

WOMBLE
CARLYLE
SANDRIDGE
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LIABILITY COMPANY

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July 8, 2008

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Clerk's Office
N.C. Utilities Commission

Via Hand Delivery

Ms. Renne Vance, Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, North Carolina 27603-5918

Re: Docket No. G-5, Sub 495

Dear Ms Vance:

Please accept for filing in the above-referenced docket 15 copies of the attached revised Item 3 of Public Service Company of North Carolina, Inc. ("PSNC" or "Company") N.C.U.C. Form G-1, and 27 copies of Paton Exhibits 5, 6 and 7 to Ms. Candace A. Paton's testimony as originally filed with the Commission on March 31, 2008. The revised pages in the G-1 are marked "Revised"; all other pages of the G-1 remain unchanged. These revisions are made to correct input errors in the Company's cost of service study and do not otherwise affect PSNC's request in this docket.

An additional copy has been enclosed to be stamped "filed". Please feel free to contact me if you have any questions.

Very truly yours,

Mary Lynne Grigg

Mary Lynne Grigg

MLG:ajt

c: Parties of Record

Enclosures

clerk
AG
Hoover
Gilmore
2 PS Legal
2 PS Acctg
2 PS Econ
2 PS G&A

Public Service Company of North Carolina, Inc.
 Cost of Service Study
 12 Months Ending 12/31/07

DESCRIPTION	TOTAL	RES	SGS	LGS FIRM	LGS INT
OPERATING REVENUES					
RATE SCHEDULE REVENUES	683,975,151	432,040,041	175,677,437	34,242,383	42,015,289
OTHER GAS REVENUES	3,345,175	2,829,536	512,246	2,366	1,027
TOTAL REVENUES	\$687,320,326	\$434,869,578	\$176,189,684	\$34,244,749	\$42,016,315
OPERATING EXPENSES					
COG & OTHER GAS SUPPLY EXP	476,879,987	287,040,425	135,895,210	22,531,972	31,412,381
O&M TOTAL EXPENSES EXCL COG	87,569,278	67,894,925	14,065,739	2,408,775	3,199,839
DEPRECIATION EXPENSE	37,555,784	28,991,719	5,495,920	1,194,480	1,873,664
TAXES OTHER THAN INCOME	9,344,472	7,139,154	1,434,329	308,737	462,252
STATE INCOME TAXES	3,798,385	2,190,078	964,885	390,023	253,399
FEDERAL INCOME TAXES	17,937,733	10,342,563	4,556,633	1,841,871	1,196,666
INVESTMENT TAX CREDIT (NET)	(830,678)	(626,844)	(126,485)	(30,278)	(47,070)
TOTAL EXPENSES	\$632,254,961	\$402,972,021	\$162,286,231	\$28,645,579	\$38,351,130
OPERATING RETURN AFTER TAXES	\$55,065,365	\$31,897,557	\$13,903,453	\$5,599,170	\$3,665,186
RATE BASE					
GROSS PLANT	1,191,285,225	906,248,947	178,941,022	41,609,771	64,485,485
RESERVES FOR DEPRECIATION	(427,817,811)	(321,799,337)	(66,083,437)	(15,950,229)	(23,984,808)
NET PLT IN SERVICE	763,467,414	584,449,610	112,857,585	25,659,542	40,500,677
WORKING CAPITAL	63,039,596	40,852,551	17,403,887	5,065,900	(282,742)
ACCUMULATED DEFERRED INCOME TAXES	(106,359,412)	(80,463,491)	(16,041,858)	(3,811,372)	(6,042,691)
RATE BASE	\$720,147,598	\$544,838,670	\$114,219,614	\$26,914,070	\$34,175,244
RATE OF RETURN	7.65%	5.85%	12.17%	20.80%	10.72%

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Pro Forma

Public Service Company of North Carolina, Inc.
 Cost of Service Study
 12 Months Ending 12/31/07

ACCOUNT	DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS_FIRM	LGS_INT
301	INTANGIBLE PLANT	WORKPTD	517,717	391,666	78,086	18,552	29,414
360	STORAGE PLANT - ACCTS. 360-363	MDEM1	18,995,624	12,830,036	4,875,183	1,290,405	0
365	TRANSMISSION PLANT - ACCTS. 365-370	MDEM4	113,437,247	58,987,368	24,854,101	11,060,132	18,535,646
374	DIST LAND & LAND RIGHTS	RB_A_PLT_DI_O_	7,328,762	5,799,698	1,027,792	195,545	305,727
375	DIST STRUCTURES & IMPROVEMENTS	MDEM4	24,283,081	12,627,202	5,320,423	2,367,600	3,967,855
376	DIST MAINS	MCW3	563,203,082	442,686,634	72,959,580	17,954,914	29,601,954
378	DIST MEAS & REG STA EQUIP-GEN	MDEM4	9,216,094	4,792,369	2,019,246	898,569	1,505,910
380	DIST SERVICES	MCW1	266,442,543	234,443,860	26,094,317	2,323,379	3,580,988
381	DIST METERS (Includes 381 & 382)	MCW2	110,195,966	83,995,656	23,875,648	1,191,993	1,132,669
385	DIST IND REG STA	MDEM4	1,113,575	579,059	243,984	108,574	181,958
385.DA	DIST IND REG STA - Directly Assigned	MC385DA	11,704,284	0	7,829,236	1,891,260	1,983,788
	DIST IND REG STA		12,817,859	579,059	8,073,221	1,999,833	2,165,746
387	DIST OTHER EQUIPMENT (Includes 386 & 387)	RB_A_PLT_DI_O_	1,632,510	1,291,905	228,945	43,558	68,102
	DISTRIBUTION PLANT		995,119,897	786,216,384	139,599,171	26,975,392	42,328,951
389	GENERAL PLANT	WORKPTD	63,214,740	47,823,494	9,534,482	2,265,290	3,591,475
	GROSS PLANT		\$1,191,285,225	\$906,248,947	\$178,941,022	\$41,609,771	\$64,485,485

Pro Forma

Public Service Company of North Carolina, Inc.
 Cost of Service Study
 12 Months Ending 12/31/07

DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
RES INTANGIBLE PLANT	WORKPTD	(79,844)	(60,404)	(12,043)	(2,861)	(4,536)
RES STORAGE PLANT	RB_A_PLT_ST_O	(14,533,908)	(9,816,501)	(3,730,094)	(987,313)	0
RES TRANSMISSION PLANT	RB_A_PLT_TR_O	(51,810,508)	(26,941,464)	(11,351,682)	(5,051,525)	(8,465,837)
RES DIST PLT	RB_A_PLT_DI_O	(332,346,818)	(263,006,406)	(46,608,590)	(8,867,646)	(13,864,177)
RES GEN & COM PLT	WORKPTD	(29,046,733)	(21,974,562)	(4,381,028)	(1,040,885)	(1,650,258)
RESERVES FOR DEPRECIATION		(\$427,817,811)	(\$321,799,337)	(\$66,083,437)	(\$15,950,229)	(\$23,984,808)

Public Service Company of North Carolina, Inc.
Cost of Service Study
12 Months Ending 12/31/07

DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
MATERIALS & SUPPLIES						
MATERIALS & SUPPLIES - AVG	RB_A_PLT_DI_O__ALOC	6,609,100	5,402,837	786,152	159,395	260,717
STORED GAS (164-165)	MDEM1	76,622,602	51,752,485	19,665,015	5,205,102	0
WORKING CAPITAL - MATERIALS & SUPPLIES		<u>\$83,231,702</u>	<u>\$57,155,322</u>	<u>\$20,451,167</u>	<u>\$5,364,497</u>	<u>\$260,717</u>
CUSTOMER DEPOSITS	MCDEPS	(9,633,717)	(7,827,281)	(1,484,969)	(82,919)	(238,548)
INTEREST ON CUSTOMER DEPOSITS	MCDEPS	(172,927)	(140,501)	(26,655)	(1,488)	(4,282)
EXCISE TAX - AVG ACCRUED STATE EXCISE TAXES	RB_A_PLT	(1,272,709)	(962,835)	(191,959)	(45,607)	(72,308)
AVG ACCRUED VACATION LIABILITY	XLABOR	(335,145)	(258,082)	(55,263)	(9,147)	(12,652)
AVERAGE DEFERRED CREDIT TREASURY A ACCOUNT	RB_A_PLT	(401,770)	(303,949)	(60,598)	(14,397)	(22,826)
AVG PREPAYMENTS	WORKPTD	625,993	473,579	94,417	22,432	35,565
COST FREE CAPITAL						
TRANSCO REFUND	MRCTHR	(258,000)	(148,024)	(78,174)	(13,477)	(18,325)
POST RETIRE. & POST EMPL. ACCRUALS	XLABOR	(18,774,093)	(14,457,202)	(3,095,734)	(512,414)	(708,742)
POST RETIRE. & POST EMPL. ACCRUALS PF	XLABOR	41,954	32,307	6,918	1,145	1,584
WORKING CAPITAL - COST FREE CAPITAL		<u>(\$18,990,139)</u>	<u>(\$14,572,919)</u>	<u>(\$3,166,990)</u>	<u>(\$524,746)</u>	<u>(\$725,484)</u>
CASH REQUIREMENTS - LEAD LAG STUDY						
PURCHASED GAS	MRCTHR3	2,229,359	1,290,338	666,763	117,392	154,866
OPERATION & MAINTENANCE	EXP_A_O&M_	4,071,941	3,193,772	632,056	109,567	136,546
GENERAL TAXES	TOTI	(1,760,854)	(1,345,288)	(270,282)	(58,178)	(87,106)
CHANGE IN CURRENT FEDERAL TAXES	MMAN	39,945	20,143	11,458	4,780	3,564
CHANGE IN CURRENT STATE TAXES	MMAN	5,377	2,711	1,542	643	480
DEFERRED TAXES	RB_A_PLT	846,976	640,758	127,747	30,351	48,120
DEPRECIATION	DEP_A_	4,004,141	3,069,570	592,321	132,975	209,274
INCOME TAX CREDIT	RB_A_PLT_??_O	(25,726)	(19,413)	(3,917)	(938)	(1,458)
NET OPERATING INCOME FOR RETURN	RB_A_PLT	577,149	436,627	87,050	20,682	32,790
WORKING CAPITAL - INVESTOR SUPPLIED CASH		<u>\$9,988,308</u>	<u>\$7,289,218</u>	<u>\$1,844,738</u>	<u>\$357,276</u>	<u>\$497,076</u>
WORKING CAPITAL		<u>\$63,039,596</u>	<u>\$40,852,551</u>	<u>\$17,403,887</u>	<u>\$5,065,900</u>	<u>(\$282,742)</u>
ACCUMULATED DEFERRED INCOME TAXES	RB_A_PLT	<u>(\$106,359,412)</u>	<u>(\$80,463,491)</u>	<u>(\$16,041,858)</u>	<u>(\$3,811,372)</u>	<u>(\$6,042,691)</u>

Pro Forma

Public Service Company of North Carolina, Inc.
Cost of Service Study
12 Months Ending 12/31/07

DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS_FIRM	LGS_INT
REVENUE						
RATE SCHEDULE REVENUE	DIRECT ASSIGNMENT	683,975,151	432,040,041	175,677,437	34,242,383	42,015,289
LATE PAYMENT CHARGES / RECONNECT FEES PF	MRS2	123,511	86,330	37,181	0	0
LATE PAYMENT CHARGES / RECONNECT FEES	MRS2	906,140	633,359	272,781	0	0
SERVICE CHARGES	MCUST1	2,315,524	2,109,848	202,284	2,366	1,027
TOTAL REVENUES		\$687,320,326	\$434,869,578	\$176,189,684	\$34,244,749	\$42,016,315
COST OF GAS						
FIXED COSTS	MCX803FIXED	45,697,246	28,178,978	12,304,303	2,571,795	2,642,169
FIXED COSTS PF	MCX8030000DA	23,929,711	14,116,137	5,338,719	1,206,057	3,268,799
FIXED COSTS		69,626,957	42,295,115	17,643,022	3,777,853	5,910,968
COMMODITY COSTS	MRCTHR	407,253,030	244,745,310	118,252,188	18,754,119	25,501,413
COG & OTHER GAS SUPPLY EXP		\$476,879,987	\$287,040,425	\$135,895,210	\$22,531,972	\$31,412,381

Public Service Company of North Carolina, Inc.
 Cost of Service Study
 12 Months Ending 12/31/07

ACCOUNT	DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
OPERATION & MAINTENANCE EXPENSES							
840	OPERATION SUPERVISION & ENGINEERING	MDEM1	218,197	147,375	56,000	14,822	0
841	OTHER LABOR & EXPENSES	MDEM1	498,895	336,964	128,040	33,891	0
842	RENTS	MDEM1	101	68	26	7	0
	O & M EXP - PRODUCTION OPER		717,193	484,407	184,066	48,720	0
735	Maint Production Equip MGP	MDEM1	1,223,847	826,611	314,098	83,138	0
843.2	MAINTENANCE STRUCTURES & IMPROVEMENTS	MDEM1	7,154	4,832	1,836	486	0
843.4	MAINTENANCE PURIFICATION EQUIPMENT	MDEM1	53,883	36,394	13,829	3,660	0
843.5	MAINTENANCE LIQUEFACTION EQUIPMENT	MDEM1	3,588	2,423	921	244	0
843.6	MAINTENANCE VAPORIZING EQUIPMENT	MDEM1	600	405	154	41	0
843.7	MAINTENANCE COMPRESSOR EQUIPMENT	MDEM1	23,468	15,851	6,023	1,594	0
843.9	MAINTENANCE OTHER EQUIPMENT	MDEM1	31,934	21,569	8,196	2,169	0
	O & M EXP - PRODUCTION MAINT		1,344,474	908,085	345,056	91,332	0
850	OPERATION SUPERVISION & ENGINEERING	MDEM4	648,874	337,414	142,168	63,265	106,026
851	SYSTEM CONTROL & LOAD DISPATCHING	MDEM4	528,594	274,869	115,815	51,538	86,372
852	COMMUNICATION SYSTEM EXPENSES	MDEM4	2,018	1,049	442	197	330
853	COMPRESSION STATION LABOR & EXPENSES	MDEM4	18,732	9,741	4,104	1,826	3,061
856	MAINS EXPENSE	MDEM4	885,457	460,438	194,004	86,332	144,684
857	MEASURING & REGULATING STATION EQUIPMENT	MDEM4	38,397	19,966	8,413	3,744	6,274
859	OTHER TRANSMISSION EXPENSES	MDEM4	562,582	292,543	123,262	54,852	91,926
860	RENTS	MDEM4	210,138	109,272	46,041	20,488	34,337
	O & M EXP - TRANSMISSION OPER		2,894,792	1,505,292	634,249	282,242	473,009
861	SUPERVISION & ENGINEERING	MDEM4	450,838	234,436	98,779	43,957	73,667
862	MAINTENANCE STRUCTURES & IMPROVEMENTS	MDEM4	110,207	57,308	24,146	10,745	18,008
863	MAINTENANCE OF MAINS	MDEM4	713,696	371,122	156,371	69,585	116,618
864	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	MDEM4	76,847	39,960	16,837	7,493	12,557
865	MAINTENANCE OF MEASURING & REGULATING STATION EQUIP	MDEM4	348,076	181,000	76,263	33,937	56,876
866	MAINTENANCE OF COMMUNICATION EQUIPMENT	MDEM4	35,876	18,656	7,860	3,498	5,862
	O & M EXP - TRANSMISSION MAINT		1,735,540	902,481	380,257	169,215	283,587
870	Supervision and Engr NG Dis	WORKPTD	974,038	736,884	146,911	34,904	55,339
871	LOAD DISPATCHING NG DIST OP		(634,501)	(480,015)	(95,700)	(22,737)	(36,048)
874	Mains and Services Exp NG D	MCW4	6,177,140	5,049,716	734,770	148,977	243,677
875	District Regulating Expenses	MDEM4	213,437	110,987	46,764	20,810	34,876
876	Industrial M&R Station Expenses	RB_A_PLT_DI_O__385	145,281	4,020	93,704	22,980	24,577
878	Meter and House Regulator Expense	MCW2	3,953,089	3,013,198	856,497	42,761	40,633
879	Cust Installation NG Dist O	MCW2	4,273,464	3,257,401	925,912	46,226	43,926
880	Other Expenses NG Dist Oper	RB_A_PLT_DI_O	2,937,141	2,324,340	411,907	78,369	122,526
881	RENTS	RB_A_PLT_DI_O	5,400	4,273	757	144	225
	O & M EXP - DIST OPER		18,044,489	14,020,803	3,121,523	372,434	529,729

Public Service Company of North Carolina, Inc.
Cost of Service Study
12 Months Ending 12/31/07

