

Case No.: U-15990  
 Exhibit No.: A-9 (VHG-1)  
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 Witness: V. H. Grace

**Michigan Gas Utilities Corporation  
 RDM Illustration Assuming Proposed Rates  
 Actual Calendar Year 2008 - Colder Than Normal Weather**

<b>Illustrative Baseline - Proposed Rates</b>					
<u>Ln</u>	<u>Rate Class</u>	Proposed Distribution Revenues [A]	Customers Annual [B]	Customers Avg Monthly [C] [B] / 12	Distribution Revenues Per Customer [D] [A] / [C]
1	<u>Residential</u>				
2	Residential Rate	\$ 21,177,327	1,772,707	147,725.58	
3	Transport Aggregated-Residential	\$ 9,781	288	24.00	
4	Customer Choice-Residential	\$ 422,577	47,185	3,932.08	
5	Total Residential	<u>\$ 21,609,686</u>	<u>1,820,180</u>	<u>151,681.66</u>	<u>\$ 142.47</u>
6	<u>Small GS and Small Multi-Family</u>				
7	Meter Class I	\$ 34,721	2,064	172.00	
8	Meter Class II	\$ 159,824	3,492	291.00	
9	Small General Service	\$ 6,413,109	143,979	11,998.25	
10	Transport Aggregated-Small C&I	\$ 1,033,625	5,112	426.00	
11	Customer Choice-Small C&I	\$ 1,477,337	15,664	1,305.33	
12	Total Small GS and Small MF	<u>\$ 9,118,616</u>	<u>170,311</u>	<u>14,192.58</u>	<u>\$ 642.49</u>
13	<u>Large Multi-Family</u>				
14	Meter Class III	\$ 36,589	216	18.00	
15	Meter Class IV	\$ 78,737	204	17.00	
16	Total Large MF	<u>\$ 115,326</u>	<u>420</u>	<u>35.00</u>	<u>\$ 3,295.03</u>



**Michigan Gas Utilities Corporation**  
**RDM Illustration Assuming Proposed Rates**  
**Illustration - Assuming an Increase in Distribution Revenues Per Customer**

Ln	Rate Class	Illustrative Baseline - Proposed Rates				Illustrative Actual - Increase in Revenue Per Customer				RDM Recoveries (Refunds) [I]	Estimated 12-Month Mcf [J]	RDM Charge (Refund) Per Mcf [K]
		Proposed Distribution Revenues [A]	Customers Annual [B]	Customers Avg Monthly [C] [B] / 12	Distribution Revenues Per Customer [D] [A] / [C]	Distribution Revenues [E]	Customers Annual [F]	Customers Avg Monthly [G] [F] / 12	Distribution Revenues Per Customer [H] [E] / [G]			
1	<u>Residential</u>											
2	Residential Rate	\$ 21,177,327	1,772,707	147,725.58		\$ 21,600,874	1,772,707	147,725.58				
3	Transport Aggregated-Residential	\$ 9,781	288	24.00		\$ 9,977	288	24.00				
4	Customer Choice-Residential	\$ 422,577	47,185	3,932.08		\$ 431,029	47,185	3,932.08				
5	Total Residential	<u>\$ 21,609,686</u>	<u>1,820,180</u>	<u>151,681.66</u>	<u>\$ 142.47</u>	<u>\$ 22,041,880</u>	<u>1,820,180</u>	<u>151,681.66</u>	<u>\$ 145.32</u>	<u>\$ (432,292.73)</u>	13,116,652	\$ (0.03300)
6	<u>Small GS and Small Multi-Family</u>											
7	Meter Class I	\$ 34,721	2,064	172.00		\$ 35,415	2,064	172.00				
8	Meter Class II	\$ 159,824	3,492	291.00		\$ 163,021	3,492	291.00				
9	Small General Service	\$ 6,413,109	143,979	11,998.25		\$ 6,541,372	143,979	11,998.25				
10	Transport Aggregated-Small C&I	\$ 1,033,625	5,112	426.00		\$ 1,054,297	5,112	426.00				
11	Customer Choice-Small C&I	\$ 1,477,337	15,664	1,305.33		\$ 1,506,884	15,664	1,305.33				
12	Total Small GS and Small MF	<u>\$ 9,118,616</u>	<u>170,311</u>	<u>14,192.58</u>	<u>\$ 642.49</u>	<u>\$ 9,300,989</u>	<u>170,311</u>	<u>14,192.58</u>	<u>\$ 655.34</u>	<u>\$ (182,374.70)</u>	7,598,847	\$ (0.02400)
13	<u>Large Multi-Family</u>											
14	Meter Class III	\$ 36,589	216	18.00		\$ 37,321	216	18.00		\$ -		
15	Meter Class IV	\$ 78,737	204	17.00		\$ 80,312	204	17.00		\$ -		
16	Total Large MF	<u>\$ 115,326</u>	<u>420</u>	<u>35.00</u>	<u>\$ 3,295.03</u>	<u>\$ 117,633</u>	<u>420</u>	<u>35.00</u>	<u>\$ 3,360.94</u>	<u>\$ (2,306.85)</u>	104,842	\$ (0.02200)
Total RDM Recovery (Refund)									<u>\$ (616,974.28)</u>			

