Allocated
    Page 12 Line 3
    Line 7
    Page 13 Line 12

15. CUST912 – Acct-912 Demonstrating & Selling Exp
    Ratio Page 35 Line 15
    Items Allocated
    Page 12 Line 28

16. CUST913 – Account 913 Advertising Expense
    Ratio Page 35 Line 16
    Items Allocated
    Page 12 Line 29

17. CUST879 – Acct 879-Customer Installation Exp
    Ratio Page 35 Line 17
    Items Allocated
    Page 11 Line 7

18. CUST903C – Acct 903 Collection Expense
    Ratio Page 35 Line 18
    Items Allocated
    Page 12 Line 4

ALLOCATORS, Page 27

1. C904R3 – Residential Heating Rate R-3 & R-4
   Ratio Page 36 Line 1
   Items Allocated
   Page 12 Line 9

2. C904R1 – Residential Non-Heating Rate R-1 & R-2
   Ratio Page 36 Line 2
   Items Allocated
   Page 12 Line 10

3. C904OL – Outdoor Lighting
   Ratio Page 36 Line 3
   Items Allocated
   Page 12 Line 11

4. C904R40 – High Winter Low Annual Rate G40 & T40
   Ratio Page 36 Line 4
   Items Allocated
   Page 12 Line 12

5. C904R41 – High Winter Med Annual Rate G41 & T41
   Ratio Page 36 Line 5
   Items Allocated
   Page 12 Line 13

6. C904R42 – High Winter High Annual Rate G42 & T42
   Ratio Page 36 Line 6
   Items Allocated
   Page 12 Line 14

7. C904R43 – High Wint Large Annual Rate G43 & T43
   Ratio Page 36 Line 7
   Items Allocated
   Page 12 Line 15

8. C904R50 – Low Winter Low Annual Rate G50 & T50
   Ratio Page 36 Line 8
   Items Allocated
   Page 12 Line 16

9. C904R51 – Low Winter Med Annual Rate G51 & T51
   Ratio Page 36 Line 9
   Items Allocated
   Page 12 Line 17

10. C904R52 – Low Winter High Annual Rate G52 & T52
    Ratio Page 36 Line 10
    Items Allocated
    Page 12 Line 18

11. C904R53 – Low Wint Large Annual Rate G53 & T53
    Ratio Page 36 Line 11
    Items Allocated
    Page 12 Line 19

12. C487R40 – High Winter Low Annual Rate G40 & T40
    Ratio Page 36 Line 15
    Items Allocated
    Page 8 Line 6

13. C487R41 – High Winter Med Annual Rate G41 & T41
    Ratio Page 36 Line 16
    Items Allocated
    Page 8 Line 7

14. C487R42 – High Winter High Annual Rate G42 & T42
    Ratio Page 36 Line 17
    Items Allocated
    Page 9 Line 8

15. C487R43 – High Wint Large Annual Rate G43 & T43
    Ratio Page 36 Line 18
    Items Allocated
    Page 9 Line 9

16. C487R50 – Low Winter Low Annual Rate G50 & T50
    Ratio Page 36 Line 19
    Items Allocated
    Page 9 Line 10

17. C487R51 – Low Winter Med Annual Rate G51 & T51
    Ratio Page 36 Line 20
    Items Allocated
    Page 9 Line 11

18. C487R52 – Low Winter High Annual Rate G52 & T52
    Ratio Page 36 Line 21
    Items Allocated
    Page 9 Line 12

19. C487R53 – Low Wint Large Annual Rate G53 & T53
    Ratio Page 36 Line 22
    Items Allocated
    Page 9 Line 13

ALLOCATORS, Page 28

1. PLANT – Total Gas Plant in Service
    Ratio Page 37 Line 1
    Items Allocated
    Page 2 Line 1
    Line 2
    Page 7 Line 19
    Page 8 Line 18
    Page 13 Line 11
    Line 39
    Page 14 Line 29
    Page 17 Lines 4 to 5
    Lines 7 to 8
    Page 18 Line 10
    Lines 16 to 17

2. LABOR – Sum of Allocated Labor Expense
   Ratio
   Page 37 Line 2
   Items Allocated
   Page 2 Line 4
   Page 4 Lines 1 to 2
   Lines 4 to 5
   Lines 7 to 12
   Line 16
   Page 13 Line 25
   Page 14 Lines 1 to 2
   Page 17 Lines 1 to 2

3. PLT301 – Acct 301 Organization
   Ratio
   Page 37 Line 3
   Items Allocated
   Page 5 Lines 1 to 2
   Page 15 Lines 1 to 2

4. PLT303 – Acct 303 Misc. Intangible Plant
   Ratio
   Page 37 Line 4
   Items Allocated
   Page 5 Line 4
   Page 15 Lines 4 to 5

5. PLT305 – Acct 305 Structures & Improvements
   Ratio
   Page 37 Line 5
   Items Allocated
   Page 5 Line 6
   Page 15 Line 8

6. PLT311 – Acct 311 L.P. Gas Equipment
   Ratio
   Page 37 Line 6
   Items Allocated
   Page 5 Line 7
   Page 15 Line 9

7. PLT320 – Acct 320 Other Equipment
   Ratio
   Page 37 Line 7
   Items Allocated
   Page 5 Line 8
   Page 15 Line 10

8. PLT321 – Acct 321 L.N.G. Equipment
   Ratio Page 37 Line 8
   Items Allocated
   Page 5 Line 9
   Page 15 Line 11

9. PLT365 – Acct 365 Right of Way
   Ratio Page 37 Line 9
   Items Allocated
   Page 5 Line 11
   Page 15 Line 13

10. PLT366 – Acct 366 Structures & Improvements
    Ratio Page 37 Line 10
    Items Allocated
    Page 5 Line 12
    Page 11 Line 12
    Page 15 Line 14

11. PLT367 – Acct 367 Gas Mains
    Ratio Page 37 Line 11
    Items Allocated
    Page 5 Line 13
    Page 11 Line 13

12. PLT368 – Acct 368 Compressor Station Equipment
    Ratio Page 37 Line 12
    Items Allocated
    Page 5 Line 14
    Page 11 Line 14
    Page 15 Line 23

13. PLT369 – Acct 369 Meas. & Reg. Station Equip
    Ratio Page 37 Line 13
    Items Allocated
    Page 5 Line 15
    Page 11 Line 4
    Line 15
    Page 15 Line 24

14. PLT380 – Acct 380 Gas Services
    Ratio Page 37 Line 14
    Items Allocated
    Page 5 Line 16
    Page 11 Line 16
    Page 15 Line 25

15. PLT381 Acct 381 Gas Meters
    Ratio Page 37 Line 15
    Items Allocated
    Page 4 Lines 13 to 14
    Page 5 Line 17
    Page 15 Line 26

16. PLT382 – Acct 382 Meter Installations
    Ratio Page 37 Line 16
    Items Allocated
    Page 5 Line 18
    Page 15 Line 27

17. PLT383 – Acct 383 Gas Regulators
    Ratio Page 37 Line 17
    Items Allocated
    Page 5 Line 19
    Page 15 Line 28

18. PLT3860 – Acct 386 Gas Water Heaters
    Ratio Page 37 Line 18
    Items Allocated
    Page 5 Line 20
    Page 15 Line 29

19. PLT3862 – Acct 386 Cascade Diamond Boilers
    Ratio Page 37 Line 19
    Items Allocated
    Page 5 Line 21
    Page 15 Line 30

20. PLT3863 – Acct 386 Conversion Burners
    Ratio Page 37 Line 20
    Items Allocated
    Page 5 Line 22
    Page 15 Line 31

21. PLT387 – Acct 387 Other Equipment
    Ratio Page 37 Line 21
    Items Allocated
    Page 5 Line 24
    Page 11 Line 18
    Page 15 Line 33

22. PLT379 – Acct 379 Other Equipment
    Ratio Page 37 Line 22
    Items Allocated
    Page 6 Line 1
    Page 16 Line 1

23. PLT390 – Acct 390 Structures & Improvements
    Ratio Page 37 Line 23
    Items Allocated
    Page 6 Line 3
    Page 16 Line 3

24. PLT391 – Acct 391 Office Equipment
    Ratio Page 37 Line 24
    Items Allocated
    Page 6 Line 5

25. PLT392 – Acct 392 Transportation Equipment
    Ratio Page 37 Line 25
    Items Allocated
    Page 6 Line 6
    Page 16 Line 8

26. PLT393 – Acct 393 Stores Equipment
    Ratio Page 37 Line 26
    Items Allocated
    Page 6 Line 7
    Page 16 Line 9

27. PLT394 – Acct 394 Tools, Shop & Garage Equip
    Ratio Page 37 Line 27
    Items Allocated
    Page 6 Line 8
    Page 16 Line 10

28. PLT396 – Acct 396 Power Operated Equipment
    Ratio Page 37 Line 28
    Items Allocated
    Page 6 Line 9
    Page 16 Line 11

29. PLT3970 – Acct 397 Communication Equip-Other
    Ratio Page 37 Line 29
    Items Allocated
    Page 6 Lines 10 to 11
    Page 7 Line 17
    Page 16 Line 12

30. PLT398 – Acct 398 Miscellaneous Equipment
    Ratio Page 37 Line 30
    Items Allocated
    Page 6 Line 15
    Page 16 Line 16

31. LABPO – LPG Gas Prod Labor Accts 717 to 735
    Ratio Page 37 Line 31
    Items Allocated
    Page 19 Line 1

32. EXP717 – Acct 717-LPG Gas Expenses
    Ratio Page 37 Line 32
    Items Allocated
    Page 19 Line 2

33. EXP719 – Acct 719-Handling Expense
    Ratio Page 37 Line 33
    Items Allocated
    Page 19 Line 3

34. EXP735 – Acct 735-Miscellaneous Production Exp
    Ratio Page 37 Line 34
    Items Allocated
    Page 19 Line 4

35. LABPM – LPG Gas Prod Labor Accts 741 to 742
    Ratio Page 37 Line 35
    Items Allocated
    Page 19 Line 6

36. EXP741 – Acct 741-Maintenance of Struct & Improv
    Ratio Page 37 Line 36
    Items Allocated
    Page 19 Line 7

37. EXP742 – Acct 742-Maintenance of Production Eq
    Ratio Page 37 Line 37
    Items Allocated
    Page 19 Line 8

38. LABLO – LNG Gas Prod Labor Accts 754 to 777
    Ratio Page 37 Line 38
    Items Allocated
    Page 19 Line 11

39. EXP754 – Acct-754-Liquefaction Expense
    Ratio Page 37 Line 39
    Items Allocated
    Page 19 Line 12

40. EXP757 – Acct 757-Vaporization Expense
    Ratio Page 37 Line 40
    Items Allocated
    Page 19 Line 13

ALLOCATORS, Page 29

1. EXP759 – Acct 759-Handling Expense
   Ratio Page 38 Line 1
   Items Allocated
   Page 19 Line 14

2. EXP775 – Acct 775-Miscellaneous Production Exp
   Ratio Page 38 Line 2
   Items Allocated
   Page 19 Line 15

3. EXP777 – Acct 777-Lease Expense
   Ratio Page 38 Line 3
   Items Allocated
   Page 19 Line 16

4. LABLM – LNG Gas Prod Labor Accts 781 to 782
   Ratio Page 38 Line 4
   Items Allocated
   Page 19 Line 18

5. EXP781 – Acct 781-Maintenance of Struct & Improv
   Ratio Page 38 Line 5
   Items Allocated
   Page 19 Line 19

6. EXP782 – Acct 782-Maintenance of Production Eq
   Ratio Page 38 Line 6
   Items Allocated
   Page 19 Line 20

7. INTPLT – Total Intangible Plant
   Ratio Page 38 Line 7
   Items Allocated
   Page 7 Line 13

8. PRODPLT – Total Production Plant
   Ratio Page 38 Line 8
   Items Allocated
   Page 7 Line 14

9. LABDO – Trans & Distr Op Labor Accts 851 to 881
   Ratio Page 38 Line 9
   Items Allocated
   Page 20 Line 1

10. EXP851 – Acct 851-Sys Control & Load Dispatch
    Ratio Page 38 Line 10
    Items Allocated
    Page 20 Line 2

11. EXP852 – Acct 852-Communication System Exp
    Ratio Page 38 Line 11
    Items Allocated
    Page 20 Line 3

12. EXP857 – Acct 857-Measuring & Regul Stat Exp
    Ratio Page 38 Line 12
    Items Allocated
    Page 20 Line 4

13. EXP874 – Acct 874-Mains & Services Exp
    Ratio Page 38 Line 13
    Items Allocated
    Page 20 Line 5

14. EXP878 – Acct 878-Meter & House Regulator Exp
    Ratio Page 38 Line 14
    Items Allocated
    Page 20 Line 6

15. EXP879 – Acct 879-Customer Installations Exp
    Ratio Page 38 Line 15
    Items Allocated
    Page 12 Line 30
    Page 13 Line 26
    Page 20 Line 7

16. EXP880 – Acct 880-Other Expenses
    Ratio Page 38 Line 16
    Items Allocated
    Page 20 Line 8

17. EXP881 – Acct 881-Rents
    Ratio Page 38 Line 17
    Items Allocated
    Page 20 Line 9

18. LABDM – Trans & Distr Maint Lab Accts 851 to 881
    Ratio Page 38 Line 18
    Items Allocated
    Page 20 Line 11

19. EXP886 – Acct 886-Maintenance of Struct & Improv
    Ratio Page 38 Line 19
    Items Allocated
    Page 20 Line 12

20. EXP887 – Acct 887-Maintenance of Mains
    Ratio Page 38 Line 20
    Items Allocated
    Page 20 Line 13

21. EXP888 – Acct 888-Maint of Compressor Station Eq
    Ratio Page 38 Line 21
    Items Allocated
    Page 20 Line 14

22. EXP889 – Acct 889-Maint of Meas & Reg Station Eq
    Ratio Page 38 Line 22
    Items Allocated
    Page 20 Line 15

23. EXP892 – Acct 892-Maintenance of Services
    Ratio Page 38 Line 23
    Items Allocated
    Page 20 Line 16

24. EXP893 Acct 893-Mnt of Meters & House Regul
    Ratio Page 38 Line 24
    Items Allocated
    Page 20 Line 17

25. EXP894 – Acct 894-Maintenance of Other Equip
    Ratio Page 38 Line 25
    Items Allocated
    Page 20 Line 18

26. LABCA – Customer Accts Labor Accts 902 to 903
    Ratio Page 38 Line 26
    Items Allocated
    Page 21 Line 1

27. EXP902 – Acct 902-Meter Reading Expenses
    Ratio Page 38 Line 27
    Items Allocated
    Page 21 Line 2

28. EXP903 – Acct 903-Cust Records & Collection Exp
    Ratio Page 38 Line 28
    Items Allocated
    Page 13 Line 21
    Page 21 Line 3

29. LABSA – Sales Expenses labor Accts 912-916
    Ratio Page 38 Line 29
    Items Allocated
    Page 21 Line 5

30. EXP912 – Acct 912-Demonstrating & Selling Exp
    Ratio Page 38 Line 30
    Items Allocated
    Page 21 Line 6

31. EXP913 – Acct 913-Advertising Exp
    Ratio Page 38 Line 31
    Items Allocated
    Page 21 Line 7

32. EXP916 – Acct 916-Miscellaneous Sales Exp
    Ratio Page 38 Line 32
    Items Allocated
    Page 21 Line 8

33. EXP920 – Acct 920-Administrative & General Sal
    Ratio Page 38 Line 33
    Items Allocated
    Page 22 Line 1

34. EXP921 – Acct 921-Office Supplies & Expenses
    Ratio Page 38 Line 34
    Items Allocated
    Page 22 Line 2

35. EXP922 – Acct 922-Administrative Exp Transf-CR
    Ratio Page 38 Line 35
    Items Allocated
    Page 22 Line 3

36. EXP923 – Acct 923-Outside Services Employed
    Ratio Page 38 Line 36
    Items Allocated
    Page 22 Line 4

37. EXP924 – Acct 924-Property Insurance
    Ratio Page 38 Line 37
    Items Allocated
    Page 22 Line 5

38. EXP925 – Acct 925-Injuries & Damages
    Ratio Page 38 Line 38
    Items Allocated
    Page 22 Line 6

39. EXP926 – Acct 926-Employees Pension & Benef
    Ratio Page 38 Line 39
    Items Allocated
    Page 22 Line 7

40. EXP928 – Acct-928 Regulatory Commission Exp
    Ratio Page 38 Line 40
    Items Allocated
    Page 22 Line 8

ALLOCATORS, Page 30

1. EXP929 – Acct-929 Duplicate Charges-Cr
   Ratio Page 39 Line 1
   Items Allocated
   Page 22 Line 9

2. EXP930 – Acct 930-Miscellaneous General Exp
   Ratio Page 39 Line 2
   Items Allocated
   Page 22 Line 10

3. EXP931 – Acct 931 Rents
   Ratio Page 39 Line 3
   Items Allocated
   Page 22 Line 11

4. EXP932 – Acct 932 Maintenance of General Plant
   Ratio Page 39 Line 4
   Items Allocated
   Page 22 Line 13

5. TLABPO – Total LPG Gas Operating Labor
   Ratio Page 39 Line 5
   Items Allocated
   Page 9 Line 1

6. TLABPM – Total LPG Gas Maintenance Labor
   Ratio Page 39 Line 6
   Items Allocated
   Page 9 Line 8

7. TLABLO – Total LNG Gas Operating Labor
   Ratio Page 39 Line 7
   Items Allocated
   Page 9 Line 13

8. TLABLM – Total LNG Gas Maintenance Labor
   Ratio Page 39 Line 8
   Items Allocated
   Page 9 Line 23

9. TLABDO – Total Transm & Distr Operating Labor
   Ratio Page 39 Line 9
   Items Allocated
   Page 11 Line 1

10. TLABDM – Total Transm & Distr Maintenance Labor
    Ratio Page 39 Line 10
    Items Allocated
    Page 11 Line 11

11. TLABCA – Total Customer Accounts Labor
    Ratio Page 39 Line 11
    Items Allocated
    Page 12 Line 1

12. TLABSA – Total Sales Expense Labor
    Ratio Page 39 Line 12
    Items Allocated
    Page 12 Line 27

13. GENPLT – Total General Plant
    Ratio Page 39 Line 13
    Items Allocated
    Page 7 Line 16
    Page 14 Lines 20 to 21
    Page 16 Line 18

14. REVCLAIM – Claimed Sales Revenues less Gas Costs
    Ratio
    Page 39 Line 14
    Items Allocated
    Page 7 Line 24
    Page 13 Lines 1 to 3
    Line 5
    Line 10
    Lines 19 to 20
    Lines 22 to 24
    Line 27
    Line 29
    Line 33
    Lines 35 to 37
    Lines 40 to 42
    Page 14 Lines 5 to 6
    Line 8
    Lines 9 to 11
    Line 13
    Line 30
    Page 17 Line 11