ACCOUNT	DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
885	SUPERVISION & ENGINEERING	EXP_A_O&M_DM_	493,879	341,282	108,728	19,505	24,364
886	Maint Structures and Improv	EXP_A_O&M_DM_	417,631	288,593	91,942	16,494	20,602
887	Maint Mains NG Dist	MCW3	1,078,434	847,666	139,705	34,380	56,682
889	Maint Meas and Reg Station - General	RB_A_PLT_DI_O__378	19,214	9,991	4,210	1,873	3,140
890	Maint Meas and Reg Station - Industrial	RB_A_PLT_DI_O__385	501,213	13,868	323,276	79,280	84,789
892	Maint Services NG Dist	MCW1	926,174	814,944	90,706	8,076	12,448
893	Maint Meters and House Regu	MCW2	836,386	637,526	181,216	9,047	8,597
	O & M EXP - DIST MAINT		4,272,931	2,953,871	939,782	168,656	210,622
901	Supervision Cust Acct	EXP_A_O&M_CUST_ACCT_	1,141,523	1,018,631	107,154	9,645	6,093
902	Meter Reading Expenses Cust	MCX902	2,359,132	2,057,871	233,790	46,947	20,524
903	Billing and Accounting Exp	MCUST1	8,791,307	8,010,419	768,009	8,982	3,897
904	Uncollectible Accounts Cust	MCX904	1,048,660	705,731	193,494	67,134	82,301
905	Misc Cust Accounts Exp Cust	EXP_A_O&M_CUST_ACCT_	774,221	642,164	109,439	6,638	15,980
	O & M EXP - CUST ACCT & INFO		14,114,843	12,434,815	1,411,886	139,345	128,796
907	Customer Assistance Exp Cus	MCUST1	5,274	4,806	461	5	2
908	Customer Assistance Exp Cus	MCUST1	545,662	497,194	47,669	557	242
909	Info and Instruct Advert Ex	MCUST1	395,304	360,191	34,534	404	175
910	Misc Cust Serv and Informat	EXP_A_O&M_CUST_SERV_	6,950	6,333	607	7	3
	O & M EXP - CUSTOMER SERVICE		953,190	868,523	83,271	974	423
911	Supervision Sales	EXP_A_O&M_SALES_MISC	119,623	108,997	10,450	122	53
912	Demonstrating and Selling Exp	MCUST1	1,266,052	1,153,595	110,602	1,293	561
913	Advertising Exp Sales	MCUST1	734,862	669,588	64,198	751	326
916	Misc Sales Exp Sales	MCUST1	196,646	179,179	17,179	201	87
	O & M EXP - SALES		2,317,183	2,111,359	202,429	2,367	1,027
920	A and G Overhead	XLABOR	12,555,947	9,668,849	2,070,400	342,698	474,001
921	OFFICE SUPPLIES & EXPENSES	XLABOR	9,030,908	6,954,353	1,489,142	246,487	340,927
923	OUTSIDE SERVICES	XLABOR	3,426,672	2,638,747	565,037	93,526	129,361
924	PROPERTY INSURANCE	RB_A_PLT	387,368	293,053	58,426	13,881	22,008
925	INJURIES & DAMAGES	XLABOR	1,433,313	1,103,739	236,345	39,120	54,109
926	PENSION & BENEFITS	XLABOR	10,233,927	7,880,751	1,687,513	279,321	386,342
928	REG COMMISSION EXPENSE	EXP_A_O&M_	997,760	782,580	154,875	26,848	33,458
930.1	GENERAL ADVERTISING EXPENSE	XLABOR	50,576	38,947	8,340	1,380	1,909
930.2	MISCELLANEOUS GENERAL EXPENSE	XLABOR	843,972	649,910	139,166	23,035	31,861
931	RENTS	XLABOR	1,423,001	1,095,798	234,644	38,839	53,720
935	MAINTENANCE GENERAL PLANT & ENVIRONMENTAL	RB_A_PLT	791,199	598,561	119,334	28,352	44,951
	O&M EXP		41,174,643	31,705,288	6,763,220	1,133,489	1,572,646
	O&M TOTAL EXPENSES EXCL COG		\$87,569,278	\$67,894,925	\$14,065,739	\$2,408,775	\$3,199,839

Public Service Company of North Carolina, Inc.
 Cost of Service Study
 12 Months Ending 12/31/07

DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
DEPRECIATION EXPENSE						
DEPREC EXP INTANGIBLE	RB_A_PLT_IN_R	9,427	7,132	1,422	338	536
DEPREC EXP STORAGE	RB_A_PLT_ST_R	183,615	124,017	47,124	12,473	0
DEPREC EXP TRANSMISSION	RB_A_PLT_TR_R	2,000,719	1,040,374	438,358	195,070	326,918
DEPREC EXP DIST	RB_A_PLT_DI_R	30,656,101	24,260,052	4,299,237	817,963	1,278,850
DEPREC EXP GENERAL	RB_A_PLT_GC_R	4,705,921	3,560,144	709,779	168,636	267,362
DEPRECIATION EXPENSE		\$37,555,784	\$28,991,719	\$5,495,920	\$1,194,480	\$1,873,664
GENERAL TAXES						
Excise Tax	REV_A_RS	29,036	18,577	8,001	1,147	1,311
City & County Property Tax	RB_A_PLT	6,102,453	4,616,655	920,414	218,680	346,704
FICA Tax (Includes both State & Federal Payroll Taxes)	EXP_A_O&M_	3,159,427	2,463,406	497,837	86,990	111,194
Miscellaneous Taxes	RB_A_PLT	53,556	40,516	8,078	1,919	3,043
TAXES OTHER THAN INCOME		\$9,344,472	\$7,139,154	\$1,434,329	\$308,737	\$462,252

After Proposed Increase

Public Service Company of North Carolina, Inc.
Cost of Service Study
12 Months Ending 12/31/07

DESCRIPTION	TOTAL	RES	SGS	LGS FIRM	LGS INT
OPERATING REVENUES					
RATE SCHEDULE REVENUES	704,416,652	447,154,452	179,356,906	34,694,504	43,210,789
OTHER GAS REVENUES	3,345,175	2,829,536	512,246	2,366	1,027
TOTAL REVENUES	\$707,761,827	\$449,983,989	\$179,869,153	\$34,696,870	\$43,211,815
OPERATING EXPENSES					
COG & OTHER GAS SUPPLY EXP	476,879,987	287,040,425	135,895,210	22,531,972	31,412,381
O&M TOTAL EXPENSES EXCL COG	87,675,476	67,973,448	14,084,855	2,411,124	3,206,050
DEPRECIATION EXPENSE	37,555,784	28,991,719	5,495,920	1,194,480	1,873,664
TAXES OTHER THAN INCOME	9,344,472	7,139,154	1,434,329	308,737	462,252
STATE INCOME TAXES	5,201,521	3,284,118	1,191,733	393,070	332,601
FEDERAL INCOME TAXES	24,563,991	15,515,789	5,624,884	1,852,959	1,570,360
INVESTMENT TAX CREDIT (NET)	(830,678)	(626,844)	(126,485)	(30,278)	(47,070)
TOTAL EXPENSES	\$640,390,553	\$409,317,809	\$163,600,445	\$28,662,062	\$38,810,237
OPERATING RETURN AFTER TAXES	\$67,371,274	\$40,666,180	\$16,268,708	\$6,034,808	\$4,401,579
RATE BASE					
GROSS PLANT	1,191,285,225	906,248,947	178,941,022	41,609,771	64,485,485
RESERVES FOR DEPRECIATION	(427,817,811)	(321,799,337)	(66,083,437)	(15,950,229)	(23,984,808)
NET PLT IN SERVICE	763,467,414	584,449,610	112,857,585	25,659,542	40,500,677
WORKING CAPITAL	63,039,596	40,852,551	17,403,887	5,065,900	(282,742)
ACCUMULATED DEFERRED INCOME TAXES	(106,359,412)	(80,463,491)	(16,041,858)	(3,811,372)	(6,042,691)
RATE BASE	\$720,147,598	\$544,838,670	\$114,219,614	\$26,914,070	\$34,175,244
RATE OF RETURN	9.36%	7.46%	14.24%	22.42%	12.88%

After Proposed Increase

Public Service Company of North Carolina, Inc.
 Cost of Service Study
 12 Months Ending 12/31/07