**Michigan Gas Utilities Corporation**  
**RDM Illustration Assuming Proposed Rates**  
**Illustration - Assuming a Decrease in Distribution Revenues Per Customer**

Ln	Rate Class	Illustrative Baseline - Proposed Rates				Illustrative Actual - Decrease in Revenue Per Customer				RDM Recoveries (Refunds)	Estimated 12-Month Mcf	RDM Charge (Refund) Per Mcf
		Proposed Distribution Revenues	Customers Annual	Customers Avg Monthly	Distribution Revenues Per Customer	Distribution Revenues	Customers Annual	Customers Avg Monthly	Distribution Revenues Per Customer			
		[A]	[B]	[C] [B] / 12	[D] [A] / [C]	[E]	[F]	[G] [F] / 12	[H] [E] / [G]	[I] {[D] - [H]} x [C]	[J]	[K] [I] / [J]
1	<u>Residential</u>											
2	Residential Rate	\$ 21,177,327	1,772,707	147,725.58		\$ 20,753,781	1,772,707	147,725.58				
3	Transport Aggregated-Residential	\$ 9,781	288	24.00		\$ 9,586	288	24.00				
4	Customer Choice-Residential	\$ 422,577	47,185	3,932.08		\$ 414,126	47,185	3,932.08				
5	Total Residential	<u>\$ 21,609,686</u>	<u>1,820,180</u>	<u>151,681.66</u>	<u>\$ 142.47</u>	<u>\$ 21,177,493</u>	<u>1,820,180</u>	<u>151,681.66</u>	<u>\$ 139.62</u>	<u>\$ 432,292.73</u>	13,116,652	\$ 0.03300
6	<u>Small GS and Small Multi-Family</u>											
7	Meter Class I	\$ 34,721	2,064	172.00		\$ 34,026	2,064	172.00				
8	Meter Class II	\$ 159,824	3,492	291.00		\$ 156,628	3,492	291.00				
9	Small General Service	\$ 6,413,109	143,979	11,998.25		\$ 6,284,847	143,979	11,998.25				
10	Transport Aggregated-Small C&I	\$ 1,033,625	5,112	426.00		\$ 1,012,952	5,112	426.00				
11	Customer Choice-Small C&I	\$ 1,477,337	15,664	1,305.33		\$ 1,447,790	15,664	1,305.33				
12	Total Small GS and Small MF	<u>\$ 9,118,616</u>	<u>170,311</u>	<u>14,192.58</u>	<u>\$ 642.49</u>	<u>\$ 8,936,243</u>	<u>170,311</u>	<u>14,192.58</u>	<u>\$ 629.64</u>	<u>\$ 182,374.70</u>	7,598,847	\$ 0.02400
13	<u>Large Multi-Family</u>											
14	Meter Class III	\$ 36,589	216	18.00		\$ 35,858	216	18.00		\$ -		
15	Meter Class IV	\$ 78,737	204	17.00		\$ 77,162	204	17.00		\$ -		
16	Total Large MF	<u>\$ 115,326</u>	<u>420</u>	<u>35.00</u>	<u>\$ 3,295.03</u>	<u>\$ 113,020</u>	<u>420</u>	<u>35.00</u>	<u>\$ 3,229.14</u>	<u>\$ 2,306.15</u>	104,842	\$ 0.02200
Total RDM Recovery (Refund)										<u>\$ 616,973.58</u>		