15. EXP9123 – Sales Expense Accounts 912 to 913
    Ratio
    Page 39 Line 15
    Items Allocated
    Page 12 Line 33

16. PLT36780 – Acct 367 Mains and Acct 380 Services
    Ratio
    Page 39 Line 16
    Items Allocated
    Page 11 Line 5

17. PLT3813 – Acct 381, 382 & 383 - Meters & House Reg
    Ratio
    Page 39 Line 17
    Items Allocated
    Page 7 Line 6
    Page 11 Line 6
    Line 17

18. PLT3803 – Acct 380,381,382 & 383 Serv,Meters & Reg
    Ratio
    Page 39 Line 18
    Items Allocated
    Page 7 Line 20

19. EXP8519 – Transm & Distr Oper Accts 851 to 879
    Ratio Page 39 Line 19
    Items Allocated
    Page 11 Line 8

20. TOTCDEP – Total Customer Deposits
    Ratio Page 39 Line 20
    Items Allocated
    Page 17 Line 19

21. PLT386 – Acct 386 Other Property on Cust's Prem
    Ratio Page 39 Line 21
    Items Allocated
    Page 7 Line 9
    Page 12 Line 23
    Line 31
    Page 14 Line 16

22. DISTRPLT – Total Transmission & Distribution Plant
    Ratio Page 39 Line 22
    Items Allocated
    Page 7 Lines 4 to 5
    Lines 7 to 8
    Line 10
    Line 15
    Page 8 Line 20
    Line 22
    Page 12 Line 5

23. EXP904S – Acct 904-Uncollectible Accts-Gas Sales
    Ratio Page 39 Line 23
    Items Allocated
    Page 12 Line 20
    Line 21

24. EXP904O – Acct 904-Uncollectible Accts-Other Rev
    Ratio Page 39 Line 24
    Items Allocated
    Page 12 Line 24

25. PLT367BS – Acct 367-Gas Mains - Bare Steel
    Ratio Page 39 Line 25
    Items Allocated
    Page 15 Line 15

26. PLT367JC – Acct 367-Gas Mains - Joint Clamping
    Ratio Page 39 Line 26
    Items Allocated
    Page 15 Line 16

27. PLT367CI – Acct 367-Gas Mains - Cast Iron
    Ratio Page 39 Line 27
    Items Allocated
    Page 15 Line 17

28. PLT367CP – Acct 367-Gas Mains - Cathodic Protect
    Ratio Page 39 Line 28
    Items Allocated
    Page 15 Line 18

29. PLT367CS – Acct 367-Gas Mains - Coated Steel
    Ratio Page 39 Line 29
    Items Allocated
    Page 15 Line 19

30. PLT367P – Acct 367-Gas Mains - Plastic
    Ratio Page 39 Line 30
    Items Allocated
    Page 15 Lines 20 & 21

31. PLT391OE – Acct 391-Office Equipment
    Ratio Page 39 Line 31
    Items Allocated
    Page 16 Line 5

32. PLT391IT – Acct 391-Office IT Equipment
    Ratio Page 39 Line 32
    Items Allocated
    Page 16 Line 6

33. PLT397M – Acct 397-Comm Equip – Metscan
    Ratio Page 39 Line 33
    Items Allocated
    Page 6 Line 12
    Page 14 Lines 14 to 15
    Page 16 Line 14
    Line 19
    Page 22 Line 17

34. PLT397E – Acct 397-Comm Equip ERT/ITRON
    Ratio Page 39 Line 34
    Items Allocated
    Page 6 Line 13
    Page 14 Line 17
    Page 16 Line 13
    Page 22 Line 18

35. PLT304L – Acct 304 Lnd Rights- LNG & LPG Dir Csts
    Ratio Page 39 Line 35
    Items Allocated
    Page 2 Line 8

36. PLT305L – Acct 305 St & Impr-LNG & LPG Dir Csts
    Ratio Page 39 Line 36
    Items Allocated
    Page 2 Line 12

37. PLT320L – Acct 320 Other Eq-LNG & LPG Dir Csts
    Ratio Page 39 Line 37
    Items Allocated
    Page 2 Line 17

38. OMLAB – Total Gas Operation & Maintenance Labor
    Ratio Page 39 Line 38
    Items Allocated
    Page 14 Lines 26 to 28

39. OTHOMINF – Inflation Adjustment Residual O&M
    Ratio Page 39 Line 39
    Items Allocated
    Page 14 Line 31

ALLOCATORS, Page 31

1. GASCOSTS – Total Gas Supply Expense
   Ratio Page 40 Line 1
   Items Allocated
   Page 13 Line 31

2. EXP903T – Acct 903-Cust Records & Coll Subtotal
   Ratio Page 40 Line 2
   Items Allocated
   Page 12 Line 6

3. BASIS1P – Basis 1 - 50% Gross Plant
   Ratio Page 40 Line 12
   Items Allocated
   Page 13 Line 6

4. BASIS1OM – Basis 1 - 50% O&M less Gas & NIS 923
   Ratio Page 40 Line 13
   Items Allocated
   Page 13 Line 7

5. BASIS10 – Basis 10 - Number of Annual Customers
   Ratio Page 40 Line 14
   Items Allocated
   Page 13 Line 8

6. BASIS11 – Basis 11 - Labor
   Ratio Page 40 Line 15
   Items Allocated
   Page 13 Line 9

7. BASIS2 – Basis 2 - Gross Plant
   Ratio Page 40 Line 16
   Items Allocated
   Page 13 Line 13

8. BASIS20 – Basis 20 - Total Direct Billed
   Ratio Page 40 Line 17
   Items Allocated
   Page 13 Line 14

9. BASIS7P – Basis 7 - 50% Deprec Plant
   Ratio Page 40 Line 18
   Items Allocated
   Page 13 Line 15

10. BASIS70M – Basis 7 - 50% O&M less NIS 923
    Ratio Page 40 Line 19
    Items Allocated
    Page 13 Line 16

11. BASIS9 – Basis 9 - Labor
    Ratio Page 40 Line 20
    Items Allocated
    Page 13 Line 17

12. BASCO12 – Basis Co 12 - Other NiSource Serv Chrgs
    Ratio Page 40 Line 21
    Items Allocated
    Page 13 Line 18

ALLOCATORS, Page 33

1. DEMLPG – LPG Prod & Pressure Support Alloc
    Ratio Page 33 Line 10
    Items Allocated
    Page 2 Line 7
    Line 11
    Line 14
    Line 16
    Page 9 Line 2
    Line 3
    Line 6
    Line 9
    Line 10

2. DEMLNG – LNG Prod & Pressure Support Alloc
    Ratio Page 33 Line 11
    Items Allocated
    Page 2 Line 6
    Line 10
    Line 15
    Line 19
    Page 8 Line 19
    Page 9 Line 14
    Line 15
    Line 17
    Line 20
    Line 21
    Line 24
    Line 25

DESCRIPTION OF EXTERNAL ALLOCATION FACTORS

ALLOCATORS, Page 24

1. DBASE – Base Demand Gas Costs – This allocator represents the allocation of base demand gas costs using the Simplified Market Based Allocation of Gas Costs as shown in Exhibit JLH-2, Schedule JLH-1-3. Allocator Ratio is on Page 33, line 14.

2. DREMAIN – Remaining Demand Gas Costs – This allocator represents the allocation of remaining gas demand costs using the Simplified Market Based Allocation of Gas Costs as shown in Exhibit JLH-2, Schedule JLH-1-3. Allocation Ratio is on Page 33, line 15.

3. DISTR – Distribution Allocator – This allocator is based on a 365-day proportional responsibility allocation factor developed for each rate class using total annual throughput. Allocator Ratio is on Page 33, line 1, second section.

4. PENSION – This allocator is used to allocate the PBOP and Pensions costs and is based on the REVCLAIM allocator which is claimed revenues less gas costs. This allocator is classified as all Distribution related. Allocator Ratio is on Page 33, line 2, second section.

ALLOCATORS, Page 25

1. EBASE – Base Commodity Gas Costs – This allocator represents the allocation of base commodity gas costs using the Simplified Market Based Allocation of Gas Costs as shown in Exhibit JLH-2, Schedule JLH-1-3. Allocation Ratio is on Page 34, line 1.

2. EREMAIN – Remaining Commodity Gas Costs – This allocator represents the allocation of remaining commodity gas costs using the Simplified Market Based Allocation of Gas Costs as shown in Exhibit JLH-2, Schedule JLH-1-3. Allocation Ratio is on Page 34, line 2.

ALLOCATORS, Page 26

1. CUST380 – Acct 380 Gas Services – This allocator represents the direct assignment of Plant Acct 380 – Gas Services to the customer classes. See Workpapers for details. Allocation Ratio is on Page 35, line 1.

2. CUST381 – Acct 381 Gas Meters – This allocator represents the direct assignment of Plant Acct 381 – Gas Meters to the customer classes. See Workpapers for detail. Allocation Ratio is on Page 35, line 2.

3. CUST382 – Acct 382 Meter Installations – This allocator represents the direct assignment of Plant Acct 382 – Meter Installations to the customer classes. Allocation Ratio is on Page 35, line 3. See Workpapers for detail.

4. CUST383 – Account 383 Gas Regulators – This allocator represents the direct assignment of Plant Acct 383 – Gas Regulators to the customer classes. See Workpapers for detail. Allocation Ratio is on Page 35, line 4.

5. CUSTDEP – Customer Deposits – This allocator represents the assignment of customer deposits from customers taken from Company records. Allocation Ratio is on Page 35, line 5.

6. CUSTTR – Transportation Customers – This allocator represents the number of firm transportation customers and is the total of lines 35 to 37 on Page 26 of the cost study. Allocation Ratio is on Page 35, line 6.

7. CUST3860 – Acct 386.0 Gas Water Heaters – This allocator is based on a 365-day proportional responsibility allocation factor developed for each rate class using total annual throughput. Allocation Ratio is on Page 35, line 7.

8. CUST3862 – Acct 386.2 Cascade Diamond Boilers – This allocator is based on a 365-day proportional responsibility allocation factor developed for each rate class using total annual throughput. Allocation Ratio is on Page 35, line 8.

9. CUST3863 – Acct 386.3 Conversion Burners – This allocator is based on a 365-day proportional responsibility allocation factor developed for each rate class using total annual throughput. Allocation Ratio is on Page 35, line 9.

10. CUST487 – Acct 487 Returned Check Charges – This allocator represents the assignment of returned check fees taken from Company records. Allocation Ratio is on Page 35, line 10.

11. CUST488 – Acct 488 Rental Rev – W/H & Conv. Burners – This allocator is based on a 365-day proportional responsibility allocation factor developed for each rate class using total annual throughput. Allocation Ratio is on Page 35, line 11.

12. CUST882 – Acct 882 Revenue Guardian Care & C/S – This allocator is based on a 365-day proportional responsibility allocation factor developed for each rate class using total annual throughput. Allocation Ratio is on Page 35, line 12.

13. CUST902 – Acct 902 Meter Reading Expense – This allocator was developed internally in the cost study based on the number of meters (Page 26, line 19). Based on discussions with Company personnel, estimates of weighting factors were made for the allocation of meter reading expense. All meter reads were given a weighting of 1 except for the daily read transportation customers (Page 26, line 29) to which a weighting factor of 10 was applied to the number of meters read. Allocation Ratio is on Page 35, line 13.

14. CUST903 – Acct 903 Customer Records & Collection Expense – This allocator for customer records and collection expenses for billing, payment processing and postage was developed internally in the cost of service model. It is based on the number of bills excluding Outdoor Lighting (Page 26, line 20). Allocation Ratio is on Page 35, line 14.

15. CUST912 – Demonstrating & Selling Expenses – This allocator was developed internally in the cost of service model. Since these costs are not totally related to the total number of customers or the amount of sales, a weighted allocation factor was developed. The allocator is based on a 50% weighting on the annual number of customers excluding Outdoor Lighting (Page 26, line 31) and a 50% weighting on the total annual throughput excluding Outdoor Lighting (Page 25, line 9). Allocation Ratio is on Page 35, line 15.

16. CUST913 – Acct 913 Advertising Expense – This allocator was developed internally in the cost of service model. Since these costs are not totally related to the total number of customers or the amount of sales, a weighted allocation factor was developed. The allocator is based on a 50% weighting on the annual number of customers excluding Outdoor Lighting (Page 26, line 31) and a 50% weighting on the total annual throughput excluding Outdoor Lighting (Page 25, line 9). Allocation Ratio is on Page 35, line 16.

17. CUST879 – Acct 879 Customer Installations Expense – This allocator was developed internally in the cost of service model. Since these costs are not totally related to the total number of customers or the amount of sales, a weighted allocation factor was developed. The allocator is based on a 50% weighting on the annual number of customers excluding Outdoor Lighting (Page 26, line 31) and a 50% weighting on the total annual throughput excluding Outdoor Lighting (Page 25, line 9). Allocation Ratio is on Page 35, line 17.

18. CUST903C – Acct 903 Collections Expense – This allocator is used to allocate collection expenses and is based on the total amount of the allocated Acct 904-Uncollectible Accounts Expense on Page 12, line 25.

REFERENCES OF INTERNAL ALLOCATORS NOT SHOWN IN ALLOCATION FACTOR TABLE
(Noted See Allocator Descriptions)

1. REVCLAIM – Claimed Revenues less Gas Costs – (Page 30, line 14) – This allocator is computed using the bottom up approach starting with the rate of return times rate base plus expenses. The formula is as follows. Ratio is on Page 39, line 14.

	Page 23, line 11	x	Page 7, Line 26
Plus:	Page 9, line 12		
	Page 9, line 27		
	Page 11, line 20		
	Page 12, line 26		
	Page 12, line 34		
	Page 14, line 23		
	Page 14, lines 26 to 31		
	Page 16, line 20		
	Page 17, line 13		
	Page 17, line 18		
	Page 17, line 19		
Less:	Page 8, lines 2 to 4		
	Page 8, line 23		
Plus:	(((1 * 2) – (3 * 2)) / 4) * 5		
Where:	1 = Page 23, line 8		
	2 = Page 7, line 26		
	3 = Page 1, line 24		
	4 = 1 – Incremental Tax Rate = .60775 – Page 18		
	5 = Incremental Tax Rate = .39225 – Page 18		

2. OTHOMINF – Inflation Adjustment Residual O&M – (Page 30, line 39) – This allocator is used to allocate the inflation adjustment. Ratio is on Page 39, line 39.

Page 9,	lines 2 to 3
	line 6
	lines 9 to 10
	lines 14 to 15
	line 17
	lines 20 to 21
	lines 24 to 25
Page 11,	lines 2 to 9
	lines 12 to 18
Page 12,	lines 2 to 6
	line 28
	lines 32 to 33
Page 13,	lines 4 to 5
	line 29
	lines 36 to 37
Page 14,	line 5
	line 8
	lines 9 to 10
	line 13
	line 16
	line 22

3. BASIS1OM – Basis 1 – 50% O&M less Gas Costs & NiSource 923 – (Page 31, line 13) – This allocator is used to allocate Account 923 costs that were allocated to Bay State Gas from NiSource using Operations and Maintenance costs less Gas Costs and NiSource Acct 923 charges. Ratio is on Page 40, line 13.

Page 9,	line 12
	line 27
Page 11,	line 20
Page 12,	line 26
	line 34
Page 13,	line 1
	lines 4 to 5
	line 29
	lines 36 to 37
	line 39
	line 43
Page 14,	line 4
	lines 7 to 8
	line 12
	line 18
	line 22
	lines 26 to 31

4. BASIS7P – Basis 7 – 50% Depreciable Plant – (Page 31, line 18) – This allocator is used to allocate Account 923 costs that were allocated to Bay State Gas from NiSource using Depreciable Plant. Ratio is on Page 41, line 18.

Page 2,	lines 13 to 14
	lines 18 to 19
Page 3,	lines 2 to 3
	lines 11 to 17
	lines 21 to 22
	line 25
Page 4,	line 2
	line 17

5. BASIS7OM – Basis 7 – 50% O&M less NiSource Acct 923 – (Page 31, line 19) – This allocator is used to allocate Account 923 costs that were allocated to Bay State Gas from NiSource using Operations and Maintenance Expenses less NiSource Acct 923 charges. Ratio is on Page 40, line 19.

Page 9,	line 12
	line 27
Page 10,	line 7
Page 11,	line 20
Page 12,	line 26
	line 34
Page 13,	line 1
	lines 4 to 5
	line 29
	lines 36 to 37
	line 39
	line 43
Page 14,	line 4
	lines 7 to 8
	line 12
	line 18
	line 22
	lines 26 to 31

DESCRIPTION OF ALLOCATORS DEVELOPED INTERNALLY IN ALLOCATOR RATIO TABLE ON PAGE 33

1. DEMLPG – LPG Production & Pressure Support Allocator – (Page 33, line 10) – This allocator is based on two factors: 71.4% of LPG Production Allocation on Page 33, line 3 and 28.6% of the Distribution Allocator for pressure support on Page 33, line 4.

   The ratio for LPG Production Allocator on Page 33, line 3 is based on Remaining Design Day Demands (Page 24, line 3). The ratio for the Distribution Pressure support (Page 33, line 5) is based on the Distribution proportional responsibility allocator, Page 24, line 5 or line 1 in the second section.

2. DEMLNG – LNG Production & Pressure Support Allocator – (Page 33, line 11) – This allocator is based on two factors: 71.4% of LNG Production Allocation on Page 33, line 4 and 28.6% of the Distribution Allocator for pressure support on Page 33, line 5.

   The ratio for LNG Production Allocator on Page 33, line 4 is based on Remaining Design Day Demands (Page 24, line 4). The ratio for the Distribution Pressure support (Page 33, line 5) is based on the Distribution proportional responsibility allocator Page 24, line 5 or line 1 in the second section.