ACCOUNT	DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS_FIRM	LGS_INT
301	INTANGIBLE PLANT	WORKPTD	517,717	391,666	78,086	18,552	29,414
360	STORAGE PLANT - ACCTS. 360-363	MDEM1	18,995,624	12,830,036	4,875,183	1,290,405	0
365	TRANSMISSION PLANT - ACCTS. 365-370	MDEM4	113,437,247	58,987,368	24,854,101	11,060,132	18,535,646
374	DIST LAND & LAND RIGHTS	RB_A_PLT_DI_O_	7,328,762	5,799,698	1,027,792	195,545	305,727
375	DIST STRUCTURES & IMPROVEMENTS	MDEM4	24,283,081	12,627,202	5,320,423	2,367,600	3,967,855
376	DIST MAINS	MCW3	563,203,082	442,686,634	72,959,580	17,954,914	29,601,954
378	DIST MEAS & REG STA EQUIP-GEN	MDEM4	9,216,094	4,792,369	2,019,246	898,569	1,505,910
380	DIST SERVICES	MCW1	266,442,543	234,443,860	26,094,317	2,323,379	3,580,988
381	DIST METERS (Includes 381 & 382)	MCW2	110,195,966	83,995,656	23,875,648	1,191,993	1,132,669
385	DIST IND REG STA	MDEM4	1,113,575	579,059	243,984	108,574	181,958
385.DA	DIST IND REG STA - Directly Assigned	MC385DA	11,704,284	0	7,829,236	1,891,260	1,983,788
	DIST IND REG STA		12,817,859	579,059	8,073,221	1,999,833	2,165,746
387	DIST OTHER EQUIPMENT (Includes 386 & 387)	RB_A_PLT_DI_O_	1,632,510	1,291,905	228,945	43,558	68,102
	DISTRIBUTION PLANT		995,119,897	786,216,384	139,599,171	26,975,392	42,328,951
389	GENERAL PLANT	WORKPTD	63,214,740	47,823,494	9,534,482	2,265,290	3,591,475
	GROSS PLANT		\$1,191,285,225	\$906,248,947	\$178,941,022	\$41,609,771	\$64,485,485

After Proposed Increase

Public Service Company of North Carolina, Inc.
 Cost of Service Study
 12 Months Ending 12/31/07

DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
RES INTANGIBLE PLANT	WORKPTD	(79,844)	(60,404)	(12,043)	(2,861)	(4,536)
RES STORAGE PLANT	RB_A_PLT_ST_O	(14,533,908)	(9,816,501)	(3,730,094)	(987,313)	0
RES TRANSMISSION PLANT	RB_A_PLT_TR_O	(51,810,508)	(26,941,464)	(11,351,682)	(5,051,525)	(8,465,837)
RES DIST PLT	RB_A_PLT_DI_O	(332,346,818)	(263,006,406)	(46,608,590)	(8,867,646)	(13,864,177)
RES GEN & COM PLT	WORKPTD	(29,046,733)	(21,974,562)	(4,381,028)	(1,040,885)	(1,650,258)
RESERVES FOR DEPRECIATION		(\$427,817,811)	(\$321,799,337)	(\$66,083,437)	(\$15,950,229)	(\$23,984,808)

Public Service Company of North Carolina, Inc.
 Cost of Service Study
 12 Months Ending 12/31/07

DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
MATERIALS & SUPPLIES						
MATERIALS & SUPPLIES - AVG	RB_A_PLT_DI_O__ALOC	6,609,100	5,402,837	786,152	159,395	260,717
STORED GAS (164-165)	MDM1	76,622,602	51,752,485	19,665,015	5,205,102	0
WORKING CAPITAL - MATERIALS & SUPPLIES		<u>\$83,231,702</u>	<u>\$57,155,322</u>	<u>\$20,451,167</u>	<u>\$5,364,497</u>	<u>\$260,717</u>
CUSTOMER DEPOSITS	MCDEPS	(9,633,717)	(7,827,281)	(1,484,969)	(82,919)	(238,548)
INTEREST ON CUSTOMER DEPOSITS	MCDEPS	(172,927)	(140,501)	(26,655)	(1,488)	(4,282)
EXCISE TAX - AVG ACCRUED STATE EXCISE TAXES	RB_A_PLT	(1,272,709)	(962,835)	(191,959)	(45,607)	(72,308)
AVG ACCRUED VACATION LIABILITY	XLABOR	(335,145)	(258,082)	(55,263)	(9,147)	(12,652)
AVERAGE DEFERRED CREDIT TREASURY A ACCOUNT	RB_A_PLT	(401,770)	(303,949)	(60,598)	(14,397)	(22,826)
AVG PREPAYMENTS	WORKPTD	625,993	473,579	94,417	22,432	35,565
COST FREE CAPITAL						
TRANSCO REFUND	MRCTHR	(258,000)	(148,024)	(78,174)	(13,477)	(18,325)
POST RETIRE. & POST EMPL. ACCRUALS	XLABOR	(18,774,093)	(14,457,202)	(3,095,734)	(512,414)	(708,742)
POST RETIRE. & POST EMPL. ACCRUALS PF	XLABOR	41,954	32,307	6,918	1,145	1,584
WORKING CAPITAL - COST FREE CAPITAL		<u>(\$18,990,139)</u>	<u>(\$14,572,919)</u>	<u>(\$3,166,990)</u>	<u>(\$524,746)</u>	<u>(\$725,484)</u>
CASH REQUIREMENTS - LEAD LAG STUDY						
PURCHASED GAS	MRCTHR3	2,229,359	1,290,338	666,763	117,392	154,866
OPERATION & MAINTENANCE	EXP_A_O&M_	4,071,941	3,193,772	632,056	109,567	136,546
GENERAL TAXES	TOTI	(1,760,854)	(1,345,288)	(270,282)	(58,178)	(87,106)
CHANGE IN CURRENT FEDERAL TAXES	MMAN	39,945	20,143	11,458	4,780	3,564
CHANGE IN CURRENT STATE TAXES	MMAN	5,377	2,711	1,542	643	480
DEFERRED TAXES	RB_A_PLT	846,976	640,758	127,747	30,351	48,120
DEPRECIATION	DEP_A_	4,004,141	3,069,570	592,321	132,975	209,274
INCOME TAX CREDIT	RB_A_PLT_??_O	(25,726)	(19,413)	(3,917)	(938)	(1,458)
NET OPERATING INCOME FOR RETURN	RB_A_PLT	577,149	436,627	87,050	20,682	32,790
WORKING CAPITAL - INVESTOR SUPPLIED CASH		<u>\$9,988,308</u>	<u>\$7,289,218</u>	<u>\$1,844,738</u>	<u>\$357,276</u>	<u>\$497,076</u>
WORKING CAPITAL		<u>\$63,039,596</u>	<u>\$40,852,551</u>	<u>\$17,403,887</u>	<u>\$5,065,900</u>	<u>(\$282,742)</u>
ACCUMULATED DEFERRED INCOME TAXES	RB_A_PLT	<u>(\$106,359,412)</u>	<u>(\$80,463,491)</u>	<u>(\$16,041,858)</u>	<u>(\$3,811,372)</u>	<u>(\$6,042,691)</u>

After Proposed Increase

Public Service Company of North Carolina, Inc.
Cost of Service Study
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DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS_FIRM	LGS_INT
REVENUE						
RATE SCHEDULE REVENUE	DIRECT ASSIGNMENT	704,416,652	447,154,452	179,356,906	34,694,504	43,210,789
LATE PAYMENT CHARGES / RECONNECT FEES PF	MRSL2	123,511	86,330	37,181	0	0
LATE PAYMENT CHARGES / RECONNECT FEES	MRSL2	906,140	633,359	272,781	0	0
SERVICE CHARGES	MCUST1	2,315,524	2,109,848	202,284	2,366	1,027
TOTAL REVENUES		\$707,761,827	\$449,983,989	\$179,869,153	\$34,696,870	\$43,211,815
COST OF GAS						
FIXED COSTS	MCX803FIXED	45,697,246	28,178,978	12,304,303	2,571,795	2,642,169
FIXED COSTS PF	MCX8030000DA	23,929,711	14,116,137	5,338,719	1,206,057	3,268,799
FIXED COSTS		69,626,957	42,295,115	17,643,022	3,777,853	5,910,968
COMMODITY COSTS		407,253,030	244,745,310	118,252,188	18,754,119	25,501,413
COG & OTHER GAS SUPPLY EXP		\$476,879,987	\$287,040,425	\$135,895,210	\$22,531,972	\$31,412,381