**Michigan Gas Utilities Corporation  
 Fixed and Variable Cost Summary  
 Residential Rate Class**

<b>Line No.</b>		<b>Residential</b>	<b>Residential Transportation Aggregated</b>	<b>Residential Customer Choice</b>	<b>Total Residential</b>	<b>Notes</b>
1	<b><u>Revenue Requirement</u></b>					
2	Demand	\$9,261,877	\$4,044	\$161,432	\$9,427,353	Exhibit A-6 (JCHM-1) Sch. F1.5
3	Commodity	\$794,191	\$0	\$0	\$794,191	Exhibit A-6 (JCHM-1) Sch. F1.5
4	Customer	\$37,815,746	\$34,828	\$990,379	\$38,840,953	Exhibit A-6 (JCHM-1) Sch. F1.5
5	Total	<u>\$47,871,814</u>	<u>\$38,872</u>	<u>\$1,151,811</u>	<u>\$49,062,497</u>	Sum Lines 2, 3 and 4
6	<b><u>Fixed and Variable Cost %</u></b>					
7	Fixed Costs	98%	100%	100%	98%	(Line 2 + Line 4) / Line 5
8	Variable Costs	2%	0%	0%	2%	Line 3 / Line 5
9	Total Costs	100%	100%	100%	100%	Line 7 + Line 8



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**Michigan Gas Utilities Corporation  
 Alternative Decoupling Proposal  
 Proposed Monthly Service Charge  
 Residential Rate Class**

<u>Line No.</u>	<u>Residential</u> [A]	<u>Residential Transportation Aggregated</u> [B]	<u>Residential Customer Choice</u> [C]	<u>Total Residential</u> [D]	<u>Notes</u> [E]	
1	<b>Monthly Service Charge Proposed</b>					
2	Revenue @ Proposed Rates	\$44,134,154	\$16,261	\$1,012,390	\$45,162,805	Exhibit A-6 (DJT-1) Sch. F3.2
3	Less:					
4	Proposed Admin Charge - Transport Aggr.	\$0	(\$2,880)	\$0	(\$2,880)	Col. B, Line 8 x \$10.00
5	Lighting @ Proposed Rates Per MCF	(\$990)	\$0	\$0	(\$990)	Lighting Mcf x \$1.6475
6	Proposed Gas Supply Acquisition	(\$796,999)	\$0	\$0	(\$796,999)	Sales Mcf x \$.062
7	Net Revenue @ Proposed Rates	\$43,336,165	\$13,381	\$1,012,390	\$44,361,936	Line 2 - (Sum Lines 4, 5 and 6)
8	Annual Customers	1,772,707	288	47,185	1,820,180	Exhibit A-6 (DJT-1) Sch. F3.2
9	<b>Proposed Monthly Service Charge</b>			<b>\$ 24.37</b>	Line 7 / Line 8	
10	<b>Monthly Service Charge @ Cost</b>					
11	Revenue Requirement From COSS	\$47,871,814	\$38,872	\$1,151,811	\$49,062,497	Exhibit A-6 (JCHM-1) Sch. F1.5
12	Less:					
13	Transportation Admin Costs	\$0	(\$27,050)	\$0	(\$27,050)	Exhibit A-6 (JCHM-1) Sch. F1.4
14	Lighting @ Proposed Rates Per MCF	(\$990)	\$0	\$0	(\$990)	Lighting Mcf x \$1.6475
15	Gas Supply Acquisition Costs	(\$794,191)	\$0	\$0	(\$794,191)	Exhibit A-6 (JCHM-1) Sch. F1.4
16	Net Cost	\$47,076,633	\$11,823	\$1,151,811	\$48,240,267	Line 11 - (Sum Lines 13, 14 and 15)
17	Annual Customers	1,772,707	288	47,185	1,820,180	Exhibit A-6 (DJT-1) Sch. F3.2
18	<b>Monthly Service Charge @ Cost</b>			<b>\$ 26.50</b>	Line 14 / Line 15	