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	ALLOCATION FACTOR TABLE-24	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	DEMAND RELATED								
1	PRODUCTION ALLOCATORS								
2	Design Day Remaining Demands - Sales		369,418	257,370	1,878	0	31,505	47,004	18,466
3	LPG Production Allocator - Prod Function		369,418	257,370	1,878	0	31,505	47,004	18,466
4	LNG Production Allocator - Prod Function		369,418	257,370	1,878	0	31,505	47,004	18,466
5	LPG & LNG Prod Alloc - Distr Function		100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
6	LPG & LNG Distr Pressure Support %		28.6%						
7									
8	Design Day Base Demands - Sales Cust		28,184	17,260	1,344	1	757	1,609	920
9	Design Day Remaining Demands - Sales		369,418	257,370	1,878	0	31,505	47,004	18,466
10	Total Design Day Sendout - Sales Cust		397,602	274,630	3,222	1	32,262	48,613	19,386
11									
12									
13	GAS COST ALLOCATORS								
14	Base Demand Gas Costs	DBASE	6,288,068	3,862,967	300,841	169	168,590	358,374	205,273
15	Remaining Demand Gas Costs	DREMAIN	45,807,643	31,913,801	232,905	0	3,906,613	5,828,405	2,289,761
16									
17									
18									
	DISTRIBUTION ALLOCATORS								
1	Distribution Allocator	DISTR	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
2									
3	Pension & PBOP Expense Allocator	PENSION	175,912,241	111,760,758	11,410,682	357	12,531,108	13,791,129	8,575,385
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	ALLOCATION FACTOR TABLE-24	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	DEMAND RELATED						
1	PRODUCTION ALLOCATORS						
2	Design Day Remaining Demands - Sales		4,337	1,551	4,381	1,289	1,637
3	LPG Production Allocator - Prod Function		4,337	1,551	4,381	1,289	1,637
4	LNG Production Allocator - Prod Function		4,337	1,551	4,381	1,289	1,637
5	LPG & LNG Prod Alloc - Distr Function		2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
6	LPG & LNG Distr Pressure Support %						
7							
8	Design Day Base Demands - Sales Cust		554	874	2,853	1,598	414
9	Design Day Remaining Demands - Sales		4,337	1,551	4,381	1,289	1,637
10	Total Design Day Sendout - Sales Cust		4,891	2,425	7,234	2,887	2,051
11							
12							
13	GAS COST ALLOCATORS						
14	Base Demand Gas Costs	DBASE	122,834	195,298	638,567	342,813	92,342
15	Remaining Demand Gas Costs	DREMAIN	537,777	192,307	543,192	159,796	203,086
16							
17							
18	DISTRIBUTION ALLOCATORS						
1	Distribution Allocator	DISTR	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
2							
3	Pension & PBOP Expense Allocator	PENSION	1,529,435	2,519,135	4,372,869	3,594,281	5,827,100
4							
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	ALLOCATION FACTOR TABLE CONT-25	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	COMMODITY RELATED								
1	Base Commodity Gas Costs	EBASE	80,774,205	49,657,716	3,867,284	2,167	2,158,849	4,619,659	2,632,837
2	Remaining Commodity Gas Costs	EREMAIN	191,688,704	134,395,424	1,128,159	0	14,855,080	23,713,567	10,221,852
3									
4									
5									
6									
7	Annual Therm Firm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
8	Annual Therm Firm Transportation		127,549,264	79,549	1,908	0	1,900,026	15,524,113	26,651,718
9	Total Annual Therm Firm Throughput		493,498,312	247,783,289	6,396,166	2,728	25,211,236	54,160,592	44,135,406
10									
11	Annual Base Therm - Sales Actual		378,169,527	256,470,043	6,394,258	2,728	24,381,470	40,254,087	18,083,791
12	Weather Normalization Adj Base -Sales		(12,220,479)	(8,766,303)	0	0	(1,070,260)	(1,617,608)	(600,103)
13									
14	Annual Base Therm - Trans Actual		129,319,171	81,962	1,908	0	1,982,789	16,124,058	27,584,660
15	Weather Normalization Adj Base -Trans		(1,769,907)	(2,413)	0	0	(82,763)	(599,945)	(932,942)
16									
17	Annual Therm Firm Sales Sendout		369,645,503	250,205,798	6,458,846	2,756	23,546,677	39,026,746	17,660,291
18	Annual Therm Firm Trans Sendout		128,837,641	80,353	1,927	0	1,919,218	15,680,922	26,920,927
19	Tot Ann Therm Firm Throughput Sendout		498,483,144	250,286,151	6,460,773	2,756	25,465,895	54,707,668	44,581,218
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

ALLOCATION FACTOR TABLE CONT-25

COMMODITY RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Base Commodity Gas Costs	EBASE	1,577,413	2,506,976	8,208,799	4,357,592	1,184,913
2	Remaining Commodity Gas Costs	EREMAIN	1,678,560	945,632	2,525,235	933,008	1,292,187
3							
4							
5							
6							
7	Annual Therm Firm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
8	Annual Therm Firm Transportation		5,036,085	797,782	7,650,476	18,839,377	51,068,230
9	Total Annual Therm Firm Throughput		9,468,031	5,243,986	21,369,383	25,505,268	54,222,227
10							
11	Annual Base Therm - Sales Actual		4,598,151	4,446,204	13,718,907	6,665,891	3,153,997
12	Weather Normalization Adj Base -Sales		(166,205)	0	0	0	0
13							
14	Annual Base Therm - Trans Actual		5,187,929	797,782	7,650,476	18,839,377	51,068,230
15	Weather Normalization Adj Base -Trans		(151,844)	0	0	0	0
16							
17	Annual Therm Firm Sales Sendout		4,476,713	4,491,115	13,857,482	6,733,223	3,185,856
18	Annual Therm Firm Trans Sendout		5,086,955	805,840	7,727,754	19,029,674	51,584,071
19	Tot Ann Therm Firm Throughput Sendout		9,563,668	5,296,955	21,585,236	25,762,897	54,769,927
20							
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

ALLOCATION FACTOR TABLE CONT-26

CUSTOMER RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 380 Gas Services	CUST380	228,746,364	166,042,757	24,984,666	0	17,876,084	6,169,869	4,778,556
2	Acct 381 Gas Meters	CUST381	24,915,976	15,188,303	2,339,184	0	2,023,106	2,385,861	700,742
3	Acct 382 Meter Installations	CUST382	45,198,411	27,552,090	4,243,357	0	3,669,983	4,328,031	1,271,169
4	Acct 383 Gas Regulators	CUST383	13,612,047	8,297,644	1,277,938	0	1,105,260	1,303,439	382,828
5	Customer Deposits	CUSTDEP	2,065,320	26,212	151	0	747,953	611,185	143,020
6	Transportation Customers	CUSTTR	38,807	439	59	0	9,286	12,352	4,096
7	Acct 386.0 Gas Water Heaters	CUST3860	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
9	Acct 386.3 Conversion Burners	CUST3863	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
10	Acct 487-Return Check Charges	CUST487	27,736	20,434	1,226	0	2,093	1,971	653
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
12	Acct 882-Revenue Guardian Care & C/S	CUST882	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
13	Acct 902 Meter Reading Expense	CUST902	283,675	220,467	33,089	0	17,023	4,714	1,240
14	Acct 903-Cust Records & Collection Exp	CUST903	281,020	222,208	31,413	0	16,684	4,683	619
15	Acct 912-Demonstrating & Selling Exp	CUST912	100.0000%	64.3422%	6.5521%	0.0000%	5.5093%	6.3206%	4.5820%
16	Acct 913-Advertising Expense	CUST913	100.0000%	64.3422%	6.5521%	0.0000%	5.5093%	6.3206%	4.5820%
17	Acct 879-Customer Installations Exp	CUST879	100.0000%	52.9058%	1.0143%	0.0004%	6.0245%	12.2512%	9.5864%
18	Acct 903 Collections Expense	CUST903C	11,447,296	8,185,483	1,185,903	3	1,117,566	384,625	103,390
19	Number of Meters		282,127	220,467	33,089	0	16,910	4,443	1,015
20	Average Number of Bills		281,032	222,208	31,413	12	16,684	4,683	619
21	Average Number of Customers		279,901	219,642	33,050	12	16,541	4,664	617
22									
23	**TOTAL ANNUAL BILL COUNTS**		3,372,382	2,666,494	376,961	144	200,206	56,195	7,432
24	Bi-Monthly Sales Bills		23,554	0	23,554	0	0	0	0
25	Sales Bills		3,309,471	2,665,888	353,282	144	190,733	43,802	3,331
26	Farm Sales Bills		484	166	66	0	170	24	0
27	Transportation Bills		36,729	428	59	0	9,141	11,985	3,777
28	Farm Transportation Bills		80	12	0	0	12	23	24
29	Daily Metered Transportation Bills		2,064	0	0	0	150	361	300
30									
31	**TOTAL ANNUAL CUSTOMER COUNTS**		3,358,808	2,635,699	396,597	143	198,495	55,963	7,406
32	Bi-Monthly Sales Customers		47,645	0	47,645	0	0	0	0
33	Sales Customers		3,271,874	2,635,095	348,828	143	189,039	43,587	3,310
34	Farm Sales Customers		482	165	65	0	170	24	0
35	Transportation Customers		36,667	427	59	0	9,124	11,968	3,772
36	Farm Transportation Customers		80	12	0	0	12	23	24
37	Daily Metered Transportation Customers		2,060	0	0	0	150	361	300

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

ALLOCATION FACTOR TABLE CONT-26

CUSTOMER RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 380 Gas Services	CUST380	203,287	3,565,851	2,310,269	1,922,133	892,892
2	Acct 381 Gas Meters	CUST381	49,813	647,509	1,022,284	382,655	176,519
3	Acct 382 Meter Installations	CUST382	90,363	1,174,602	1,854,457	694,148	320,211
4	Acct 383 Gas Regulators	CUST383	27,214	353,746	558,492	209,051	96,435
5	Customer Deposits	CUSTDEP	79,450	140,898	246,296	70,155	0
6	Transportation Customers	CUSTTR	120	4,054	5,806	1,889	706
7	Acct 386.0 Gas Water Heaters	CUST3860	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
9	Acct 386.3 Conversion Burners	CUST3863	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
10	Acct 487-Return Check Charges	CUST487	111	382	562	211	93
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
12	Acct 882-Revenue Guardian Care & C/S	CUST882	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
13	Acct 902 Meter Reading Expense	CUST902	153	3,563	2,143	663	622
14	Acct 903-Cust Records & Collection Exp	CUST903	15	3,326	1,756	249	67
15	Acct 912-Demonstrating & Selling Exp	CUST912	0.9620%	1.1208%	2.4771%	2.6285%	5.5055%
16	Acct 913-Advertising Expense	CUST913	0.9620%	1.1208%	2.4771%	2.6285%	5.5055%
17	Acct 879-Customer Installations Exp	CUST879	2.0086%	0.8514%	3.4292%	3.9918%	7.9364%
18	Acct 903 Collections Expense	CUST903C	14,220	220,619	136,388	42,482	56,618
19	Number of Meters		63	3,546	2,076	427	91
20	Average Number of Bills		15	3,326	1,756	249	67
21	Average Number of Customers		15	3,300	1,746	248	66
22							
23	**TOTAL ANNUAL BILL COUNTS**		181	39,908	21,073	2,989	799
24	Bi-Monthly Sales Bills		0	0	0	0	0
25	Sales Bills		61	35,789	15,250	1,100	91
26	Farm Sales Bills		0	58	0	0	0
27	Transportation Bills		0	4,039	5,734	1,566	0
28	Farm Transportation Bills		0	0	0	9	0
29	Daily Metered Transportation Bills		120	22	89	314	708
30							
31	**TOTAL ANNUAL CUSTOMER COUNTS**		181	39,595	20,955	2,979	795
32	Bi-Monthly Sales Customers		0	0	0	0	0
33	Sales Customers		61	35,483	15,149	1,090	89
34	Farm Sales Customers		0	58	0	0	0
35	Transportation Customers		0	4,032	5,719	1,566	0
36	Farm Transportation Customers		0	0	0	9	0
37	Daily Metered Transportation Customers		120	22	87	314	706

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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	ALLOCATION FACTOR TABLE CONT-27	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	INTERNALLY DEVELOPED								
	UNCOLLECTIBLE ACCOUNTS								
1	Residential Heating Rate R-3 & R-4	C904R3	331,590,664	331,590,664	0	0	0	0	0
2	Residential Non-Heating Rate R-1 & R-2	C904R1	16,939,871	0	16,939,871	0	0	0	0
3	Outdoor Lighting	C904OL	2,693	0	0	2,693	0	0	0
4	High Winter Low Annual Rate G40 & T40	C904R40	33,620,240	0	0	0	33,620,240	0	0
5	High Winter Med Annual Rate G41 & T41	C904R41	48,311,134	0	0	0	0	48,311,134	0
6	High Winter High Annual Rate G42 & T42	C904R42	23,925,108	0	0	0	0	0	23,925,108
7	High Wint Large Annual Rate G43 & T43	C904R43	5,446,019	0	0	0	0	0	0
8	Low Winter Low Annual Rate G50 & T50	C904R50	6,359,348	0	0	0	0	0	0
9	Low Winter Med Annual Rate G51 & T51	C904T51	16,288,662	0	0	0	0	0	0
10	Low Winter High Annual Rate G52 & T52	C904R52	9,387,490	0	0	0	0	0	0
11	Low Wint Large Annual Rate G53 & T53	C904R53	8,599,628	0	0	0	0	0	0
12									
13	LATE PAYMENT CHARGES								
14									
15	High Winter Low Annual Rate G40 & T40	C487R40	33,620,240	0	0	0	33,620,240	0	0
16	High Winter Med Annual Rate G41 & T41	C487R41	48,311,134	0	0	0	0	48,311,134	0
17	High Winter High Annual Rate G42 & T42	C487R42	23,925,108	0	0	0	0	0	23,925,108
18	High Wint Large Annual Rate G43 & T43	C487R43	5,446,019	0	0	0	0	0	0
19	Low Winter Low Annual Rate G50 & T50	C487R50	6,359,348	0	0	0	0	0	0
20	Low Winter Med Annual Rate G51 & T51	C487T51	16,288,662	0	0	0	0	0	0
21	Low Winter High Annual Rate G52 & T52	C487R52	9,387,490	0	0	0	0	0	0
22	Low Wint Large Annual Rate G53 & T53	C487R53	8,599,628	0	0	0	0	0	0
23									
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

ALLOCATION FACTOR TABLE CONT-27

INTERNALLY DEVELOPED

UNCOLLECTIBLE ACCOUNTS

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Residential Heating Rate R-3 & R-4	C904R3	0	0	0	0	0
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0	0	0	0	0
3	Outdoor Lighting	C904OL	0	0	0	0	0
4	High Winter Low Annual Rate G40 & T40	C904R40	0	0	0	0	0
5	High Winter Med Annual Rate G41 & T41	C904R41	0	0	0	0	0
6	High Winter High Annual Rate G42 & T42	C904R42	0	0	0	0	0
7	High Wint Large Annual Rate G43 & T43	C904R43	5,446,019	0	0	0	0
8	Low Winter Low Annual Rate G50 & T50	C904R50	0	6,359,348	0	0	0
9	Low Winter Med Annual Rate G51 & T51	C904T51	0	0	16,288,662	0	0
10	Low Winter High Annual Rate G52 & T52	C904R52	0	0	0	9,387,490	0
11	Low Wint Large Annual Rate G53 & T53	C904R53	0	0	0	0	8,599,628
12							
13	LATE PAYMENT CHARGES						
14							
15	High Winter Low Annual Rate G40 & T40	C487R40	0	0	0	0	0
16	High Winter Med Annual Rate G41 & T41	C487R41	0	0	0	0	0
17	High Winter High Annual Rate G42 & T42	C487R42	0	0	0	0	0
18	High Wint Large Annual Rate G43 & T43	C487R43	5,446,019	0	0	0	0
19	Low Winter Low Annual Rate G50 & T50	C487R50	0	6,359,348	0	0	0
20	Low Winter Med Annual Rate G51 & T51	C487T51	0	0	16,288,662	0	0
21	Low Winter High Annual Rate G52 & T52	C487R52	0	0	0	9,387,490	0
22	Low Wint Large Annual Rate G53 & T53	C487R53	0	0	0	0	8,599,628
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ALLOCATION FACTOR TABLE CONT-27