After Proposed Increase

Public Service Company of North Carolina, Inc.
Cost of Service Study
12 Months Ending 12/31/07

ACCOUNT	DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
OPERATION & MAINTENANCE EXPENSES							
840	OPERATION SUPERVISION & ENGINEERING	MDEM1	218,197	147,375	56,000	14,822	0
841	OTHER LABOR & EXPENSES	MDEM1	498,895	336,964	128,040	33,891	0
842	RENTS	MDEM1	101	68	26	7	0
	O & M EXP - PRODUCTION OPER		717,193	484,407	184,066	48,720	0
735	Maint Production Equip MGP	MDEM1	1,223,847	826,611	314,098	83,138	0
843.2	MAINTENANCE STRUCTURES & IMPROVEMENTS	MDEM1	7,154	4,832	1,836	486	0
843.4	MAINTENANCE PURIFICATION EQUIPMENT	MDEM1	53,883	36,394	13,829	3,660	0
843.5	MAINTENANCE LIQUEFACTION EQUIPMENT	MDEM1	3,588	2,423	921	244	0
843.6	MAINTENANCE VAPORIZING EQUIPMENT	MDEM1	600	405	154	41	0
843.7	MAINTENANCE COMPRESSOR EQUIPMENT	MDEM1	23,468	15,851	6,023	1,594	0
843.9	MAINTENANCE OTHER EQUIPMENT	MDEM1	31,934	21,569	8,196	2,169	0
	O & M EXP - PRODUCTION MAINT		1,344,474	908,085	345,056	91,332	0
850	OPERATION SUPERVISION & ENGINEERING	MDEM4	648,874	337,414	142,168	63,265	106,026
851	SYSTEM CONTROL & LOAD DISPATCHING	MDEM4	528,594	274,869	115,815	51,538	86,372
852	COMMUNICATION SYSTEM EXPENSES	MDEM4	2,018	1,049	442	197	330
853	COMPRESSION STATION LABOR & EXPENSES	MDEM4	18,732	9,741	4,104	1,826	3,061
856	MAINS EXPENSE	MDEM4	885,457	460,438	194,004	86,332	144,684
857	MEASURING & REGULATING STATION EQUIPMENT	MDEM4	38,397	19,966	8,413	3,744	6,274
859	OTHER TRANSMISSION EXPENSES	MDEM4	562,582	292,543	123,262	54,852	91,926
860	RENTS	MDEM4	210,138	109,272	46,041	20,488	34,337
	O & M EXP - TRANSMISSION OPER		2,894,792	1,505,292	634,249	282,242	473,009
861	SUPERVISION & ENGINEERING	MDEM4	450,838	234,436	98,779	43,957	73,667
862	MAINTENANCE STRUCTURES & IMPROVEMENTS	MDEM4	110,207	57,308	24,146	10,745	18,008
863	MAINTENANCE OF MAINS	MDEM4	713,696	371,122	156,371	69,585	116,618
864	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	MDEM4	76,847	39,960	16,837	7,493	12,557
865	MAINTENANCE OF MEASURING & REGULATING STATION EQUIP	MDEM4	348,076	181,000	76,263	33,937	56,876
866	MAINTENANCE OF COMMUNICATION EQUIPMENT	MDEM4	35,876	18,656	7,860	3,498	5,862
	O & M EXP - TRANSMISSION MAINT		1,735,540	902,481	380,257	169,215	283,587
870	Supervision and Engr NG Dis	WORKPTD	974,038	736,884	146,911	34,904	55,339
871	LOAD DISPATCHING NG DIST OP	WORKPTD	(634,501)	(480,015)	(95,700)	(22,737)	(36,048)
874	Mains and Services Exp NG D	MCW4	6,177,140	5,049,716	734,770	148,977	243,677
875	District Regulating Expenses	MDEM4	213,437	110,987	46,764	20,810	34,876
876	Industrial M&R Station Expenses	RB_A_PLT_DI_O__385	145,281	4,020	93,704	22,980	24,577
878	Meter and House Regulator Expense	MCW2	3,953,089	3,013,198	856,497	42,761	40,633
879	Cust Installation NG Dist O	MCW2	4,273,464	3,257,401	925,912	46,226	43,926
880	Other Expenses NG Dist Oper	RB_A_PLT_DI_O	2,937,141	2,324,340	411,907	78,369	122,526
881	RENTS	RB_A_PLT_DI_O	5,400	4,273	757	144	225
	O & M EXP - DIST OPER		18,044,489	14,500,819	3,217,223	395,171	565,777

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ACCOUNT	DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
885	SUPERVISION & ENGINEERING	EXP_A_O&M_DM_	493,879	341,282	108,728	19,505	24,364
886	Maint Structures and Improv	EXP_A_O&M_DM_	417,631	288,593	91,942	16,494	20,602
887	Maint Mains NG Dist	MCW3	1,078,434	847,666	139,705	34,380	56,682
889	Maint Meas and Reg Station - General	RB_A_PLT_DI_O__378	19,214	9,991	4,210	1,873	3,140
890	Maint Meas and Reg Station - Industrial	RB_A_PLT_DI_O__385	501,213	13,868	323,276	79,280	84,789
892	Maint Services NG Dist	MCW1	926,174	814,944	90,706	8,076	12,448
893	Maint Meters and House Regu	MCW2	836,386	637,526	181,216	9,047	8,597
	O & M EXP - DIST MAINT		4,272,931	2,953,871	939,782	168,656	210,622
901	Supervision Cust Acct	EXP_A_O&M_CUST_ACCT_	1,141,523	1,018,631	107,154	9,645	6,093
902	Meter Reading Expenses Cust	MCX902	2,359,132	2,057,871	233,790	46,947	20,524
903	Billing and Accounting Exp	MCUST1	8,791,307	8,010,419	768,009	8,982	3,897
904	Uncollectible Accounts Cust	MCX904	1,048,660	705,731	193,494	67,134	82,301
905	Misc Cust Accounts Exp Cust	EXP_A_O&M_CUST_ACCT_	774,221	642,164	109,439	6,638	15,980
	O & M EXP - CUST ACCT & INFO		14,114,843	12,434,815	1,411,886	139,345	128,796
907	Customer Assistance Exp Cus	MCUST1	5,274	4,806	461	5	2
908	Customer Assistance Exp Cus	MCUST1	545,662	497,194	47,669	557	242
909	Info and Instruct Advert Ex	MCUST1	395,304	360,191	34,534	404	175
910	Misc Cust Serv and Informat	EXP_A_O&M_CUST_SERV_	6,950	6,333	607	7	3
	O & M EXP - CUSTOMER SERVICE		953,190	868,523	83,271	974	423
911	Supervision Sales	EXP_A_O&M_SALES_MISC	119,623	108,997	10,450	122	53
912	Demonstrating and Selling Exp	MCUST1	1,266,052	1,153,595	110,602	1,293	561
913	Advertising Exp Sales	MCUST1	734,862	669,588	64,198	751	326
916	Misc Sales Exp Sales	MCUST1	196,646	179,179	17,179	201	87
	O & M EXP - SALES		2,317,183	2,111,359	202,429	2,367	1,027
920	A and G Overhead	XLABOR	12,555,947	9,668,849	2,070,400	342,698	474,001
921	OFFICE SUPPLIES & EXPENSES	XLABOR	9,030,908	6,954,353	1,489,142	246,487	340,927
923	OUTSIDE SERVICES	XLABOR	3,426,672	2,638,747	565,037	93,526	129,361
924	PROPERTY INSURANCE	RB_A_PLT	387,368	293,053	58,426	13,881	22,008
925	INJURIES & DAMAGES	XLABOR	1,433,313	1,103,739	236,345	39,120	54,109
926	PENSION & BENEFITS	XLABOR	10,233,927	7,880,751	1,687,513	279,321	386,342
928	REG COMMISSION EXPENSE	EXP_A_O&M_	1,103,958	861,102	173,990	29,196	39,669
930.1	GENERAL ADVERTISING EXPENSE	XLABOR	50,576	38,947	8,340	1,380	1,909
930.2	MISCELLANEOUS GENERAL EXPENSE	XLABOR	843,972	649,910	139,166	23,035	31,861
931	RENTS	XLABOR	1,423,001	1,095,798	234,644	38,839	53,720
935	MAINTENANCE GENERAL PLANT & ENVIRONMENTAL	RB_A_PLT	791,199	598,561	119,334	28,352	44,951
	O&M EXP - A&G		41,280,841	31,783,811	6,782,336	1,135,837	1,578,857
	O&M TOTAL EXPENSES EXCL COG		\$87,675,476	\$67,973,448	\$14,084,855	\$2,411,124	\$3,206,050