INTERNALLY DEVELOPED

		ALLOC	TOTAL COMPANY INPUT
	UNCOLLECTIBLE ACCOUNTS		
1	Residential Heating Rate R-3 & R-4	C904R3	Page 23 , Line 10, Col 2
2	Residential Non-Heating Rate R-1 & R-2	C904R1	Page 23 , Line 10, Col 3
3	Outdoor Lighting	C904OL	Page 23 , Line 10, Col 4
4	High Winter Low Annual Rate G40 & T40	C904R40	Page 23 , Line 10, Col 5
5	High Winter Med Annual Rate G41 & T41	C904R41	Page 23 , Line 10, Col 6
6	High Winter High Annual Rate G42 & T42	C904R42	Page 23 , Line 10, Col 7
7	High Wint Large Annual Rate G43 & T43	C904R43	Page 23 , Line 10, Col 8
8	Low Winter Low Annual Rate G50 & T50	C904R50	Page 23 , Line 10, Col 9
9	Low Winter Med Annual Rate G51 & T51	C904T51	Page 23 , Line 10, Col 10
10	Low Winter High Annual Rate G52 & T52	C904R52	Page 23 , Line 10, Col 11
11	Low Wint Large Annual Rate G53 & T53	C904R53	Page 23 , Line 10, Col 12
12			
13	LATE PAYMENT CHARGES		
14			
15	High Winter Low Annual Rate G40 & T40	C487R40	Page 23 , Line 10, Col 5
16	High Winter Med Annual Rate G41 & T41	C487R41	Page 23 , Line 10, Col 6
17	High Winter High Annual Rate G42 & T42	C487R42	Page 23 , Line 10, Col 7
18	High Wint Large Annual Rate G43 & T43	C487R43	Page 23 , Line 10, Col 8
19	Low Winter Low Annual Rate G50 & T50	C487R50	Page 23 , Line 10, Col 9
20	Low Winter Med Annual Rate G51 & T51	C487T51	Page 23 , Line 10, Col 10
21	Low Winter High Annual Rate G52 & T52	C487R52	Page 23 , Line 10, Col 11
22	Low Wint Large Annual Rate G53 & T53	C487R53	Page 23 , Line 10, Col 12
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED-28	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Plant In Service	PLANT	754,551,098	459,545,510	40,472,625	1,513	52,436,693	66,162,049	45,924,780
2	Sum of Allocated Labor Expense	LABOR	28,074,804	17,206,062	1,550,340	53	1,967,425	2,513,508	1,576,999
3	Acct 301 Organization	PLT301	689,189	419,738	36,967	1	47,894	60,431	41,947
4	Acct 303 Misc. Intangible Plant	PLT303	34,573,711	21,189,014	1,909,221	65	2,422,856	3,095,348	1,942,051
5	Acct 305 Structures & Improvements	PLT305	2,368,951	1,536,851	15,471	3	185,067	298,219	149,499
6	Acct 311 L.P. Gas Equipment	PLT311	4,339,415	2,815,185	28,340	5	339,003	546,273	273,850
7	Acct 320 Other Equipment	PLT320	819,245	531,483	5,350	1	64,001	103,132	51,701
8	Acct 321 L.N.G. Equipment	PLT321	15,428,067	10,008,921	100,757	17	1,205,269	1,942,183	973,629
9	Acct 365 Right of Way	PLT365	79,051	41,823	802	0	4,762	9,685	7,578
10	Acct 366 Structures & Improvements	PLT366	2,108,612	1,115,578	21,388	8	127,032	258,330	202,140
11	Acct 367 Gas Mains	PLT367	309,786,822	163,895,149	3,142,289	1,207	18,662,957	37,952,606	29,697,435
12	Acct 368 Compressor Station Equipment	PLT368	327,265	173,142	3,320	1	19,716	40,094	31,373
13	Acct 369 Meas. & Reg. Station Equip	PLT369	12,355,156	6,536,592	125,323	48	744,330	1,513,655	1,184,416
14	Acct 380 Gas Services	PLT380	228,746,364	166,042,757	24,984,666	0	17,876,084	6,169,869	4,778,556
15	Acct 381 Gas Meters	PLT381	24,915,974	15,188,301	2,339,184	0	2,023,106	2,385,861	700,742
16	Acct 382 Meter Installations	PLT382	45,198,411	27,552,090	4,243,357	0	3,669,983	4,328,031	1,271,169
17	Acct 383 Gas Regulators	PLT383	13,612,047	8,297,644	1,277,938	0	1,105,260	1,303,439	382,828
18	Acct 386 Gas Water Heaters	PLT3860	14,053,382	7,435,052	142,549	55	846,639	1,721,708	1,347,215
19	Acct 386 Cascade Diamond Boilers	PLT3862	569,752	301,432	5,779	2	34,324	69,801	54,619
20	Acct 386 Conversion Burners	PLT3863	7,835,153	4,145,249	79,475	31	472,025	959,900	751,110
21	Acct 387 Other Equipment	PLT387	1,719,559	909,746	17,442	7	103,594	210,667	164,844
22	Acct 379 Other Equipment	PLT379	510,252	269,953	5,176	2	30,740	62,512	48,915
23	Acct 390 Structures & Improvements	PLT390	7,303,824	4,476,257	403,330	14	511,837	653,904	410,265
24	Acct 391 Office Equipment	PLT391	11,420,359	6,999,137	630,652	21	800,316	1,022,453	641,497
25	Acct 392 Transportation Equipment	PLT392	2,363,594	1,448,564	130,522	4	165,636	211,610	132,766
26	Acct 393 Stores Equipment	PLT393	50,473	30,933	2,787	0	3,537	4,519	2,835
27	Acct 394 Tools, Shop & Garage Equip	PLT394	1,847,938	1,132,536	102,046	3	129,500	165,444	103,801
28	Acct 396 Power Operated Equipment	PLT396	406,425	249,083	22,443	1	28,481	36,387	22,829
29	Acct 397 Communication Equip-Other	PLT397O	7,400,316	4,535,394	408,658	14	518,599	662,543	415,686
30	Acct 398 Miscellaneous Equipment	PLT398	25,220	15,457	1,393	0	1,767	2,258	1,417
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	137,472	89,184	898	0	10,740	17,306	8,676
32	Acct 717-LPG Gas Expenses	EXP717	476	309	3	0	37	60	30
33	Acct 719-Handling Expense	EXP719	20,028	12,993	131	0	1,565	2,521	1,264
34	Acct 735-Miscellaneous Production Exp	EXP735	213,302	138,379	1,393	0	16,664	26,852	13,461
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	47,828	31,028	312	0	3,736	6,021	3,018
36	Acct 741-Maintenance of Struct & Improv	EXP741	12,023	7,800	79	0	939	1,514	759
37	Acct 742-Maintenance of Production Eq	EXP742	107,427	69,693	702	0	8,392	13,524	6,779
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	541,175	351,086	3,534	1	42,278	68,127	34,152
39	Acct 754-Liquefaction Expense	EXP754	165,884	107,617	1,083	0	12,959	20,883	10,469
40	Acct 757-Vaporization Expense	EXP757	29,356	19,045	192	0	2,293	3,696	1,853

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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	INTERNALLY DEVELOPED-28	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Plant In Service	PLANT	8,429,084	9,839,479	20,122,273	19,092,846	32,524,245
2	Sum of Allocated Labor Expense	LABOR	296,868	389,923	781,616	661,202	1,130,809
3	Acct 301 Organization	PLT301	7,699	8,987	18,379	17,439	29,707
4	Acct 303 Misc. Intangible Plant	PLT303	365,589	480,184	962,548	814,260	1,392,575
5	Acct 305 Structures & Improvements	PLT305	33,467	12,870	43,293	32,947	61,266
6	Acct 311 L.P. Gas Equipment	PLT311	61,304	23,574	79,303	60,352	112,226
7	Acct 320 Other Equipment	PLT320	11,574	4,451	14,972	11,394	21,187
8	Acct 321 L.N.G. Equipment	PLT321	217,955	83,815	281,948	214,571	399,002
9	Acct 365 Right of Way	PLT365	1,588	673	2,711	3,156	6,274
10	Acct 366 Structures & Improvements	PLT366	42,355	17,952	72,309	84,171	167,348
11	Acct 367 Gas Mains	PLT367	6,222,526	2,637,410	10,623,268	12,366,039	24,585,934
12	Acct 368 Compressor Station Equipment	PLT368	6,574	2,786	11,223	13,064	25,973
13	Acct 369 Meas. & Reg. Station Equip	PLT369	248,172	105,187	423,685	493,192	980,555
14	Acct 380 Gas Services	PLT380	203,287	3,565,851	2,310,269	1,922,133	892,892
15	Acct 381 Gas Meters	PLT381	49,813	647,509	1,022,284	382,655	176,519
16	Acct 382 Meter Installations	PLT382	90,363	1,174,602	1,854,457	694,148	320,211
17	Acct 383 Gas Regulators	PLT383	27,214	353,746	558,492	209,051	96,435
18	Acct 386 Gas Water Heaters	PLT3860	282,283	119,645	481,921	560,982	1,115,333
19	Acct 386 Cascade Diamond Boilers	PLT3862	11,444	4,851	19,538	22,743	45,218
20	Acct 386 Conversion Burners	PLT3863	157,381	66,706	268,685	312,763	621,829
21	Acct 387 Other Equipment	PLT387	34,540	14,640	58,967	68,641	136,471
22	Acct 379 Other Equipment	PLT379	10,249	4,344	17,498	20,368	40,496
23	Acct 390 Structures & Improvements	PLT390	77,232	101,441	203,342	172,015	294,187
24	Acct 391 Office Equipment	PLT391	120,761	158,614	317,948	268,966	459,994
25	Acct 392 Transportation Equipment	PLT392	24,993	32,827	65,804	55,666	95,202
26	Acct 393 Stores Equipment	PLT393	534	701	1,405	1,189	2,033
27	Acct 394 Tools, Shop & Garage Equip	PLT394	19,540	25,665	51,447	43,522	74,432
28	Acct 396 Power Operated Equipment	PLT396	4,298	5,645	11,315	9,572	16,370
29	Acct 397 Communication Equip-Other	PLT397O	78,252	102,781	206,028	174,288	298,073
30	Acct 398 Miscellaneous Equipment	PLT398	267	350	702	594	1,016
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	1,942	747	2,512	1,912	3,555
32	Acct 717-LPG Gas Expenses	EXP717	7	3	9	7	12
33	Acct 719-Handling Expense	EXP719	283	109	366	279	518
34	Acct 735-Miscellaneous Production Exp	EXP735	3,013	1,159	3,898	2,967	5,516
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	676	260	874	665	1,237
36	Acct 741-Maintenance of Struct & Improv	EXP741	170	65	220	167	311
37	Acct 742-Maintenance of Production Eq	EXP742	1,518	584	1,963	1,494	2,778
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	7,645	2,940	9,890	7,527	13,996
39	Acct 754-Liquefaction Expense	EXP754	2,343	901	3,032	2,307	4,290
40	Acct 757-Vaporization Expense	EXP757	415	159	536	408	759

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	INTERNALLY DEVELOPED-28	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Plant In Service	PLANT	Page 4 , Line 18
2	Sum of Allocated Labor Expense	LABOR	Page 22 , Line 21
3	Acct 301 Organization	PLT301	Page 2 , Line 3
4	Acct 303 Misc. Intangible Plant	PLT303	Page 2 , Line 4
5	Acct 305 Structures & Improvements	PLT305	Page 2 , Line 13
6	Acct 311 L.P. Gas Equipment	PLT311	Page 2 , Line 14
7	Acct 320 Other Equipment	PLT320	Page 2 , Line 18
8	Acct 321 L.N.G. Equipment	PLT321	Page 2 , Line 19
9	Acct 365 Right of Way	PLT365	Page 3 , Line 2
10	Acct 366 Structures & Improvements	PLT366	Page 3 , Line 3
11	Acct 367 Gas Mains	PLT367	Page 3 , Line 11
12	Acct 368 Compressor Station Equipment	PLT368	Page 3 , Line 12
13	Acct 369 Meas. & Reg. Station Equip	PLT369	Page 3 , Line 13
14	Acct 380 Gas Services	PLT380	Page 3 , Line 14
15	Acct 381 Gas Meters	PLT381	Page 3 , Line 15
16	Acct 382 Meter Installations	PLT382	Page 3 , Line 16
17	Acct 383 Gas Regulators	PLT383	Page 3 , Line 17
18	Acct 386 Gas Water Heaters	PLT3860	Page 3 , Line 18
19	Acct 386 Cascade Diamond Boilers	PLT3862	Page 3 , Line 19
20	Acct 386 Conversion Burners	PLT3863	Page 3 , Line 20
21	Acct 387 Other Equipment	PLT387	Page 3 , Line 22
22	Acct 379 Other Equipment	PLT379	Page 3 , Line 24
23	Acct 390 Structures & Improvements	PLT390	Page 4 , Line 2
24	Acct 391 Office Equipment	PLT391	Page 4 , Line 6
25	Acct 392 Transportation Equipment	PLT392	Page 4 , Line 7
26	Acct 393 Stores Equipment	PLT393	Page 4 , Line 8
27	Acct 394 Tools, Shop & Garage Equip	PLT394	Page 4 , Line 9
28	Acct 396 Power Operated Equipment	PLT396	Page 4 , Line 10
29	Acct 397 Communication Equip-Other	PLT397O	Page 4 , Line 11 & 12
30	Acct 398 Miscellaneous Equipment	PLT398	Page 4 , Line 16
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	Pg 19, Ln 2 to 4
32	Acct 717-LPG Gas Expenses	EXP717	Page 9 , Line 2
33	Acct 719-Handling Expense	EXP719	Page 9 , Line 3
34	Acct 735-Miscellaneous Production Exp	EXP735	Page 9 , Line 6
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	Pg 19, Ln 9 to 10
36	Acct 741-Maintenance of Struct & Improv	EXP741	Page 9 , Line 9
37	Acct 742-Maintenance of Production Eq	EXP742	Page 9 , Line 10
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	Pg 19, Ln 14 to 18
39	Acct 754-Liquefaction Expense	EXP754	Page 9 , Line 14
40	Acct 757-Vaporization Expense	EXP757	Page 9 , Line 15

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-29	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 759-Handling Expense	EXP759	26,304	17,065	172	0	2,055	3,311	1,660
2	Acct 775-Miscellaneous Production Exp	EXP775	644,763	418,289	4,211	1	50,370	81,167	40,690
3	Acct 777-Lease Expense	EXP777	914,499	593,279	5,972	1	71,442	115,123	57,712
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	110,159	71,466	719	0	8,606	13,868	6,952
5	Acct 781-Maintenance of Struct & Improv	EXP781	11,060	7,175	72	0	864	1,392	698
6	Acct 782-Maintenance of Production Eq	EXP782	262,396	170,229	1,714	0	20,499	33,032	16,559
7	Total Intangible Plant	INTPLT	35,262,900	21,608,752	1,946,188	66	2,470,750	3,155,779	1,983,998
8	Total Production Plant	PRODPLT	23,368,270	15,160,108	152,612	26	1,825,572	2,941,746	1,474,717
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	10,090,604	5,827,173	522,637	20	707,331	1,048,766	631,652
10	Acct 851-Sys Control & Load Dispatch	EXP851	0	0	0	0	0	0	0
11	Acct 852-Communication System Exp	EXP852	143,882	76,122	1,459	1	8,668	17,627	13,793
12	Acct 857-Measuring & Regul Stat Exp	EXP857	405,485	214,525	4,113	2	24,428	49,677	38,871
13	Acct 874-Mains and Services Exp	EXP874	3,764,532	2,306,379	196,617	8	255,420	308,431	240,999
14	Acct 878-Meter & House Regulator Exp	EXP878	5,633,560	3,434,111	528,895	0	457,429	539,449	158,439
15	Acct 879-Customer Installations Exp	EXP879	5,923,626	3,133,941	60,086	23	356,866	725,715	567,863
16	Acct 880-Other Expenses	EXP880	580,567	335,260	28,941	1	40,341	60,024	37,311
17	Acct 881-Rents	EXP881	61,576	32,577	625	0	3,710	7,544	5,903
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	4,225,605	2,509,064	194,041	10	283,708	388,798	289,319
19	Acct 886-Maintenance of Struct & Improv	EXP886	41,025	21,705	416	0	2,472	5,026	3,933
20	Acct 887-Maintenance of Mains	EXP887	3,789,693	2,004,967	38,440	15	228,308	464,283	363,296
21	Acct 888-Maint of Compressor Station Eq	EXP888	0	0	0	0	0	0	0
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	229,637	121,491	2,329	1	13,834	28,133	22,014
23	Acct 892-Maintenance of Services	EXP892	1,687,229	1,224,728	184,286	0	131,854	45,509	35,247
24	Acct 893-Mnt of Meters and House Regul	EXP893	436,322	265,974	40,963	0	35,428	41,781	12,271
25	Acct 894-Maintenance of Other Equip	EXP894	403,627	213,542	4,094	2	24,316	49,449	38,693
26	Customer Accts Labor Accts 902 to 903	LABCA	5,617,451	4,092,955	556,665	3	421,361	198,596	87,862
27	Acct 902-Meter Reading Expenses	EXP902	695,743	540,719	81,154	0	41,749	11,561	3,041
28	Acct 903-Cust Records & Collection Exp	EXP903	7,500,932	5,417,854	726,172	4	577,292	283,482	128,327
29	Sales Expenses Labor Accts 912 to 916	LABSA	125,024	80,137	8,044	0	6,902	8,061	5,863
30	Acct 912-Demonstrating & Selling Exp	EXP912	159,642	102,717	10,460	0	8,795	10,090	7,315
31	Acct 913-Advertising Exp	EXP913	198,371	112,122	5,485	1	11,628	20,584	15,878
32	Acct 916-Miscellaneous Sales Exp	EXP916	7,065	4,240	315	0	403	605	458
33	Acct 920-Administrative & General Sal	EXP920	1,745,741	1,109,106	113,239	4	124,358	136,862	85,102
34	Acct 921-Office Supplies & Expenses	EXP921	3,909,418	2,483,736	253,587	8	278,487	306,490	190,577
35	Acct 922-Administrative Exp Transf-Cr	EXP922	(3,814,124)	(2,423,193)	(247,406)	(8)	(271,699)	(299,019)	(185,931)
36	Acct 923-Outside Services Employed	EXP923	24,687,388	15,989,952	1,563,515	120	1,696,063	1,879,838	1,158,803
37	Acct 924-Property Insurance	EXP924	0	0	0	0	0	0	0
38	Acct 925-Injuries & Damages	EXP925	2,903,441	1,844,617	188,334	6	206,827	227,623	141,537
39	Acct 926-Employees Pensions & Benef	EXP926	14,803,575	9,185,467	865,954	29	1,043,220	1,269,398	794,224
40	Acct 928-Regulatory Commission Exp	EXP928	690,943	438,971	44,819	1	49,219	54,168	33,682

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BAY STATE GAS COMPANY
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	INTERNALLY DEVELOPED CONT-29	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 759-Handling Expense	EXP759	372	143	481	366	680
2	Acct 775-Miscellaneous Production Exp	EXP775	9,109	3,503	11,783	8,967	16,675
3	Acct 777-Lease Expense	EXP777	12,919	4,968	16,712	12,719	23,651
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	1,556	598	2,013	1,532	2,849
5	Acct 781-Maintenance of Struct & Improv	EXP781	156	60	202	154	286
6	Acct 782-Maintenance of Production Eq	EXP782	3,707	1,425	4,795	3,649	6,786
7	Total Intangible Plant	INTPLT	373,288	489,171	980,928	831,699	1,422,282
8	Total Production Plant	PRODPLT	330,127	126,951	427,056	325,003	604,352
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	113,739	162,290	353,072	277,486	446,438
10	Acct 851-Sys Control & Load Dispatch	EXP851	0	0	0	0	0
11	Acct 852-Communication System Exp	EXP852	2,890	1,225	4,934	5,743	11,419
12	Acct 857-Measuring & Regul Stat Exp	EXP857	8,145	3,452	13,905	16,186	32,181
13	Acct 874-Mains and Services Exp	EXP874	44,919	43,363	90,410	99,879	178,106
14	Acct 878-Meter & House Regulator Exp	EXP878	11,263	146,403	231,141	86,519	39,911
15	Acct 879-Customer Installations Exp	EXP879	118,985	50,432	203,134	236,459	470,123
16	Acct 880-Other Expenses	EXP880	6,811	8,958	19,882	16,270	26,767
17	Acct 881-Rents	EXP881	1,237	524	2,112	2,458	4,887
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	55,003	50,365	116,494	121,240	217,563
19	Acct 886-Maintenance of Struct & Improv	EXP886	824	349	1,407	1,638	3,256
20	Acct 887-Maintenance of Mains	EXP887	76,122	32,264	129,957	151,277	300,765
21	Acct 888-Maint of Compressor Station Eq	EXP888	0	0	0	0	0
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	4,613	1,955	7,875	9,167	18,225
23	Acct 892-Maintenance of Services	EXP892	1,499	26,302	17,041	14,178	6,586
24	Acct 893-Mnt of Meters and House Regul	EXP893	872	11,339	17,902	6,701	3,091
25	Acct 894-Maintenance of Other Equip	EXP894	8,107	3,436	13,841	16,112	32,033
26	Customer Accts Labor Accts 902 to 903	LABCA	14,334	83,385	68,333	37,123	56,834
27	Acct 902-Meter Reading Expenses	EXP902	375	8,737	5,255	1,625	1,526
28	Acct 903-Cust Records & Collection Exp	EXP903	21,106	113,575	95,748	53,744	83,629
29	Sales Expenses Labor Accts 912 to 916	LABSA	1,231	1,394	3,122	3,323	6,948
30	Acct 912-Demonstrating & Selling Exp	EXP912	1,536	1,789	3,954	4,196	8,789
31	Acct 913-Advertising Exp	EXP913	3,328	1,858	6,205	7,064	14,219
32	Acct 916-Miscellaneous Sales Exp	EXP916	96	72	200	222	454
33	Acct 920-Administrative & General Sal	EXP920	15,178	25,000	43,396	35,669	57,828
34	Acct 921-Office Supplies & Expenses	EXP921	33,990	55,984	97,181	79,878	129,500
35	Acct 922-Administrative Exp Transf-Cr	EXP922	(33,161)	(54,620)	(94,812)	(77,931)	(126,343)
36	Acct 923-Outside Services Employed	EXP923	218,503	328,707	591,205	480,916	779,766
37	Acct 924-Property Insurance	EXP924	0	0	0	0	0
38	Acct 925-Injuries & Damages	EXP925	25,243	41,578	72,174	59,324	96,177
39	Acct 926-Employees Pensions & Benef	EXP926	147,087	207,772	397,148	332,967	560,309
40	Acct 928-Regulatory Commission Exp	EXP928	6,007	9,895	17,176	14,118	22,888

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	INTERNALLY DEVELOPED CONT-29	ALLOC	TOTAL COMPANY INPUT
1	Acct 759-Handling Expense	EXP759	Page 9 , Line 17
2	Acct 775-Miscellaneous Production Exp	EXP775	Page 9 , Line 20
3	Acct 777-Lease Expense	EXP777	Page 9 , Line 21
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	Pg 19, Ln 21 to 22
5	Acct 781-Maintenance of Struct & Improv	EXP781	Page 9 , Line 24
6	Acct 782-Maintenance of Production Eq	EXP782	Page 9 , Line 25
7	Total Intangible Plant	INTPLT	Page 2 , Line 5
8	Total Production Plant	PRODPLT	Page 2 , Line 20
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	Pg 20, Ln 2 to 9
10	Acct 851-Sys Control & Load Dispatch	EXP851	Page 11 , Line 2
11	Acct 852-Communication System Exp	EXP852	Page 11 , Line 3
12	Acct 857-Measuring & Regul Stat Exp	EXP857	Page 11 , Line 4
13	Acct 874-Mains and Services Exp	EXP874	Page 11 , Line 5
14	Acct 878-Meter & House Regulator Exp	EXP878	Page 11 , Line 6
15	Acct 879-Customer Installations Exp	EXP879	Page 11 , Line 7
16	Acct 880-Other Expenses	EXP880	Page 11 , Line 8
17	Acct 881-Rents	EXP881	Page 11 , Line 9
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	Pg 20, Ln 12 to 18
19	Acct 886-Maintenance of Struct & Improv	EXP886	Page 11 , Line 12
20	Acct 887-Maintenance of Mains	EXP887	Page 11 , Line 13
21	Acct 888-Maint of Compressor Station Eq	EXP888	Page 11 , Line 14
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	Page 11 , Line 15
23	Acct 892-Maintenance of Services	EXP892	Page 11 , Line 16
24	Acct 893-Mnt of Meters and House Regul	EXP893	Page 11 , Line 17
25	Acct 894-Maintenance of Other Equip	EXP894	Page 11 , Line 18
26	Customer Accts Labor Accts 902 to 903	LABCA	Pg 21, Ln 2 to 3
27	Acct 902-Meter Reading Expenses	EXP902	Page 12 , Line 2
28	Acct 903-Cust Records & Collection Exp	EXP903	Page 12 , Line 8
29	Sales Expenses Labor Accts 912 to 916	LABSA	Pg 21, Ln 6 to 8
30	Acct 912-Demonstrating & Selling Exp	EXP912	Page 12 , Line 28
31	Acct 913-Advertising Exp	EXP913	Page 12 , Line 32
32	Acct 916-Miscellaneous Sales Exp	EXP916	Page 12 , Line 33
33	Acct 920-Administrative & General Sal	EXP920	Page 13 , Line 1
34	Acct 921-Office Supplies & Expenses	EXP921	Page 13 , Line 4
35	Acct 922-Administrative Exp Transf-Cr	EXP922	Page 13 , Line 5
36	Acct 923-Outside Services Employed	EXP923	Page 13 , Line 38
37	Acct 924-Property Insurance	EXP924	Page 13 , Line 39
38	Acct 925-Injuries & Damages	EXP925	Page 13 , Line 43
39	Acct 926-Employees Pensions & Benef	EXP926	Page 14 , Line 4
40	Acct 928-Regulatory Commission Exp	EXP928	Page 14 , Line 7

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BAY STATE GAS COMPANY
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	INTERNALLY DEVELOPED CONT-30	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 929-Duplicate Charges-Cr	EXP929	0	0	0	0	0	0	0
2	Acct 930-Miscellaneous General Exp	EXP930	863,406	548,540	56,005	2	61,505	67,689	42,089
3	Acct 931 Rents	EXP931	3,496,560	2,144,882	280,740	3	269,040	320,641	133,643
4	Acct 932 Maintenance of General Plant	EXP932	846,177	518,355	49,520	1	60,102	76,207	45,505
5	Total LPG Gas Operating Labor	TLABPO	178,302	115,673	1,164	0	13,929	22,446	11,252
6	Tot LPG Gas Maintenence Labor	TLABPM	57,587	37,359	376	0	4,499	7,249	3,634
7	Total LNG Gas Operating Labor	TLABLO	994,820	645,387	6,497	1	77,717	125,234	62,781
8	Tot LNG Gas Maintenence Labor	TLABLM	116,542	75,607	761	0	9,105	14,671	7,355
9	Total Transm & Distr Operating Labor	TLABDO	10,606,968	6,125,365	549,382	21	743,527	1,102,434	663,975
10	Total Transm & Distr Maintenance Labor	TLABDM	4,229,868	2,511,595	194,237	10	283,994	389,190	289,611
11	Total Customer Accounts Labor	TLABCA	5,838,988	4,254,370	578,619	3	437,979	206,428	91,327
12	Total Sales Expense Labor	TLABSA	205,166	131,506	13,199	0	11,326	13,228	9,620
13	Total General Plant	GENPLT	33,883,089	20,756,257	1,982,915	58	2,406,622	3,051,531	1,822,128
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	175,912,241	111,760,758	11,410,682	357	12,531,108	13,791,129	8,575,385
15	Sales Expense Accounts 912 to 913	EXP9123	358,013	214,839	15,945	1	20,423	30,674	23,193
16	Acct 367 Mains and Acct 380 Services	PLT36780	538,533,185	329,937,906	28,126,955	1,207	36,539,041	44,122,475	34,475,991
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	83,726,431	51,038,035	7,860,479	0	6,798,349	8,017,331	2,354,739
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	312,472,794	217,080,792	32,845,145	0	24,674,433	14,187,200	7,133,295
19	Transm & Distr Oper Accts 851 to 879	EXP8519	15,871,085	9,165,078	791,170	34	1,102,812	1,640,899	1,019,966
20	Total Customer Deposits	TOTCDEP	3,090,784	37,964	1,551	0	1,006,862	935,120	247,259
21	Acct 386 Other Property on Cust's Prem	PLT386	22,458,288	11,881,733	227,803	88	1,352,989	2,751,410	2,152,944
22	Total Transmission & Distribution Plant	DISTRPLT	662,036,839	402,020,393	36,390,910	1,363	45,733,749	57,012,993	40,643,938
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	8,489,829	6,167,180	927,984	0	848,224	239,145	31,648
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	412,767	218,377	4,187	2	24,867	50,569	39,570
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	2,554,359	1,351,404	25,910	10	153,886	312,940	244,871
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	20,020,721	10,592,119	203,078	78	1,206,139	2,452,779	1,919,268
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	5,690,941	3,010,837	57,725	22	342,848	697,209	545,557
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	8,274,626	4,377,756	83,933	32	498,501	1,013,741	793,240
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	146,116,729	77,304,202	1,482,119	570	8,802,732	17,901,054	14,007,349
30	Acct 367-Gas Mains - Plastic	PLT367P	126,075,826	66,701,405	1,278,837	491	7,595,377	15,445,803	12,086,146
31	Acct 391-Office Equipment	PLT391OE	5,917,985	3,626,925	326,801	11	414,720	529,831	332,421
32	Acct 391-Office IT Equipment	PLT391IT	5,502,374	3,372,212	303,851	10	385,595	492,622	309,076
33	Acct 397-Comm Equip Metscan	PLT397M	644,449	392,844	60,503	0	52,327	61,710	18,125
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	2,248,171	1,370,442	211,065	0	182,545	215,277	63,228
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	367,132	238,176	2,398	0	28,681	46,217	23,169
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	1,768,764	1,147,481	11,551	2	138,179	222,663	111,623
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	753,385	488,757	4,920	1	58,856	94,841	47,544
38	Total Gas Operation & Maintenance Labor	OMLAB	23,718,343	14,836,593	1,438,918	39	1,688,150	2,001,270	1,213,757
39	Inflation Adjustment Residual O&M	OTHOMINF	36,141,958	22,391,674	2,046,266	64	2,557,207	3,156,725	1,962,744

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-30	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 929-Duplicate Charges-Cr	EXP929	0	0	0	0	0
2	Acct 930-Miscellaneous General Exp	EXP930	7,507	12,364	21,463	17,641	28,600
3	Acct 931 Rents	EXP931	17,727	74,762	124,381	63,850	66,891
4	Acct 932 Maintenance of General Plant	EXP932	8,328	12,626	24,511	19,337	31,685
5	Total LPG Gas Operating Labor	TLABPO	2,519	969	3,258	2,480	4,611
6	Tot LPG Gas Maintenence Labor	TLABPM	814	313	1,052	801	1,489
7	Total LNG Gas Operating Labor	TLABLO	14,054	5,404	18,180	13,836	25,728
8	Tot LNG Gas Maintenence Labor	TLABLM	1,646	633	2,130	1,621	3,014
9	Total Transm & Distr Operating Labor	TLABDO	119,560	170,594	371,140	291,686	469,283
10	Total Transm & Distr Maintenance Labor	TLABDM	55,058	50,416	116,611	121,363	217,782
11	Total Customer Accounts Labor	TLABCA	14,900	86,673	71,028	38,587	59,075
12	Total Sales Expense Labor	TLABSA	2,020	2,288	5,124	5,453	11,402
13	Total General Plant	GENPLT	333,482	505,590	981,471	774,294	1,268,740
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	1,529,435	2,519,135	4,372,869	3,594,281	5,827,100
15	Sales Expense Accounts 912 to 913	EXP9123	4,864	3,647	10,160	11,260	23,008
16	Acct 367 Mains and Acct 380 Services	PLT36780	6,425,813	6,203,261	12,933,537	14,288,172	25,478,826
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	167,390	2,175,857	3,435,233	1,285,854	593,165
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	370,677	5,741,708	5,745,502	3,207,987	1,486,057
19	Transm & Distr Oper Accts 851 to 879	EXP8519	186,201	244,875	543,524	444,787	731,740
20	Total Customer Deposits	TOTCDEP	86,516	244,033	396,375	118,452	16,653
21	Acct 386 Other Property on Cust's Prem	PLT386	451,108	191,202	770,144	896,488	1,782,380
22	Total Transmission & Distribution Plant	DISTRPLT	7,392,187	8,717,767	17,732,818	17,161,850	29,228,872
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	773	169,200	89,546	12,730	3,397
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	8,291	3,514	14,155	16,477	32,759
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	51,308	21,747	87,595	101,965	202,724
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	402,146	170,449	686,554	799,185	1,588,925
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	114,311	48,451	195,155	227,170	451,656
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	166,208	70,447	283,755	330,306	656,708
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	2,934,970	1,243,984	5,010,662	5,832,673	11,596,414
30	Acct 367-Gas Mains - Plastic	PLT367P	2,532,419	1,073,363	4,323,416	5,032,682	10,005,887
31	Acct 391-Office Equipment	PLT391OE	62,578	82,193	164,759	139,377	238,367
32	Acct 391-Office IT Equipment	PLT391IT	58,183	76,421	153,189	129,589	221,627
33	Acct 397-Comm Equip Metscan	PLT397M	1,288	16,748	26,441	9,897	4,566
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	4,495	58,425	92,241	34,527	15,927
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	5,187	1,994	6,709	5,106	9,495
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	24,988	9,609	32,324	24,600	45,744
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	10,643	4,093	13,768	10,478	19,484
38	Total Gas Operation & Maintenance Labor	OMLAB	223,884	338,804	626,814	507,020	843,094
39	Inflation Adjustment Residual O&M	OTHOMINF	368,424	498,384	966,896	812,244	1,381,330

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	INTERNALLY DEVELOPED CONT-30	ALLOC	TOTAL COMPANY INPUT
1	Acct 929-Duplicate Charges-Cr	EXP929	Page 14 , Line 8
2	Acct 930-Miscellaneous General Exp	EXP930	Page 14 , Line 12
3	Acct 931 Rents	EXP931	Page 14 , Line 18
4	Acct 932 Maintenance of General Plant	EXP932	Page 14 , Line 22
5	Total LPG Gas Operating Labor	TLABPO	Page 19 , Line 5
6	Tot LPG Gas Maintenence Labor	TLABPM	Page 19 , Line 9
7	Total LNG Gas Operating Labor	TLABLO	Page 19 , Line 17
8	Tot LNG Gas Maintenence Labor	TLABLM	Page 19 , Line 21
9	Total Transm & Distr Operating Labor	TLABDO	Page 20 , Line 10
10	Total Transm & Distr Maintenance Labor	TLABDM	Page 20 , Line 19
11	Total Customer Accounts Labor	TLABCA	Page 21 , Line 4
12	Total Sales Expense Labor	TLABSA	Page 21 , Line 9
13	Total General Plant	GENPLT	Pg 4 , Ln 3 & 17
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	See Allocator Descriptions
15	Sales Expense Accounts 912 to 913	EXP9123	Pg 12 , Ln 28 & 32
16	Acct 367 Mains and Acct 380 Services	PLT36780	Pg 3 , Ln 11 & 14
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	Pg 3 , Line 15, 16 & 17
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	Pg 3 , Line 14, 15, 16 & 17
19	Transm & Distr Oper Accts 851 to 879	EXP8519	Pg 11 , Line 2 to 7
20	Total Customer Deposits	TOTCDEP	Page 7 , Line 23
21	Acct 386 Other Property on Cust's Prem	PLT386	Page 3 , Line 21
22	Total Transmission & Distribution Plant	DISTRPLT	Page 3 , Line 23 & 25
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	Pg 12 , Line 9 to 19
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	Page 12 , Line 22 & 23
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	Page 3 , Line 4
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	Page 3 , Line 5
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	Page 3 , Line 6
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	Page 3 , Line 7
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	Page 3 , Line 8
30	Acct 367-Gas Mains - Plastic	PLT367P	Page 3 , Line 9
31	Acct 391-Office Equipment	PLT391OE	Page 4 , Line 4
32	Acct 391-Office IT Equipment	PLT391IT	Page 4 , Line 5
33	Acct 397-Comm Equip Metscan	PLT397M	Page 4 , Line 13
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	Page 4 , Line 14
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	Page 2 , Line 6 & 7
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	Page 2 , Line 10 & 11
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	Page 2 , Line 15 & 16
38	Total Gas Operation & Maintenance Labor	OMLAB	Page 22 , Line 15
39	Inflation Adjustment Residual O&M	OTHOMINF	See Allocator Descriptions

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-31	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Supply Expense	GASCOSTS	324,558,618	219,829,907	5,529,189	2,336	21,089,132	34,520,005	15,349,723
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	6,522,561	4,707,105	630,563	3	503,043	247,767	112,478
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11	**NiSource Service Charges Allocators**								
12	Basis 1 - 50% Gross Plant	BASIS1P	754,551,098	459,545,510	40,472,625	1,513	52,436,693	66,162,049	45,924,780
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	73,838,274	46,952,807	4,860,375	112	5,557,514	5,793,462	3,385,763
14	Basis 10 - Number of Annual Customers	BASIS10	3,358,808	2,635,699	396,597	143	198,495	55,963	7,406
15	Basis 11 - Labor	BASIS11	28,074,804	17,206,062	1,550,340	53	1,967,425	2,513,508	1,576,999
16	Basis 2 - Gross Plant	BASIS2	754,551,098	459,545,510	40,472,625	1,513	52,436,693	66,162,049	45,924,780
17	Basis 20 - Total Direct Billed	BASIS20	4,524,370	2,839,579	273,433	10	318,340	368,742	236,728
18	Basis 7 - 50% Deprec Plant	BASIS7P	718,484,245	437,447,595	38,512,006	1,445	49,908,439	62,912,068	43,884,067
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	398,396,892	266,782,714	10,389,564	2,448	26,646,646	40,313,467	18,735,486
20	Basis 9 - Labor	BASIS9	28,074,804	17,206,062	1,550,340	53	1,967,425	2,513,508	1,576,999
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	20,141,561	13,099,459	1,378,794	97	1,394,466	1,456,447	907,126
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-31	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Supply Expense	GASCOSTS	3,916,584	3,840,213	11,915,793	5,793,209	2,772,528
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	18,517	98,958	83,648	47,108	73,372
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11	**NiSource Service Charges Allocators**						
12	Basis 1 - 50% Gross Plant	BASIS1P	8,429,084	9,839,479	20,122,273	19,092,846	32,524,245
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	619,500	1,112,061	1,823,810	1,409,466	2,323,405
14	Basis 10 - Number of Annual Customers	BASIS10	181	39,595	20,955	2,979	795
15	Basis 11 - Labor	BASIS11	296,868	389,923	781,616	661,202	1,130,809
16	Basis 2 - Gross Plant	BASIS2	8,429,084	9,839,479	20,122,273	19,092,846	32,524,245
17	Basis 20 - Total Direct Billed	BASIS20	43,631	62,301	114,939	99,108	167,559
18	Basis 7 - 50% Deprec Plant	BASIS7P	8,043,745	9,343,808	19,121,496	18,242,606	31,066,968
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	4,536,084	4,952,274	13,739,602	7,202,675	5,095,933
20	Basis 9 - Labor	BASIS9	296,868	389,923	781,616	661,202	1,130,809
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	165,377	273,536	456,755	378,728	630,776
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	INTERNALLY DEVELOPED CONT-31	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Supply Expense	GASCOSTS	Page 10 , Line 7
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	Pg 12 , Line 3 to 5
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11	**NiSource Service Charges Allocators**		
12	Basis 1 - 50% Gross Plant	BASIS1P	Page 4 , Line 18
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	See Allocator Descriptions
14	Basis 10 - Number of Annual Customers	BASIS10	Page 26 , Line 31
15	Basis 11 - Labor	BASIS11	Page 22 , Line 21
16	Basis 2 - Gross Plant	BASIS2	Page 4 , Line 18
17	Basis 20 - Total Direct Billed	BASIS20	Page 13 , Line 28
18	Basis 7 - 50% Deprec Plant	BASIS7P	See Allocator Descriptions
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	See Allocator Descriptions
20	Basis 9 - Labor	BASIS9	Page 22 , Line 21
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	Page 13 , Ln 6 to 17 & 28
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-32	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	REVENUES FROM GAS SALES								
1	Revenues Firm Sales of Gas		478,651,282	323,429,755	10,830,018	2,726	31,946,429	46,870,369	22,321,850
2	Annual Base Revenues - Sales Actual		122,553,551	90,306,804	5,317,329	479	9,322,851	8,796,996	2,913,844
3	Annual Base Rev - Trans Actual		17,846,899	23,420	1,127	0	646,079	3,200,449	4,286,966
4	GAF Direct Revenues		307,478,651	211,649,336	5,037,827	2,066	20,118,078	31,776,012	13,793,415
5	Production & Storage Revenues		9,129,632	6,662,418	66,089	7	602,472	924,653	396,525
6	GAF Indirect Bad Debt Revenues		7,118,165	4,941,538	109,207	47	438,488	717,301	324,983
7	Weather Normalztn Adj Base Rev-Sales		(2,307,187)	(1,714,352)	0	0	(250,352)	(253,911)	(82,199)
8	Weather Normalztn Adj Base Rev-Trans		(248,396)	(504)	0	0	(19,193)	(94,414)	(127,701)
9	GAF Deferred Direct Gas Revenues		17,079,967	11,561,095	298,440	127	1,088,006	1,803,283	816,017
10	GAF Indirect Revenues		19,129,611	13,280,067	293,486	125	1,178,409	1,927,700	873,371
	REVENUE REQUIREMENT INPUTS								
1	Claimed Rate of Return		9.050%	9.050%	9.050%	9.050%	9.050%	9.050%	9.050%
2	Annual Booked Therm Sales		365,949,048	247,703,740	6,394,258	2,728	23,311,210	38,636,479	17,483,688
3	Annual Booked Therm Throughput		493,498,312	247,783,289	6,396,166	2,728	25,211,236	54,160,592	44,135,406
4	Proposed Sales Revenues		500,470,859	331,590,664	16,939,871	2,693	33,620,240	48,311,134	23,925,108
5	Total Annual Bills		3,395,936	2,666,494	400,515	144	200,206	56,195	7,432