After Proposed Increase

Public Service Company of North Carolina, Inc.
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DESCRIPTION	ALLOCATOR	TOTAL	RES	SGS	LGS FIRM	LGS INT
DEPRECIATION EXPENSE						
DEPREC EXP INTANGIBLE	RB_A_PLT_IN_R	9,427	7,132	1,422	338	536
DEPREC EXP STORAGE	RB_A_PLT_ST_R	183,615	124,017	47,124	12,473	0
DEPREC EXP TRANSMISSION	RB_A_PLT_TR_R	2,000,719	1,040,374	438,358	195,070	326,918
DEPREC EXP DIST	RB_A_PLT_DI_R	30,656,101	24,260,052	4,299,237	817,963	1,278,850
DEPREC EXP GENERAL	RB_A_PLT_GC_R	4,705,921	3,560,144	709,779	168,636	267,362
DEPRECIATION EXPENSE		\$37,555,784	\$28,991,719	\$5,495,920	\$1,194,480	\$1,873,664
GENERAL TAXES						
Excise Tax	REV_A_RS	29,036	18,577	8,001	1,147	1,311
City & County Property Tax	RB_A_PLT	6,102,453	4,616,655	920,414	218,680	346,704
FICA Tax (Includes both State & Federal Payroll Taxes)	EXP_A_O&M_	3,159,427	2,463,406	497,837	86,990	111,194
Miscellaneous Taxes	RB_A_PLT	53,556	40,516	8,078	1,919	3,043
TAXES OTHER THAN INCOME		\$9,344,472	\$7,139,154	\$1,434,329	\$308,737	\$462,252

Account:	Spread	928	928	904	903	928	850	874,921	871	Spread	902	920	903	926	926		
	A.	C.	D., E., F.	G.	H.	J.	K.	L.	M.	N.	O.	P.	Q.	R.	S.		
Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Amount	Total By Account	Pro Forma Account
	2,072,907	131,985	175,982	654,688	174,529	44,479	292,835	435,184	(743,297)	(153,671)	(1,117,156)	172,614	119,122	(68,013)	905,219		
581,404	32,059														14,000	46,059	840PF
-	-						292,835								-	292,835	850PF
2,652,564	146,265														63,873	210,138	860PF
801,151	44,176														19,291	63,468	870PF
-	-							108,796	(743,297)						-	(634,501)	871PF
3,333,536	183,815														80,270	264,085	874PF
153,664	8,473														3,700	12,173	875PF
21,705	1,197														523	1,719	876PF
3,492,809	192,598														84,106	276,703	878PF
3,418,603	188,506														82,319	270,824	879PF
1,606,697	88,595														38,689	127,284	880PF
394,932	21,777														9,510	31,287	885PF
196,067	10,811									(9,213)					4,721	6,319	886PF
674,684	37,203														16,246	53,449	887PF
8,825	487														213	699	889PF
354,349	19,539														8,533	28,072	890PF
811,830	44,765														19,549	64,314	892PF
476,584	26,279														11,476	37,755	893PF
-	-														-	0	894PF
1,545,271	85,208														37,210	122,418	901PF
464,315	25,603										(1,117,156)				11,181	(1,080,373)	902PF
3,124,438	172,285				174,529								119,122		75,235	541,171	903PF
-	-			654,688											-	654,688	904PF
-	-														-	0	905PF
-	-														-	0	907PF
471,931	26,023														11,364	37,387	908PF
-	-														-	0	909PF
-	-														-	0	910PF
112,813	6,221														2,716	8,937	911PF
1,026,357	56,595														24,714	81,309	912PF
-	-														-	0	916PF
11,522,228	635,349									(45,734)		172,614			277,451	1,039,680	920PF
-	-							326,388		(6,066)					-	320,322	921PF
-	-									(56,061)					-	(56,061)	923PF
-	-									(5,261)					-	(5,261)	924PF
-	-														-	0	925PF
-	-		175,982											(68,013)	-	107,969	926PF
-	-	131,985				44,479									-	176,464	928PF
-	-									(31,336)					-	(31,336)	930PF
-	-														-	0	931PF
-	-														-	0	932PF
345,972	19,077														8,331	27,408	935PF
37,592,729	2,072,907	131,985	175,982	654,688	174,529	44,479	292,835	435,184	(743,297)	(153,671)	(1,117,156)	172,614	119,122	(68,013)	905,219	3,097,407	
															3B.	609,946	QCUSTD_INT PF
															3I.	(17,773)	735PF
																3,689,580	

PSNC Energy
Cost of Service Study
Account 481 - Meters and Regulators

Item 3d
Workpaper 1

Meter & Regulator Plant - T Y 12/31/07

	Amount	Rate 105	Rate 110	Rate 125	Rate 126	Rate 145	Rate 150	Rate 190	Rate 195	Rate 200	Rate 201	Co. Use
Groups 1 and 2	26,180,414	23,426,235	1,314,257	1,439,923	-	-	-	-	-	-	-	-
Group 3	6,908,914	1,841,225	10,363	5,018,635	2,073	15,200	1,382	-	-	-	-	20,036
Group 4	5,441,738	2,177	-	4,285,369	-	521,863	504,449	-	-	4,353	4,353	119,174
Company Use	271,696											271,696
Total Meters	38,802,762	25,269,637	1,324,620	10,743,926	2,073	537,062	505,831	-	-	4,353	4,353	410,906
Misc. Equipment	2,656,925			2,093,166	-	254,901	246,396	-	-	2,126	2,126	58,210
ERT	24,715,278	22,115,231	1,240,707	1,359,340								
Total M & R	66,174,965	47,384,868	2,565,327	14,196,433	2,073	791,963	752,226	-	-	6,480	6,480	469,116
Less Co. Use	(469,116)	-	-	-	-	-	-	-	-	-	-	(469,116)
	65,705,850	47,384,868	2,565,327	14,196,433	2,073	791,963	752,226	-	-	6,480	6,480	-
Assign Co. Use as Above	469,116	338,311	18,316	101,357	15	5,654	5,371	-	-	46	46	
House Regulators	8,165,609	6,031,904	326,556	1,807,149	-	-	-	-	-	-	-	-
Total	74,340,574	53,755,082	2,910,198	16,104,939	2,087	797,618	757,597	-	-	6,526	6,526	
Percentages		72.31%	3.91%	21.66%	0.00%	1.07%	1.02%	0.00%	0.00%	0.01%	0.01%	
Percentages for study		64.66%	3.91%	21.66%	0.00%	1.07%	1.02%	0.00%	0.00%	0.01%	0.01%	

Item 3d
Workpaper 1

PSNC Energy
Cost of Service Study
Account 481 - Meters and Regulators

Item 3d
Workpaper 2
Page 1 of 3

Size	Number	Amount	Code	Code 1	Code 2	Code 3	Code 4	Code 5	Code 6	Code 7
Iron Case Meters										
16M ROTARY 125# IRON	1	1,823.26	4				1,823.26			
16M ROTARY 175# IRON	16	29,172.23	4				29,172.23			
23M ROTARY 125# IRON	24	72,788.76	4				72,788.76			
250B 100# - IRON	76	63,139.71	4				63,139.71			
38M ROTARY 125# IRON	20	74,475.47	3			74,475.47				
500B 100# - IRON	42	2,267.72	3			2,267.72				
500B 250# - IRON	4	215.97	4				215.97			
56M ROTARY 125# IRON	1	3,799.35	3			3,799.35				
80B IRON CASE	93	53,017.27	4				53,017.27			
DU-5000 - IRON	2	2,703.71	1	2,703.71						
T-60 Turbine 2"	8	44,064.66	7							44,064.66
T-10 Turbine 3"	9	15,775.48	7							15,775.48
T-18 Turbine 4"	7	22,305.78	7							22,305.78
T-30 Turbine 6"	2	8,908.84	7							8,908.84
T-140 Turbine 12"	1	16,178.53	7							16,178.53
T-60/T-90 TURBINE 8"	3	16,524.23	7							16,524.23
Total	309	\$ 427,160.97		\$ 2,703.71	\$ -	\$ 80,542.54	\$ 220,157.20	\$ -	\$ -	\$ 123,757.52
Aluminum Meters										
25M Rotary	1	830.83	4				830.83			
11M ROTARY 125#	36	96,795.60	4				96,795.60			
11M ROTARY 175#	168	451,712.78	4				451,712.78			
16M ROTARY 125#	7	27,017.33	4				27,017.33			
16M ROTARY 175#	53	204,559.79	4				204,559.79			
23M ROTARY 175#	31	183,562.91	3			183,562.91				
3.5 RPM	31	16,310.24	4				16,310.24			
38M ROTARY	2	14,950.67	4				14,950.67			
38M ROTARY 175#	44	328,914.81	4				328,914.81			
3M ROTARY 125#	32	30,305.77	3			30,305.77				
3M ROTARY 175#	136	128,799.52	3			128,799.52				
5.3M ROTARY	1	1,010.94	4				1,010.94			
5.5 RPM	49	49,536.05	4				49,536.05			
5B/225	8,826	272,847.65	1	272,847.65						
5M ROTARY 125#	45	72,900.36	4				72,900.36			
5M ROTARY 175#	376	609,123.00	4				609,123.00			
7M ROTARY 125#	46	100,567.46	4				100,567.46			
7M ROTARY 175#	218	476,602.30	4				476,602.30			
3" Turbine 600#	1	1,917.30	7							1,917.30
4" Turbine 150#	1	4,710.36	7							4,710.36
4" Turbine 600#	5	23,551.79	7							23,551.79
6" Turbine 600#	2	9,420.72	7							9,420.72
3GT Turbine	1	14,131.08	7							14,131.08

PSNC Energy
Cost of Service Study
Account 481 - Meters and Regulators

Item 3d
Workpaper 2
Page 2 of 3

Size	Number	Amount	Code	Code 1	Code 2	Code 3	Code 4	Code 5	Code 6	Code 7
4GT Turbine	6	28,262.15	7							28,262.15
4GTS Turbine	2	9,420.72	7							9,420.72
6GT Turbine	4	56,524.31	7							56,524.31
AC-250	160,284	9,539,955.82	1	9,539,955.82						
AC-250 2# INDEX	38,018	2,262,796.29	1	2,262,796.29						
AC-630	701	259,066.75	1	259,066.75						
AC-630 2# INDEX	1,108	409,480.68	1	409,480.68						
AC-630 5# INDEX	151	55,804.68	1	55,804.68						
AL-1000 25#	3,355	2,112,876.71	3			2,112,876.71				
AL-1400	1,057	719,543.82	3			719,543.82				
AL-175	432	20,531.08	3			20,531.08				
AL-2300	730	683,752.43	4				683,752.43			
AL-250	48,401	3,163,801.30	1	3,163,801.30						
AL-425	7,656	988,577.76	3			988,577.76				
AL-425 2# INDEX	4,114	531,218.51	3			531,218.51				
AL-5000	383	866,742.24	4				866,742.24			
AL-800 100#	102	39,434.78	3			39,434.78				
AL-800 20#	4,276	1,653,167.98	3			1,653,167.98				
AR-250 2# INDEX	30	1,785.57	1	1,785.57						
INSTROMET IIR-3 3M	9	8,523.50	3			8,523.50				
INSTROMET IIR-3 5M	21	34,020.17	4				34,020.17			
R-10000	15	55,790.43	4				55,790.43			
R-1600	53	50,056.93	4				50,056.93			
R-275 2# INDEX	102,137	5,467,787.32	1	5,467,787.32						
R-275/R-250	88,624	4,744,384.34	1	4,744,384.34						
R-3000	287	482,743.02	4				482,743.02			
R-415	224	22,174.14	3			22,174.14				
R-415 2# INDEX	34	3,365.72	3			3,365.72				
R-5000	105	215,460.09	4				215,460.09			
R-750	1,181	365,488.71	3			365,488.71				
R-800	41	20,800.10	3			20,800.10				
RM11000	9	33,474.26	4				33,474.26			
RM16000	4	14,877.45	4				14,877.45			
RM23000	5	18,596.81	4				18,596.81			
RM3000	87	99,091.65	4				99,091.65			
RM5000	86	176,472.08	4				176,472.08			
RM7000	27	39,671.31	4				39,671.31			
Total	473,871	\$ 38,375,600.87		\$ 26,177,710.40	\$ -	\$ 6,828,371.01	\$ 5,221,581.03	\$ -	\$ -	\$ 147,938.43
Total Meters	474,180	\$ 38,802,761.84		\$ 26,180,414.11	\$ -	\$ 6,908,913.55	\$ 5,441,738.23	\$ -	\$ -	\$ 271,695.95

PSNC Energy
Cost of Service Study
Account 481 - Meters and Regulators

Item 3d
Workpaper 2
Page 3 of 3

Size	Number	Amount	Code	Code 1	Code 2	Code 3	Code 4	Code 5	Code 6	Code 7
House Regulators										
3/4" - 1-1/4"	448,079	8,165,608.56								
Total	448,079	\$ 8,165,608.56								
Miscellaneous Equipment										
Temp Recorder PaperCht:01067	2	1,814.85								
Pressure Flow Corr BPI :00788	419	613,194.76								
Standard & Comp Index : 00794	2,984	173,395.90								
Elec Flow Computr Orifice:00786	88	124,837.19								
Flow Recorder PaperChart:00789	253	45,354.09								
Press/Temp Flow CorrBVI :00787	1,801	1,392,110.00								
Pressr Recorder PaperCht:00886	390	220,212.05								
Pressure Recorder Electr:00885	84	86,006.62								
Total	6,021	\$ 2,656,925.46								
Account 4810 - Gas Meters Distribution	454,100	\$ 10,822,534.02								
ERT EncoderReceiver Transcoder	583,327	24,715,278.11								
Total Account 4811 - ERT for PSNC	583,327	\$ 24,715,278.11								
Grand Total Regulators, ERT, and Misc	1,037,427	\$ 35,537,812.13								
Grand Total	1,511,607	\$ 74,340,573.97								

PSNC Energy
Cost of Service Study - Meter Analysis
For the Test Year 12/31/2007

Item 3d
 Workpaper 3

Rate	Group1	Group2	Group3	Group4	Total
101	410,213	0	7,715	2	417,930
105	46	0	1	0	47
110	103	0	1	0	104
125	22,416	0	15,710	1,824	39,950
126	2	0	5	0	7
145	2	0	42	198	242
150	0	0	0	24	24
175	11	0	42	244	297
180	0	0	5	210	215
195	0	0	1	0	1
200	0	0	0	2	2
201	0	0	0	2	2
978	17	0	63	47	127
Total	432,810	0	23,585	2,553	458,948

Rate	Percentage of each group by rate			
101	94.7790%	0.0000%	32.7115%	0.0783%
105	0.0106%	0.0000%	0.0042%	0.0000%
110	0.0238%	0.0000%	0.0042%	0.0000%
125	5.1792%	0.0000%	66.6101%	71.4454%
126	0.0005%	0.0000%	0.0212%	0.0000%
145	0.0005%	0.0000%	0.1781%	7.7556%
150	0.0000%	0.0000%	0.0000%	0.9401%
175	0.0025%	0.0000%	0.1781%	9.5574%
180	0.0000%	0.0000%	0.0212%	8.2256%
195	0.0000%	0.0000%	0.0042%	0.0000%
200	0.0000%	0.0000%	0.0000%	0.0783%
201	0.0000%	0.0000%	0.0000%	0.0783%
978	0.0039%	0.0000%	0.2671%	1.8410%
Total	100.0000%	0.0000%	100.0000%	100.0000%

Group 1 and 2		
Rate	Number	Percent
101	410,213	94.7790%
105	46	0.0106%
110	103	0.0238%
125	22,416	5.1792%
126	2	0.0005%
145	2	0.0005%
150	0	0.0000%
175	11	0.0025%
180	0	0.0000%
195	0	0.0000%
200	0	0.0000%
201	0	0.0000%
978	17	0.0039%
Total	432,810	100.0000%

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 495
COST OF SERVICE STUDY
ALLOCATION OF METER READING EXPENSE

Rate Class/ Meter Type	Per Books # Bills	Unit Cost	Total Cost	%
Residential	4,859,202	\$ 0.5464	\$ 2,655,001.70	87.23%
SGS - Non-industrial	461,380	\$ 0.5464	\$ 252,091.74	8.28%
SGS - Industrial	4,458	\$ 11.1401	\$ 49,662.49	1.63%
LGS Firm	5,430	\$ 11.1401	\$ 60,490.65	1.99%
LGS Interruptible	2,377	\$ 11.1401	\$ 26,479.98	0.87%
Total	<u>5,332,847</u>		<u>\$ 3,043,726.56</u>	100.00%