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-32	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	REVENUES FROM GAS SALES						
1	Revenues Firm Sales of Gas		4,903,279	5,775,878	15,241,815	9,011,447	8,317,714
2	Annual Base Revenues - Sales Actual		488,932	1,654,681	2,437,223	913,027	401,385
3	Annual Base Rev - Trans Actual		664,767	254,714	1,207,966	2,393,361	5,168,050
4	GAF Direct Revenues		3,381,173	3,503,816	10,545,356	5,181,132	2,490,440
5	Production & Storage Revenues		92,312	71,008	168,782	91,183	54,183
6	GAF Indirect Bad Debt Revenues		82,200	84,141	242,185	121,626	56,450
7	Weather Normalztn Adj Base Rev-Sales		(6,373)	0	0	0	0
8	Weather Normalztn Adj Base Rev-Trans		(6,584)	0	0	0	0
9	GAF Deferred Direct Gas Revenues		206,853	207,518	640,304	311,118	147,207
10	GAF Indirect Revenues		220,906	226,123	650,856	326,863	151,705
	REVENUE REQUIREMENT INPUTS						
1	Claimed Rate of Return		9.050%	9.050%	9.050%	9.050%	9.050%
2	Annual Booked Therm Sales		4,431,946	4,446,204	13,718,907	6,665,891	3,153,997
3	Annual Booked Therm Throughput		9,468,031	5,243,986	21,369,383	25,505,268	54,222,227
4	Proposed Sales Revenues		5,446,019	6,359,348	16,288,662	9,387,490	8,599,628
5	Total Annual Bills		181	39,908	21,073	2,989	799

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	RATIO TABLE-33	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	CAPACITY RELATED								
1	PRODUCTION ALLOCATORS								
2	Design Day Remaining Demands - Sales		1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
3	LPG Production Allocator - Prod Function		1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
4	LNG Production Allocator - Prod Function		1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
5	LPG & LNG Prod Alloc - Distr Function		1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
6	LPG & LNG Distr Pressure Support %		28.6%						
7									
8									
9	PROD-PRESSURE SUPP ALLOC								
10	LPG Prod & Presure Support Alloc	DEMLPG	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
11	LNG Prod & Presure Support Alloc	DEMLNG	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
12									
13	GAS COST ALLOCATORS								
14	Base Demand Gas Costs	DBASE	1.00000	0.61433	0.04784	0.00003	0.02681	0.05699	0.03264
15	Remaining Demand Gas Costs	DREMAIN	1.00000	0.69669	0.00508	0.00000	0.08528	0.12724	0.04999
16									
17									
18									
	DISTRIBUTION ALLOCATORS								
1	Distribution Allocator	DISTR	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
2									
3	Pension & PBOP Expense Allocator	PENSION	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	RATIO TABLE-33	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	CAPACITY RELATED						
1	PRODUCTION ALLOCATORS						
2	Design Day Remaining Demands - Sales		0.01174	0.00420	0.01186	0.00349	0.00443
3	LPG Production Allocator - Prod Function		0.01174	0.00420	0.01186	0.00349	0.00443
4	LNG Production Allocator - Prod Function		0.01174	0.00420	0.01186	0.00349	0.00443
5	LPG & LNG Prod Alloc - Distr Function		0.02009	0.00851	0.03429	0.03992	0.07936
6	LPG & LNG Distr Pressure Support %						
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8							
9	PROD-PRESSURE SUPP ALLOC						
10	LPG Prod & Presure Support Alloc	DEMLPG	0.01413	0.00543	0.01828	0.01391	0.02586
11	LNG Prod & Presure Support Alloc	DEMLNG	0.01413	0.00543	0.01828	0.01391	0.02586
12							
13	GAS COST ALLOCATORS						
14	Base Demand Gas Costs	DBASE	0.01953	0.03106	0.10155	0.05452	0.01469
15	Remaining Demand Gas Costs	DREMAIN	0.01174	0.00420	0.01186	0.00349	0.00443
16							
17							
18							
	DISTRIBUTION ALLOCATORS						
1	Distribution Allocator	DISTR	0.02009	0.00851	0.03429	0.03992	0.07936
2							
3	Pension & PBOP Expense Allocator	PENSION	0.00869	0.01432	0.02486	0.02043	0.03313
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	RATIO TABLE CONT-34 COMMODITY RELATED	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Base Commodity Gas Costs	EBASE	1.00000	0.61477	0.04788	0.00003	0.02673	0.05719	0.03260
2	Remaining Commodity Gas Costs	EREMAIN	1.00000	0.70111	0.00589	0.00000	0.07750	0.12371	0.05333
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7	Annual Therm Firm Sales Sendout		1.00000	0.67688	0.01747	0.00001	0.06370	0.10558	0.04778
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	RATIO TABLE CONT-34	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	COMMODITY RELATED						
1	Base Commodity Gas Costs	EBASE	0.01953	0.03104	0.10163	0.05395	0.01467
2	Remaining Commodity Gas Costs	EREMAIN	0.00876	0.00493	0.01317	0.00487	0.00674
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7	Annual Therm Firm Sales Sendout		0.01211	0.01215	0.03749	0.01822	0.00862
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

RATIO TABLE CONT-35

CUSTOMER RELATED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 380 Gas Services	CUST380	1.00000	0.72588	0.10922	0.00000	0.07815	0.02697	0.02089
2	Acct 381 Gas Meters	CUST381	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
3	Acct 382 Meter Installations	CUST382	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
4	Acct 383 Gas Regulators	CUST383	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
5	Customer Deposits	CUSTDEP	1.00000	0.01269	0.00007	0.00000	0.36215	0.29593	0.06925
6	Transportation Customers	CUSTTR	1.00000	0.01131	0.00152	0.00000	0.23929	0.31829	0.10555
7	Acct 386.0 Gas Water Heaters	CUST3860	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
9	Acct 386.3 Conversion Burners	CUST3863	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
10	Acct 487-Return Check Charges	CUST487	1.00000	0.73673	0.04420	0.00000	0.07546	0.07106	0.02354
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
12	Acct 882-Revenue Guardian Care & C/S	CUST882	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
13	Acct 902 Meter Reading Expense	CUST902	1.00000	0.77718	0.11664	0.00000	0.06001	0.01662	0.00437
14	Acct 903-Cust Records & Collection Exp	CUST903	1.00000	0.79072	0.11178	0.00000	0.05937	0.01666	0.00220
15	Acct 912-Demonstrating & Selling Exp	CUST912	1.00000	0.64342	0.06552	0.00000	0.05509	0.06321	0.04582
16	Acct 913-Advertising Expense	CUST913	1.00000	0.64342	0.06552	0.00000	0.05509	0.06321	0.04582
17	Acct 879-Customer Installations Exp	CUST879	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
18	Acct 903 Collections Expense	CUST903C	1.00000	0.71506	0.10360	0.00000	0.09763	0.03360	0.00903
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

RATIO TABLE CONT-35

CUSTOMER RELATED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 380 Gas Services	CUST380	0.00089	0.01559	0.01010	0.00840	0.00390
2	Acct 381 Gas Meters	CUST381	0.00200	0.02599	0.04103	0.01536	0.00708
3	Acct 382 Meter Installations	CUST382	0.00200	0.02599	0.04103	0.01536	0.00708
4	Acct 383 Gas Regulators	CUST383	0.00200	0.02599	0.04103	0.01536	0.00708
5	Customer Deposits	CUSTDEP	0.03847	0.06822	0.11925	0.03397	0.00000
6	Transportation Customers	CUSTTR	0.00309	0.10447	0.14961	0.04868	0.01819
7	Acct 386.0 Gas Water Heaters	CUST3860	0.02009	0.00851	0.03429	0.03992	0.07936
8	Acct 386.2 Cascade Diamond Boilers	CUST3862	0.02009	0.00851	0.03429	0.03992	0.07936
9	Acct 386.3 Conversion Burners	CUST3863	0.02009	0.00851	0.03429	0.03992	0.07936
10	Acct 487-Return Check Charges	CUST487	0.00400	0.01377	0.02026	0.00761	0.00335
11	Acct 488-Rental Rev-W/H & Conv Burn	CUST488	0.02009	0.00851	0.03429	0.03992	0.07936
12	Acct 882-Revenue Guardian Care & C/S	CUST882	0.02009	0.00851	0.03429	0.03992	0.07936
13	Acct 902 Meter Reading Expense	CUST902	0.00054	0.01256	0.00755	0.00234	0.00219
14	Acct 903-Cust Records & Collection Exp	CUST903	0.00005	0.01183	0.00625	0.00089	0.00024
15	Acct 912-Demonstrating & Selling Exp	CUST912	0.00962	0.01121	0.02477	0.02628	0.05506
16	Acct 913-Advertising Expense	CUST913	0.00962	0.01121	0.02477	0.02628	0.05506
17	Acct 879-Customer Installations Exp	CUST879	0.02009	0.00851	0.03429	0.03992	0.07936
18	Acct 903 Collections Expense	CUST903C	0.00124	0.01927	0.01191	0.00371	0.00495
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	UNCOLLECTIBLE ACCOUNTS								
1	Residential Heating Rate R-3 & R-4	C904R3	1.00000	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2	Residential Non-Heating Rate R-1 & R-2	C904R1	1.00000	0.00000	1.00000	0.00000	0.00000	0.00000	0.00000
3	Outdoor Lighting	C904OL	1.00000	0.00000	0.00000	1.00000	0.00000	0.00000	0.00000
4	High Winter Low Annual Rate G40 & T40	C904R40	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
5	High Winter Med Annual Rate G41 & T41	C904R41	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
6	High Winter High Annual Rate G42 & T42	C904R42	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
7	High Wint Large Annual Rate G43 & T43	C904R43	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
8	Low Winter Low Annual Rate G50 & T50	C904R50	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
9	Low Winter Med Annual Rate G51 & T51	C904T51	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
10	Low Winter High Annual Rate G52 & T52	C904R52	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Low Wint Large Annual Rate G53 & T53	C904R53	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
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13	LATE PAYMENT CHARGES								
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15	High Winter Low Annual Rate G40 & T40	C487R40	1.00000	0.00000	0.00000	0.00000	1.00000	0.00000	0.00000
16	High Winter Med Annual Rate G41 & T41	C487R41	1.00000	0.00000	0.00000	0.00000	0.00000	1.00000	0.00000
17	High Winter High Annual Rate G42 & T42	C487R42	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	1.00000
18	High Wint Large Annual Rate G43 & T43	C487R43	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
19	Low Winter Low Annual Rate G50 & T50	C487R50	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
20	Low Winter Med Annual Rate G51 & T51	C487T51	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
21	Low Winter High Annual Rate G52 & T52	C487R52	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	Low Wint Large Annual Rate G53 & T53	C487R53	1.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	UNCOLLECTIBLE ACCOUNTS						
1	Residential Heating Rate R-3 & R-4	C904R3	0.00000	0.00000	0.00000	0.00000	0.00000
2	Residential Non-Heating Rate R-1 & R-2	C904R1	0.00000	0.00000	0.00000	0.00000	0.00000
3	Outdoor Lighting	C904OL	0.00000	0.00000	0.00000	0.00000	0.00000
4	High Winter Low Annual Rate G40 & T40	C904R40	0.00000	0.00000	0.00000	0.00000	0.00000
5	High Winter Med Annual Rate G41 & T41	C904R41	0.00000	0.00000	0.00000	0.00000	0.00000
6	High Winter High Annual Rate G42 & T42	C904R42	0.00000	0.00000	0.00000	0.00000	0.00000
7	High Wint Large Annual Rate G43 & T43	C904R43	1.00000	0.00000	0.00000	0.00000	0.00000
8	Low Winter Low Annual Rate G50 & T50	C904R50	0.00000	1.00000	0.00000	0.00000	0.00000
9	Low Winter Med Annual Rate G51 & T51	C904T51	0.00000	0.00000	1.00000	0.00000	0.00000
10	Low Winter High Annual Rate G52 & T52	C904R52	0.00000	0.00000	0.00000	1.00000	0.00000
11	Low Wint Large Annual Rate G53 & T53	C904R53	0.00000	0.00000	0.00000	0.00000	1.00000
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13	LATE PAYMENT CHARGES						
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15	High Winter Low Annual Rate G40 & T40	C487R40	0.00000	0.00000	0.00000	0.00000	0.00000
16	High Winter Med Annual Rate G41 & T41	C487R41	0.00000	0.00000	0.00000	0.00000	0.00000
17	High Winter High Annual Rate G42 & T42	C487R42	0.00000	0.00000	0.00000	0.00000	0.00000
18	High Wint Large Annual Rate G43 & T43	C487R43	1.00000	0.00000	0.00000	0.00000	0.00000
19	Low Winter Low Annual Rate G50 & T50	C487R50	0.00000	1.00000	0.00000	0.00000	0.00000
20	Low Winter Med Annual Rate G51 & T51	C487T51	0.00000	0.00000	1.00000	0.00000	0.00000
21	Low Winter High Annual Rate G52 & T52	C487R52	0.00000	0.00000	0.00000	1.00000	0.00000
22	Low Wint Large Annual Rate G53 & T53	C487R53	0.00000	0.00000	0.00000	0.00000	1.00000
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RATIO TABLE CONT-36

INTERNALLY DEVELOPED

		ALLOC	TOTAL COMPANY INPUT
	UNCOLLECTIBLE ACCOUNTS		
1	Residential Heating Rate R-3 & R-4	C904R3	Page 23 , Line 10, Col 2
2	Residential Non-Heating Rate R-1 & R-2	C904R1	Page 23 , Line 10, Col 3
3	Outdoor Lighting	C904OL	Page 23 , Line 10, Col 4
4	High Winter Low Annual Rate G40 & T40	C904R40	Page 23 , Line 10, Col 5
5	High Winter Med Annual Rate G41 & T41	C904R41	Page 23 , Line 10, Col 6
6	High Winter High Annual Rate G42 & T42	C904R42	Page 23 , Line 10, Col 7
7	High Wint Large Annual Rate G43 & T43	C904R43	Page 23 , Line 10, Col 8
8	Low Winter Low Annual Rate G50 & T50	C904R50	Page 23 , Line 10, Col 9
9	Low Winter Med Annual Rate G51 & T51	C904T51	Page 23 , Line 10, Col 10
10	Low Winter High Annual Rate G52 & T52	C904R52	Page 23 , Line 10, Col 11
11	Low Wint Large Annual Rate G53 & T53	C904R53	Page 23 , Line 10, Col 12
12			
13	LATE PAYMENT CHARGES		
14			
15	High Winter Low Annual Rate G40 & T40	C487R40	Page 23 , Line 10, Col 5
16	High Winter Med Annual Rate G41 & T41	C487R41	Page 23 , Line 10, Col 6
17	High Winter High Annual Rate G42 & T42	C487R42	Page 23 , Line 10, Col 7
18	High Wint Large Annual Rate G43 & T43	C487R43	Page 23 , Line 10, Col 8
19	Low Winter Low Annual Rate G50 & T50	C487R50	Page 23 , Line 10, Col 9
20	Low Winter Med Annual Rate G51 & T51	C487T51	Page 23 , Line 10, Col 10
21	Low Winter High Annual Rate G52 & T52	C487R52	Page 23 , Line 10, Col 11
22	Low Wint Large Annual Rate G53 & T53	C487R53	Page 23 , Line 10, Col 12
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED-37	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Plant In Service	PLANT	1.00000	0.60903	0.05364	0.00000	0.06949	0.08768	0.06086
2	Sum of Allocated Labor Expense	LABOR	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
3	Acct 301 Organization	PLT301	1.00000	0.60903	0.05364	0.00000	0.06949	0.08768	0.06086
4	Acct 303 Misc. Intangible Plant	PLT303	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
5	Acct 305 Structures & Improvements	PLT305	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
6	Acct 311 L.P. Gas Equipment	PLT311	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
7	Acct 320 Other Equipment	PLT320	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
8	Acct 321 L.N.G. Equipment	PLT321	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
9	Acct 365 Right of Way	PLT365	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
10	Acct 366 Structures & Improvements	PLT366	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
11	Acct 367 Gas Mains	PLT367	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
12	Acct 368 Compressor Station Equipment	PLT368	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
13	Acct 369 Meas. & Reg. Station Equip	PLT369	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
14	Acct 380 Gas Services	PLT380	1.00000	0.72588	0.10922	0.00000	0.07815	0.02697	0.02089
15	Acct 381 Gas Meters	PLT381	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
16	Acct 382 Meter Installations	PLT382	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
17	Acct 383 Gas Regulators	PLT383	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
18	Acct 386 Gas Water Heaters	PLT3860	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
19	Acct 386 Cascade Diamond Boilers	PLT3862	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
20	Acct 386 Conversion Burners	PLT3863	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
21	Acct 387 Other Equipment	PLT387	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
22	Acct 379 Other Equipment	PLT379	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
23	Acct 390 Structures & Improvements	PLT390	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
24	Acct 391 Office Equipment	PLT391	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
25	Acct 392 Transportation Equipment	PLT392	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
26	Acct 393 Stores Equipment	PLT393	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
27	Acct 394 Tools, Shop & Garage Equip	PLT394	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
28	Acct 396 Power Operated Equipment	PLT396	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
29	Acct 397 Communication Equip-Other	PLT397O	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
30	Acct 398 Miscellaneous Equipment	PLT398	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
32	Acct 717-LPG Gas Expenses	EXP717	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
33	Acct 719-Handling Expense	EXP719	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
34	Acct 735-Miscellaneous Production Exp	EXP735	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
36	Acct 741-Maintenance of Struct & Improv	EXP741	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
37	Acct 742-Maintenance of Production Eq	EXP742	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
39	Acct 754-Liquefaction Expense	EXP754	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
40	Acct 757-Vaporization Expense	EXP757	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
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	INTERNALLY DEVELOPED-37	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Plant In Service	PLANT	0.01117	0.01304	0.02667	0.02530	0.04310
2	Sum of Allocated Labor Expense	LABOR	0.01057	0.01389	0.02784	0.02355	0.04028
3	Acct 301 Organization	PLT301	0.01117	0.01304	0.02667	0.02530	0.04310
4	Acct 303 Misc. Intangible Plant	PLT303	0.01057	0.01389	0.02784	0.02355	0.04028
5	Acct 305 Structures & Improvements	PLT305	0.01413	0.00543	0.01828	0.01391	0.02586
6	Acct 311 L.P. Gas Equipment	PLT311	0.01413	0.00543	0.01828	0.01391	0.02586
7	Acct 320 Other Equipment	PLT320	0.01413	0.00543	0.01828	0.01391	0.02586
8	Acct 321 L.N.G. Equipment	PLT321	0.01413	0.00543	0.01828	0.01391	0.02586
9	Acct 365 Right of Way	PLT365	0.02009	0.00851	0.03429	0.03992	0.07936
10	Acct 366 Structures & Improvements	PLT366	0.02009	0.00851	0.03429	0.03992	0.07936
11	Acct 367 Gas Mains	PLT367	0.02009	0.00851	0.03429	0.03992	0.07936
12	Acct 368 Compressor Station Equipment	PLT368	0.02009	0.00851	0.03429	0.03992	0.07936
13	Acct 369 Meas. & Reg. Station Equip	PLT369	0.02009	0.00851	0.03429	0.03992	0.07936
14	Acct 380 Gas Services	PLT380	0.00089	0.01559	0.01010	0.00840	0.00390
15	Acct 381 Gas Meters	PLT381	0.00200	0.02599	0.04103	0.01536	0.00708
16	Acct 382 Meter Installations	PLT382	0.00200	0.02599	0.04103	0.01536	0.00708
17	Acct 383 Gas Regulators	PLT383	0.00200	0.02599	0.04103	0.01536	0.00708
18	Acct 386 Gas Water Heaters	PLT3860	0.02009	0.00851	0.03429	0.03992	0.07936
19	Acct 386 Cascade Diamond Boilers	PLT3862	0.02009	0.00851	0.03429	0.03992	0.07936
20	Acct 386 Conversion Burners	PLT3863	0.02009	0.00851	0.03429	0.03992	0.07936
21	Acct 387 Other Equipment	PLT387	0.02009	0.00851	0.03429	0.03992	0.07936
22	Acct 379 Other Equipment	PLT379	0.02009	0.00851	0.03429	0.03992	0.07936
23	Acct 390 Structures & Improvements	PLT390	0.01057	0.01389	0.02784	0.02355	0.04028
24	Acct 391 Office Equipment	PLT391	0.01057	0.01389	0.02784	0.02355	0.04028
25	Acct 392 Transportation Equipment	PLT392	0.01057	0.01389	0.02784	0.02355	0.04028
26	Acct 393 Stores Equipment	PLT393	0.01057	0.01389	0.02784	0.02355	0.04028
27	Acct 394 Tools, Shop & Garage Equip	PLT394	0.01057	0.01389	0.02784	0.02355	0.04028
28	Acct 396 Power Operated Equipment	PLT396	0.01057	0.01389	0.02784	0.02355	0.04028
29	Acct 397 Communication Equip-Other	PLT397O	0.01057	0.01389	0.02784	0.02355	0.04028
30	Acct 398 Miscellaneous Equipment	PLT398	0.01057	0.01389	0.02784	0.02355	0.04028
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	0.01413	0.00543	0.01828	0.01391	0.02586
32	Acct 717-LPG Gas Expenses	EXP717	0.01413	0.00543	0.01828	0.01391	0.02586
33	Acct 719-Handling Expense	EXP719	0.01413	0.00543	0.01828	0.01391	0.02586
34	Acct 735-Miscellaneous Production Exp	EXP735	0.01413	0.00543	0.01828	0.01391	0.02586
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	0.01413	0.00543	0.01828	0.01391	0.02586
36	Acct 741-Maintenance of Struct & Improv	EXP741	0.01413	0.00543	0.01828	0.01391	0.02586
37	Acct 742-Maintenance of Production Eq	EXP742	0.01413	0.00543	0.01828	0.01391	0.02586
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	0.01413	0.00543	0.01828	0.01391	0.02586
39	Acct 754-Liquefaction Expense	EXP754	0.01413	0.00543	0.01828	0.01391	0.02586
40	Acct 757-Vaporization Expense	EXP757	0.01413	0.00543	0.01828	0.01391	0.02586

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	INTERNALLY DEVELOPED-37	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Plant In Service	PLANT	Page 4 , Line 18
2	Sum of Allocated Labor Expense	LABOR	Page 22 , Line 21
3	Acct 301 Organization	PLT301	Page 2 , Line 3
4	Acct 303 Misc. Intangible Plant	PLT303	Page 2 , Line 4
5	Acct 305 Structures & Improvements	PLT305	Page 2 , Line 13
6	Acct 311 L.P. Gas Equipment	PLT311	Page 2 , Line 14
7	Acct 320 Other Equipment	PLT320	Page 2 , Line 18
8	Acct 321 L.N.G. Equipment	PLT321	Page 2 , Line 19
9	Acct 365 Right of Way	PLT365	Page 3 , Line 2
10	Acct 366 Structures & Improvements	PLT366	Page 3 , Line 3
11	Acct 367 Gas Mains	PLT367	Page 3 , Line 11
12	Acct 368 Compressor Station Equipment	PLT368	Page 3 , Line 12
13	Acct 369 Meas. & Reg. Station Equip	PLT369	Page 3 , Line 13
14	Acct 380 Gas Services	PLT380	Page 3 , Line 14
15	Acct 381 Gas Meters	PLT381	Page 3 , Line 15
16	Acct 382 Meter Installations	PLT382	Page 3 , Line 16
17	Acct 383 Gas Regulators	PLT383	Page 3 , Line 17
18	Acct 386 Gas Water Heaters	PLT3860	Page 3 , Line 18
19	Acct 386 Cascade Diamond Boilers	PLT3862	Page 3 , Line 19
20	Acct 386 Conversion Burners	PLT3863	Page 3 , Line 20
21	Acct 387 Other Equipment	PLT387	Page 3 , Line 22
22	Acct 379 Other Equipment	PLT379	Page 3 , Line 24
23	Acct 390 Structures & Improvements	PLT390	Page 4 , Line 2
24	Acct 391 Office Equipment	PLT391	Page 4 , Line 6
25	Acct 392 Transportation Equipment	PLT392	Page 4 , Line 7
26	Acct 393 Stores Equipment	PLT393	Page 4 , Line 8
27	Acct 394 Tools, Shop & Garage Equip	PLT394	Page 4 , Line 9
28	Acct 396 Power Operated Equipment	PLT396	Page 4 , Line 10
29	Acct 397 Communication Equip-Other	PLT397O	Page 4 , Line 11 & 12
30	Acct 398 Miscellaneous Equipment	PLT398	Page 4 , Line 16
31	LPG Gas Prod Labor Accts 717 to 735	LABPO	Pg 19, Ln 2 to 4
32	Acct 717-LPG Gas Expenses	EXP717	Page 9 , Line 2
33	Acct 719-Handling Expense	EXP719	Page 9 , Line 3
34	Acct 735-Miscellaneous Production Exp	EXP735	Page 9 , Line 6
35	LPG Gas Prod Labor Accts 741 to 742	LABPM	Pg 19, Ln 9 to 10
36	Acct 741-Maintenance of Struct & Improv	EXP741	Page 9 , Line 9
37	Acct 742-Maintenance of Production Eq	EXP742	Page 9 , Line 10
38	LNG Gas Prod Labor Accts 754 to 777	LABLO	Pg 19, Ln 14 to 18
39	Acct 754-Liquefaction Expense	EXP754	Page 9 , Line 14
40	Acct 757-Vaporization Expense	EXP757	Page 9 , Line 15

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BAY STATE GAS COMPANY
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	INTERNALLY DEVELOPED CONT-38	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 759-Handling Expense	EXP759	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
2	Acct 775-Miscellaneous Production Exp	EXP775	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
3	Acct 777-Lease Expense	EXP777	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
5	Acct 781-Maintenance of Struct & Improv	EXP781	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
6	Acct 782-Maintenance of Production Eq	EXP782	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
7	Total Intangible Plant	INTPLT	1.00000	0.61279	0.05519	0.00000	0.07007	0.08949	0.05626
8	Total Production Plant	PRODPLT	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	1.00000	0.57749	0.05179	0.00000	0.07010	0.10393	0.06260
10	Acct 851-Sys Control & Load Dispatch	EXP851	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 852-Communication System Exp	EXP852	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
12	Acct 857-Measuring & Regul Stat Exp	EXP857	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
13	Acct 874-Mains and Services Exp	EXP874	1.00000	0.61266	0.05223	0.00000	0.06785	0.08193	0.06402
14	Acct 878-Meter & House Regulator Exp	EXP878	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
15	Acct 879-Customer Installations Exp	EXP879	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
16	Acct 880-Other Expenses	EXP880	1.00000	0.57747	0.04985	0.00000	0.06949	0.10339	0.06427
17	Acct 881-Rents	EXP881	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	1.00000	0.59378	0.04592	0.00000	0.06714	0.09201	0.06847
19	Acct 886-Maintenance of Struct & Improv	EXP886	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
20	Acct 887-Maintenance of Mains	EXP887	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
21	Acct 888-Maint of Compressor Station Eq	EXP888	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
23	Acct 892-Maintenance of Services	EXP892	1.00000	0.72588	0.10922	0.00000	0.07815	0.02697	0.02089
24	Acct 893-Mnt of Meters and House Regul	EXP893	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
25	Acct 894-Maintenance of Other Equip	EXP894	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
26	Customer Accts Labor Accts 902 to 903	LABCA	1.00000	0.72861	0.09910	0.00000	0.07501	0.03535	0.01564
27	Acct 902-Meter Reading Expenses	EXP902	1.00000	0.77718	0.11664	0.00000	0.06001	0.01662	0.00437
28	Acct 903-Cust Records & Collection Exp	EXP903	1.00000	0.72229	0.09681	0.00000	0.07696	0.03779	0.01711
29	Sales Expenses Labor Accts 912 to 916	LABSA	1.00000	0.64097	0.06434	0.00000	0.05520	0.06448	0.04689
30	Acct 912-Demonstrating & Selling Exp	EXP912	1.00000	0.64342	0.06552	0.00000	0.05509	0.06321	0.04582
31	Acct 913-Advertising Exp	EXP913	1.00000	0.56521	0.02765	0.00000	0.05862	0.10376	0.08004
32	Acct 916-Miscellaneous Sales Exp	EXP916	1.00000	0.60009	0.04454	0.00000	0.05705	0.08568	0.06478
33	Acct 920-Administrative & General Sal	EXP920	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875
34	Acct 921-Office Supplies & Expenses	EXP921	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875
35	Acct 922-Administrative Exp Transf-Cr	EXP922	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875
36	Acct 923-Outside Services Employed	EXP923	1.00000	0.64770	0.06333	0.00000	0.06870	0.07615	0.04694
37	Acct 924-Property Insurance	EXP924	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
38	Acct 925-Injuries & Damages	EXP925	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875
39	Acct 926-Employees Pensions & Benef	EXP926	1.00000	0.62049	0.05850	0.00000	0.07047	0.08575	0.05365
40	Acct 928-Regulatory Commission Exp	EXP928	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875

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	INTERNALLY DEVELOPED CONT-38	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 759-Handling Expense	EXP759	0.01413	0.00543	0.01828	0.01391	0.02586
2	Acct 775-Miscellaneous Production Exp	EXP775	0.01413	0.00543	0.01828	0.01391	0.02586
3	Acct 777-Lease Expense	EXP777	0.01413	0.00543	0.01828	0.01391	0.02586
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	0.01413	0.00543	0.01828	0.01391	0.02586
5	Acct 781-Maintenance of Struct & Improv	EXP781	0.01413	0.00543	0.01828	0.01391	0.02586
6	Acct 782-Maintenance of Production Eq	EXP782	0.01413	0.00543	0.01828	0.01391	0.02586
7	Total Intangible Plant	INTPLT	0.01059	0.01387	0.02782	0.02359	0.04033
8	Total Production Plant	PRODPLT	0.01413	0.00543	0.01828	0.01391	0.02586
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	0.01127	0.01608	0.03499	0.02750	0.04424
10	Acct 851-Sys Control & Load Dispatch	EXP851	0.00000	0.00000	0.00000	0.00000	0.00000
11	Acct 852-Communication System Exp	EXP852	0.02009	0.00851	0.03429	0.03992	0.07936
12	Acct 857-Measuring & Regul Stat Exp	EXP857	0.02009	0.00851	0.03429	0.03992	0.07936
13	Acct 874-Mains and Services Exp	EXP874	0.01193	0.01152	0.02402	0.02653	0.04731
14	Acct 878-Meter & House Regulator Exp	EXP878	0.00200	0.02599	0.04103	0.01536	0.00708
15	Acct 879-Customer Installations Exp	EXP879	0.02009	0.00851	0.03429	0.03992	0.07936
16	Acct 880-Other Expenses	EXP880	0.01173	0.01543	0.03425	0.02802	0.04611
17	Acct 881-Rents	EXP881	0.02009	0.00851	0.03429	0.03992	0.07936
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	0.01302	0.01192	0.02757	0.02869	0.05149
19	Acct 886-Maintenance of Struct & Improv	EXP886	0.02009	0.00851	0.03429	0.03992	0.07936
20	Acct 887-Maintenance of Mains	EXP887	0.02009	0.00851	0.03429	0.03992	0.07936
21	Acct 888-Maint of Compressor Station Eq	EXP888	0.00000	0.00000	0.00000	0.00000	0.00000
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	0.02009	0.00851	0.03429	0.03992	0.07936
23	Acct 892-Maintenance of Services	EXP892	0.00089	0.01559	0.01010	0.00840	0.00390
24	Acct 893-Mnt of Meters and House Regul	EXP893	0.00200	0.02599	0.04103	0.01536	0.00708
25	Acct 894-Maintenance of Other Equip	EXP894	0.02009	0.00851	0.03429	0.03992	0.07936
26	Customer Accts Labor Accts 902 to 903	LABCA	0.00255	0.01484	0.01216	0.00661	0.01012
27	Acct 902-Meter Reading Expenses	EXP902	0.00054	0.01256	0.00755	0.00234	0.00219
28	Acct 903-Cust Records & Collection Exp	EXP903	0.00281	0.01514	0.01276	0.00716	0.01115
29	Sales Expenses Labor Accts 912 to 916	LABSA	0.00984	0.01115	0.02497	0.02658	0.05558
30	Acct 912-Demonstrating & Selling Exp	EXP912	0.00962	0.01121	0.02477	0.02628	0.05506
31	Acct 913-Advertising Exp	EXP913	0.01678	0.00937	0.03128	0.03561	0.07168
32	Acct 916-Miscellaneous Sales Exp	EXP916	0.01359	0.01019	0.02838	0.03145	0.06427
33	Acct 920-Administrative & General Sal	EXP920	0.00869	0.01432	0.02486	0.02043	0.03313
34	Acct 921-Office Supplies & Expenses	EXP921	0.00869	0.01432	0.02486	0.02043	0.03313
35	Acct 922-Administrative Exp Transf-Cr	EXP922	0.00869	0.01432	0.02486	0.02043	0.03313
36	Acct 923-Outside Services Employed	EXP923	0.00885	0.01331	0.02395	0.01948	0.03159
37	Acct 924-Property Insurance	EXP924	0.00000	0.00000	0.00000	0.00000	0.00000
38	Acct 925-Injuries & Damages	EXP925	0.00869	0.01432	0.02486	0.02043	0.03313
39	Acct 926-Employees Pensions & Benef	EXP926	0.00994	0.01404	0.02683	0.02249	0.03785
40	Acct 928-Regulatory Commission Exp	EXP928	0.00869	0.01432	0.02486	0.02043	0.03313

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	INTERNALLY DEVELOPED CONT-38	ALLOC	TOTAL COMPANY INPUT
1	Acct 759-Handling Expense	EXP759	Page 9 , Line 17
2	Acct 775-Miscellaneous Production Exp	EXP775	Page 9 , Line 20
3	Acct 777-Lease Expense	EXP777	Page 9 , Line 21
4	LNG Gas Prod Labor Accts 781 to 782	LABLM	Pg 19, Ln 21 to 22
5	Acct 781-Maintenance of Struct & Improv	EXP781	Page 9 , Line 24
6	Acct 782-Maintenance of Production Eq	EXP782	Page 9 , Line 25
7	Total Intangible Plant	INTPLT	Page 2 , Line 5
8	Total Production Plant	PRODPLT	Page 2 , Line 20
9	Trans & Distr Op Labor Accts 851 to 881	LABDO	Pg 20, Ln 2 to 9
10	Acct 851-Sys Control & Load Dispatch	EXP851	Page 11 , Line 2
11	Acct 852-Communication System Exp	EXP852	Page 11 , Line 3
12	Acct 857-Measuring & Regul Stat Exp	EXP857	Page 11 , Line 4
13	Acct 874-Mains and Services Exp	EXP874	Page 11 , Line 5
14	Acct 878-Meter & House Regulator Exp	EXP878	Page 11 , Line 6
15	Acct 879-Customer Installations Exp	EXP879	Page 11 , Line 7
16	Acct 880-Other Expenses	EXP880	Page 11 , Line 8
17	Acct 881-Rents	EXP881	Page 11 , Line 9
18	Trans & Distr Maint Lab Accts 851 to 881	LABDM	Pg 20, Ln 12 to 18
19	Acct 886-Maintenance of Struct & Improv	EXP886	Page 11 , Line 12
20	Acct 887-Maintenance of Mains	EXP887	Page 11 , Line 13
21	Acct 888-Maint of Compressor Station Eq	EXP888	Page 11 , Line 14
22	Acct 889-Maint of Meas & Reg Station Eq	EXP889	Page 11 , Line 15
23	Acct 892-Maintenance of Services	EXP892	Page 11 , Line 16
24	Acct 893-Mnt of Meters and House Regul	EXP893	Page 11 , Line 17
25	Acct 894-Maintenance of Other Equip	EXP894	Page 11 , Line 18
26	Customer Accts Labor Accts 902 to 903	LABCA	Pg 21, Ln 2 to 3
27	Acct 902-Meter Reading Expenses	EXP902	Page 12 , Line 2
28	Acct 903-Cust Records & Collection Exp	EXP903	Page 12 , Line 8
29	Sales Expenses Labor Accts 912 to 916	LABSA	Pg 21, Ln 6 to 8
30	Acct 912-Demonstrating & Selling Exp	EXP912	Page 12 , Line 28
31	Acct 913-Advertising Exp	EXP913	Page 12 , Line 32
32	Acct 916-Miscellaneous Sales Exp	EXP916	Page 12 , Line 33
33	Acct 920-Administrative & General Sal	EXP920	Page 13 , Line 1
34	Acct 921-Office Supplies & Expenses	EXP921	Page 13 , Line 4
35	Acct 922-Administrative Exp Transf-Cr	EXP922	Page 13 , Line 5
36	Acct 923-Outside Services Employed	EXP923	Page 13 , Line 38
37	Acct 924-Property Insurance	EXP924	Page 13 , Line 39
38	Acct 925-Injuries & Damages	EXP925	Page 13 , Line 43
39	Acct 926-Employees Pensions & Benef	EXP926	Page 14 , Line 4
40	Acct 928-Regulatory Commission Exp	EXP928	Page 14 , Line 7

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BAY STATE GAS COMPANY
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	INTERNALLY DEVELOPED CONT-39	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Acct 929-Duplicate Charges-Cr	EXP929	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 930-Miscellaneous General Exp	EXP930	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875
3	Acct 931 Rents	EXP931	1.00000	0.61343	0.08029	0.00000	0.07694	0.09170	0.03822
4	Acct 932 Maintenance of General Plant	EXP932	1.00000	0.61258	0.05852	0.00000	0.07103	0.09006	0.05378
5	Total LPG Gas Operating Labor	TLABPO	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
6	Tot LPG Gas Maintenence Labor	TLABPM	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
7	Total LNG Gas Operating Labor	TLABLO	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
8	Tot LNG Gas Maintenence Labor	TLABLM	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
9	Total Transm & Distr Operating Labor	TLABDO	1.00000	0.57749	0.05179	0.00000	0.07010	0.10393	0.06260
10	Total Transm & Distr Maintenance Labor	TLABDM	1.00000	0.59378	0.04592	0.00000	0.06714	0.09201	0.06847
11	Total Customer Accounts Labor	TLABCA	1.00000	0.72861	0.09910	0.00000	0.07501	0.03535	0.01564
12	Total Sales Expense Labor	TLABSA	1.00000	0.64097	0.06434	0.00000	0.05520	0.06448	0.04689
13	Total General Plant	GENPLT	1.00000	0.61258	0.05852	0.00000	0.07103	0.09006	0.05378
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	1.00000	0.63532	0.06487	0.00000	0.07123	0.07840	0.04875
15	Sales Expense Accounts 912 to 913	EXP9123	1.00000	0.60009	0.04454	0.00000	0.05705	0.08568	0.06478
16	Acct 367 Mains and Acct 380 Services	PLT36780	1.00000	0.61266	0.05223	0.00000	0.06785	0.08193	0.06402
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	1.00000	0.69472	0.10511	0.00000	0.07897	0.04540	0.02283
19	Transm & Distr Oper Accts 851 to 879	EXP8519	1.00000	0.57747	0.04985	0.00000	0.06949	0.10339	0.06427
20	Total Customer Deposits	TOTCDEP	1.00000	0.01228	0.00050	0.00000	0.32576	0.30255	0.08000
21	Acct 386 Other Property on Cust's Prem	PLT386	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
22	Total Transmission & Distribution Plant	DISTRPLT	1.00000	0.60725	0.05497	0.00000	0.06908	0.08612	0.06139
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	1.00000	0.72642	0.10931	0.00000	0.09991	0.02817	0.00373
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
30	Acct 367-Gas Mains - Plastic	PLT367P	1.00000	0.52906	0.01014	0.00000	0.06024	0.12251	0.09586
31	Acct 391-Office Equipment	PLT391OE	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
32	Acct 391-Office IT Equipment	PLT391IT	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
33	Acct 397-Comm Equip Metscan	PLT397M	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	1.00000	0.60958	0.09388	0.00000	0.08120	0.09576	0.02812
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	1.00000	0.64875	0.00653	0.00000	0.07812	0.12589	0.06311
38	Total Gas Operation & Maintenance Labor	OMLAB	1.00000	0.62553	0.06067	0.00000	0.07117	0.08438	0.05117
39	Inflation Adjustment Residual O&M	OTHOMINF	1.00000	0.61955	0.05662	0.00000	0.07075	0.08734	0.05431

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-39	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Acct 929-Duplicate Charges-Cr	EXP929	0.00000	0.00000	0.00000	0.00000	0.00000
2	Acct 930-Miscellaneous General Exp	EXP930	0.00869	0.01432	0.02486	0.02043	0.03313
3	Acct 931 Rents	EXP931	0.00507	0.02138	0.03557	0.01826	0.01913
4	Acct 932 Maintenance of General Plant	EXP932	0.00984	0.01492	0.02897	0.02285	0.03744
5	Total LPG Gas Operating Labor	TLABPO	0.01413	0.00543	0.01828	0.01391	0.02586
6	Tot LPG Gas Maintenence Labor	TLABPM	0.01413	0.00543	0.01828	0.01391	0.02586
7	Total LNG Gas Operating Labor	TLABLO	0.01413	0.00543	0.01828	0.01391	0.02586
8	Tot LNG Gas Maintenence Labor	TLABLM	0.01413	0.00543	0.01828	0.01391	0.02586
9	Total Transm & Distr Operating Labor	TLABDO	0.01127	0.01608	0.03499	0.02750	0.04424
10	Total Transm & Distr Maintenance Labor	TLABDM	0.01302	0.01192	0.02757	0.02869	0.05149
11	Total Customer Accounts Labor	TLABCA	0.00255	0.01484	0.01216	0.00661	0.01012
12	Total Sales Expense Labor	TLABSA	0.00984	0.01115	0.02497	0.02658	0.05558
13	Total General Plant	GENPLT	0.00984	0.01492	0.02897	0.02285	0.03744
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	0.00869	0.01432	0.02486	0.02043	0.03313
15	Sales Expense Accounts 912 to 913	EXP9123	0.01359	0.01019	0.02838	0.03145	0.06427
16	Acct 367 Mains and Acct 380 Services	PLT36780	0.01193	0.01152	0.02402	0.02653	0.04731
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	0.00200	0.02599	0.04103	0.01536	0.00708
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	0.00119	0.01838	0.01839	0.01027	0.00476
19	Transm & Distr Oper Accts 851 to 879	EXP8519	0.01173	0.01543	0.03425	0.02802	0.04611
20	Total Customer Deposits	TOTCDEP	0.02799	0.07895	0.12824	0.03832	0.00539
21	Acct 386 Other Property on Cust's Prem	PLT386	0.02009	0.00851	0.03429	0.03992	0.07936
22	Total Transmission & Distribution Plant	DISTRPLT	0.01117	0.01317	0.02679	0.02592	0.04415
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	0.00009	0.01993	0.01055	0.00150	0.00040
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	0.02009	0.00851	0.03429	0.03992	0.07936
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	0.02009	0.00851	0.03429	0.03992	0.07936
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	0.02009	0.00851	0.03429	0.03992	0.07936
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	0.02009	0.00851	0.03429	0.03992	0.07936
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	0.02009	0.00851	0.03429	0.03992	0.07936
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	0.02009	0.00851	0.03429	0.03992	0.07936
30	Acct 367-Gas Mains - Plastic	PLT367P	0.02009	0.00851	0.03429	0.03992	0.07936
31	Acct 391-Office Equipment	PLT391OE	0.01057	0.01389	0.02784	0.02355	0.04028
32	Acct 391-Office IT Equipment	PLT391IT	0.01057	0.01389	0.02784	0.02355	0.04028
33	Acct 397-Comm Equip Metscan	PLT397M	0.00200	0.02599	0.04103	0.01536	0.00708
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	0.00200	0.02599	0.04103	0.01536	0.00708
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	0.01413	0.00543	0.01828	0.01391	0.02586
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	0.01413	0.00543	0.01828	0.01391	0.02586
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	0.01413	0.00543	0.01828	0.01391	0.02586
38	Total Gas Operation & Maintenance Labor	OMLAB	0.00944	0.01428	0.02643	0.02138	0.03555
39	Inflation Adjustment Residual O&M	OTHOMINF	0.01019	0.01379	0.02675	0.02247	0.03822

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	INTERNALLY DEVELOPED CONT-39	ALLOC	TOTAL COMPANY INPUT
1	Acct 929-Duplicate Charges-Cr	EXP929	Page 14 , Line 8
2	Acct 930-Miscellaneous General Exp	EXP930	Page 14 , Line 12
3	Acct 931 Rents	EXP931	Page 14 , Line 18
4	Acct 932 Maintenance of General Plant	EXP932	Page 14 , Line 22
5	Total LPG Gas Operating Labor	TLABPO	Page 19 , Line 5
6	Tot LPG Gas Maintenence Labor	TLABPM	Page 19 , Line 9
7	Total LNG Gas Operating Labor	TLABLO	Page 19 , Line 17
8	Tot LNG Gas Maintenence Labor	TLABLM	Page 19 , Line 21
9	Total Transm & Distr Operating Labor	TLABDO	Page 20 , Line 10
10	Total Transm & Distr Maintenance Labor	TLABDM	Page 20 , Line 19
11	Total Customer Accounts Labor	TLABCA	Page 21 , Line 4
12	Total Sales Expense Labor	TLABSA	Page 21 , Line 9
13	Total General Plant	GENPLT	Pg 4 , Ln 3 & 17
14	Claimed Sales Revenues less Gas Costs	REVCLAIM	See Allocator Descriptions
15	Sales Expense Accounts 912 to 913	EXP9123	Pg 12 , Ln 28 & 32
16	Acct 367 Mains and Acct 380 Services	PLT36780	Pg 3 , Ln 11 & 14
17	Acct 381, 382 & 383 - Meters & Hse Reg	PLT3813	Pg 3 , Line 15, 16 & 17
18	Acct 380,381,382 & 383 - Serv,Met & Reg	PLT3803	Pg 3 , Line 14, 15, 16 & 17
19	Transm & Distr Oper Accts 851 to 879	EXP8519	Pg 11 , Line 2 to 7
20	Total Customer Deposits	TOTCDEP	Page 7 , Line 23
21	Acct 386 Other Property on Cust's Prem	PLT386	Page 3 , Line 21
22	Total Transmission & Distribution Plant	DISTRPLT	Page 3 , Line 23 & 25
23	Acct 904-Uncollectible Accts-Gas Sales	EXP904S	Pg 12 , Line 9 to 19
24	Acct 904-Uncollectible Accts-Other Rev	EXP904O	Page 12 , Line 22 & 23
25	Acct 367-Gas Mains - Bare Steel	PLT367BS	Page 3 , Line 4
26	Acct 367-Gas Mains - Joint Clamping	PLT367JC	Page 3 , Line 5
27	Acct 367-Gas Mains - Cast Iron	PLT367CI	Page 3 , Line 6
28	Acct 367-Gas Mains - Cathodic Protect	PLT367CP	Page 3 , Line 7
29	Acct 367-Gas Mains - Coated Steel	PLT367CS	Page 3 , Line 8
30	Acct 367-Gas Mains - Plastic	PLT367P	Page 3 , Line 9
31	Acct 391-Office Equipment	PLT391OE	Page 4 , Line 4
32	Acct 391-Office IT Equipment	PLT391IT	Page 4 , Line 5
33	Acct 397-Comm Equip Metscan	PLT397M	Page 4 , Line 13
34	Acct 397-Comm Equip ERT/ITRON	PLT397E	Page 4 , Line 14
35	Acct 304 Lnd Rghts-LNG & LPG Dir Csts	PLT304L	Page 2 , Line 6 & 7
36	Acct 305 St & Impr-LNG & LPG Dir Csts	PLT305L	Page 2 , Line 10 & 11
37	Acct 320 Other Eq-LNG & LPG Dir Csts	PLT320L	Page 2 , Line 15 & 16
38	Total Gas Operation & Maintenance Labor	OMLAB	Page 22 , Line 15
39	Inflation Adjustment Residual O&M	OTHOMINF	See Allocator Descriptions

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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-40	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
1	Total Gas Supply Expense	GASCOSTS	1.00000	0.67732	0.01704	0.00001	0.06498	0.10636	0.04729
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	1.00000	0.72167	0.09667	0.00000	0.07712	0.03799	0.01724
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11	**NiSource Service Charges Allocators**								
12	Basis 1 - 50% Gross Plant	BASIS1P	1.00000	0.60903	0.05364	0.00000	0.06949	0.08768	0.06086
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	1.00000	0.63589	0.06582	0.00000	0.07527	0.07846	0.04585
14	Basis 10 - Number of Annual Customers	BASIS10	1.00000	0.78471	0.11808	0.00004	0.05910	0.01666	0.00220
15	Basis 11 - Labor	BASIS11	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
16	Basis 2 - Gross Plant	BASIS2	1.00000	0.60903	0.05364	0.00000	0.06949	0.08768	0.06086
17	Basis 20 - Total Direct Billed	BASIS20	1.00000	0.62762	0.06044	0.00000	0.07036	0.08150	0.05232
18	Basis 7 - 50% Deprec Plant	BASIS7P	1.00000	0.60885	0.05360	0.00000	0.06946	0.08756	0.06108
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	1.00000	0.66964	0.02608	0.00001	0.06688	0.10119	0.04703
20	Basis 9 - Labor	BASIS9	1.00000	0.61286	0.05522	0.00000	0.07008	0.08953	0.05617
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	1.00000	0.65037	0.06846	0.00000	0.06923	0.07231	0.04504
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-40	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
1	Total Gas Supply Expense	GASCOSTS	0.01207	0.01183	0.03671	0.01785	0.00854
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	0.00284	0.01517	0.01282	0.00722	0.01125
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11	**NiSource Service Charges Allocators**						
12	Basis 1 - 50% Gross Plant	BASIS1P	0.01117	0.01304	0.02667	0.02530	0.04310
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	0.00839	0.01506	0.02470	0.01909	0.03147
14	Basis 10 - Number of Annual Customers	BASIS10	0.00005	0.01179	0.00624	0.00089	0.00024
15	Basis 11 - Labor	BASIS11	0.01057	0.01389	0.02784	0.02355	0.04028
16	Basis 2 - Gross Plant	BASIS2	0.01117	0.01304	0.02667	0.02530	0.04310
17	Basis 20 - Total Direct Billed	BASIS20	0.00964	0.01377	0.02540	0.02191	0.03703
18	Basis 7 - 50% Deprec Plant	BASIS7P	0.01120	0.01300	0.02661	0.02539	0.04324
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	0.01139	0.01243	0.03449	0.01808	0.01279
20	Basis 9 - Labor	BASIS9	0.01057	0.01389	0.02784	0.02355	0.04028
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	0.00821	0.01358	0.02268	0.01880	0.03132
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	INTERNALLY DEVELOPED CONT-40	ALLOC	TOTAL COMPANY INPUT
1	Total Gas Supply Expense	GASCOSTS	Page 10 , Line 7
2	Acct 903-Cust Records & Coll Subtotal	EXP903T	Pg 12 , Line 3 to 5
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11	**NISource Service Charges Allocators**		
12	Basis 1 - 50% Gross Plant	BASIS1P	Page 4 , Line 18
13	Basis 1 - 50% O&M less Gas & NIS 923	BASIS1OM	See Allocator Descriptions
14	Basis 10 - Number of Annual Customers	BASIS10	Page 26 , Line 31
15	Basis 11 - Labor	BASIS11	Page 26 , Line 31
16	Basis 2 - Gross Plant	BASIS2	Page 22 , Line 21
17	Basis 20 - Total Direct Billed	BASIS20	Page 4 , Line 18
18	Basis 7 - 50% Deprec Plant	BASIS7P	Page 13 , Line 28
19	Basis 7 - 50% O&M less NIS 923	BASIS7OM	See Allocator Descriptions
20	Basis 9 - Labor	BASIS9	See Allocator Descriptions
21	Basis Co 12 - Oth NiSource Serv Chrgs	BASCO12	Page 22 , Line 21
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-41	ALLOC	TOTAL COMPANY	RESIDENTIAL HEATING R-3 & R-4	RESIDENTIAL NON-HEATING R-1 & R-2	OUTDOOR LIGHTING	HIGH WINTER LOW ANNUAL G-40 & T-40	HIGH WINTER MED ANNUAL G-41 & T-41	HIGH WINTER HIGH ANNUAL G-42 & T-42
	REVENUES FROM GAS SALES								
1	Revenues Firm Sales of Gas		1.00000	0.67571	0.02263	0.00001	0.06674	0.09792	0.04663
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BAY STATE GAS COMPANY
GAS COST OF SERVICE STUDY
12 MONTHS ENDED DECEMBER 31, 2004

	INTERNALLY DEVELOPED CONT-41	ALLOC	HIGH WINTER LRG HI ANNUAL G-43 & T-43	LOW WINTER LOW ANNUAL G-50 & T-50	LOW WINTER MED ANNUAL G-51 & T-51	LOW WINTER HIGH ANNUAL G-52 & T-52	LOW WINTER LRG HI ANNUAL G-53 & T-53
	REVENUES FROM GAS SALES						
1	Revenues Firm Sales of Gas		0.01024	0.01207	0.03184	0.01883	0.01738
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	INTERNALLY DEVELOPED CONT-41	ALLOC	TOTAL COMPANY INPUT
	REVENUES FROM GAS SALES		
1	Revenues Firm Sales of Gas		
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4			
5			
6			
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8			
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