PSNC ENERGY
Distribution Mains & Services By Size
Account 376 Mains
Account 380 Services

Item 3d
Worksheet 5

Utility Account	Size	Quantity	Amount	
4761 - Gas Plastic Distrib Main	PSNC Dist Main, Plastic 3/4" : 00753	6,260	\$93,550.26	*
4761 - Gas Plastic Distrib Main	PSNC Dist Main, Plastic 1-1/4" : 00754	214,897	\$1,150,414.93	*
4761 - Gas Plastic Distrib Main	PSNC Dist Main, Plastic 2" : 00755	19,945,442	\$182,090,693.66	*
4761 - Gas Plastic Distrib Main	PSNC Dist Main, Plastic 4" : 00756	7,781,984	\$104,950,238.52	
4761 - Gas Plastic Distrib Main	PSNC Dist Main, Plastic 6" : 00757	28,517	\$370,118.41	
4761 - Gas Plastic Distrib Main	PSNC Dist Main, Plastic 8" : 00758	1,183,367	\$27,840,357.93	
4761 - Gas Plastic Distrib Main	Ununitized (GL 1180260 CCNC)	0	\$550,240.30	
4761 - Gas Plastic Distrib Main Total		29,160,467	\$317,045,614.01	
4762 - Gas Cast Iron Distrib Main	PSNC Dist Main, Cast Iron 4" : 00761	114,865	\$127,007.71	
4762 - Gas Cast Iron Distrib Main	PSNC Dist Main, Cast Iron 6" : 00762	30,210	\$51,403.14	
4762 - Gas Cast Iron Distrib Main	PSNC Dist Main, Cast Iron 8" : 00763	1,873	\$4,190.93	
4762 - Gas Cast Iron Distrib Main	PSNC Dist Main, Cast Iron 10" : 00759	1,297	\$5,003.11	
4762 - Gas Cast Iron Distrib Main	PSNC Dist Main, Cast Iron 12" : 00760	6,246	\$24,029.09	
4762 - Gas Cast Iron Distrib Main Total		154,491	\$211,633.98	
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 3/4" : 00740	5,894	\$44,898.45	*
4763 - Gas Steel Distribution Main	PSNC Distr Main, Steel 1" : 00741	53	\$3,675.76	*
4763 - Gas Steel Distribution Main	PSNC Distr Main, Steel 1-1/4" : 00742	0	\$0.00	*
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 1-1/2" : 00743	40,127	\$44,602.53	*
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 2" : 00746	9,709,988	\$31,510,967.03	*
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 2-1/2" : 00747	96,337	\$130,321.51	
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 3" : 00748	383,738	\$816,632.27	
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 3-1/2" : 00749	\$0.00	\$0.00	
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 4" : 00750	3,788,970	\$26,422,417.62	
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 6" : 00751	3,558,650	\$70,505,942.62	
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 8" : 00752	1,558,748	\$46,933,232.11	
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 10" : 00744	132,703	\$2,531,117.10	
4763 - Gas Steel Distribution Main	PSNC Dist Main, Steel 12" : 00745	432,880	\$17,723,895.69	
4763 - Gas Steel Distribution Main	Ununitized (GL 1180260 CCNC)	0	\$224,622.99	
4763 - Gas Steel Distribution Main Total		19,708,088	\$196,892,325.68	
Total All Main		49,023,046	\$ 514,149,573.67	
4801 - Gas Services - Plastic	PSNC Service, Plastic 3/4" : 00779	256,368	\$154,167,065.11	**
4801 - Gas Services - Plastic	PSNC Service, Plastic 5/8" : 01015	93,697	\$57,324,225.12	**
4801 - Gas Services - Plastic	PSNC Service, Plastic 1-1/4" : 00780	4,446	\$6,280,091.73	
4801 - Gas Services - Plastic	PSNC Service, Plastic 2" : 00781	4,533	\$8,441,145.16	
4801 - Gas Services - Plastic	PSNC Service, Plastic 4" : 00782	162	\$1,400,793.52	
4801 - Gas Services - Plastic	PSNC Service, Plastic 6" : 00783	2	\$39,351.78	
4801 - Gas Services - Plastic	PSNC Service, Plastic 8" : 00784	5	\$78,931.33	
4801 - Gas Services - Plastic	Ununitized (GL 1180260 CCNC)	0	(\$3,460.65)	
4801 - Gas Services - Plastic Total		359,213	\$227,728,143.10	
4802 - Gas Services - Steel	PSNC Service, Steel 3/4" : 00765	107,328	\$26,506,192.64	**
4802 - Gas Services - Steel	PSNC Service, Steel 1" : 00766	6,117	\$1,497,757.42	
4802 - Gas Services - Steel	PSNC Service, Steel 1-1/4" : 00767	661	\$421,656.21	
4802 - Gas Services - Steel	PSNC Service, Steel 2" : 00771	1,492	\$1,454,664.78	
4802 - Gas Services - Steel	PSNC Service, Steel 3" : 00773	35	\$7,278.96	
4802 - Gas Services - Steel	PSNC Service, Steel 4" : 00775	285	\$959,350.87	
4802 - Gas Services - Steel	PSNC Service, Steel 6" : 00776	40	\$461,270.81	
4802 - Gas Services - Steel	PSNC Service, Steel 8" : 00777	7	\$170,131.63	
4802 - Gas Services - Steel	Ununitized (GL 1180260 CCNC)	0	\$99.33	
4802 - Gas Services - Steel Total		115,965	\$31,478,402.65	
Total All Services		475,178	\$259,206,545.75	
Grand Total		49,498,224	\$ 773,356,119.42	

Leak Clamps are included in Utility Account 4762
Cathodic Protection is included with Utility Account 4763

29,922,661	\$ 214,938,802.62	*
\$ 352,139,631	\$ 7.18	
68%	Mains	

92%	\$237,997,482.87	**
	Services	

PSNC Energy
Allocators for Distribution Mains & Services
12 Months Ending 12/31/07
Docket No. G-5, Sub 495

Revised
Item 3d
Workpaper 6

		Customer	Avg Cust		Demand	Peak & Avg	Percent
Mains	RES	68.00%	91.12%	61.96%	32.00%	52.00%	16.64%
CW3	SGS	68.00%	8.74%	5.94%	32.00%	21.91%	7.01%
Calculation	LGS_F	68.00%	0.10%	0.07%	32.00%	9.75%	3.12%
	LGS_I	68.00%	0.04%	0.03%	32.00%	16.34%	5.23%
	TOTAL		100.00%	68.00%		100.0000%	32.00%

		Customer	Avg Cust		Demand	Peak & Avg	Percent
Services	RES	92.00%	91.12%	83.83%	8.00%	52.00%	4.16%
CW1	SGS	92.00%	8.74%	8.04%	8.00%	21.91%	1.75%
Calculation	LGS_F	92.00%	0.10%	0.09%	8.00%	9.75%	0.78%
	LGS_I	92.00%	0.04%	0.04%	8.00%	16.34%	1.31%
	TOTAL		100.0000%	92.00%		100.0000%	8.00%

	CW3 Allocator Mains	CW1 Allocator Services	CW4 Allocator Mains&Services	CW4 Percent
Mains + Services	404,129,792	228,076,877	632,206,668	81.75%
CW4	66,604,992	25,385,652	91,990,645	11.89%
Calculation	16,391,088	2,260,281	18,651,370	2.41%
	27,023,702	3,483,736	30,507,438	3.94%
	514,149,574	259,206,546	773,356,120	100.00%

		Mains	Services
CUSTOMER	80.00%	34.00%	46.00%
DEMAND	20.00%	16.00%	4.00%

Public Service Company of North Carolina, Inc.
Allocators for Cost of Service Study
12 Months Ending 12/31/07

Revised
Item 3d
Workpaper 7
Page 1 of 1

Method	Description	RES	SGS	LGSF	LGSF
DEP_A_	Total Depreciation Expense	76.66%	14.79%	3.32%	5.23%
MRCTHR3	Total Cost of Gas - Per Books	57.88%	29.91%	5.27%	6.95%
EXP_A_O&M_	Total O&M less A&G	78.43%	15.52%	2.69%	3.35%
EXP_A_O&M_CUST_ACCT_	Allocated Accounts 902, 903, 904	89.23%	9.39%	0.84%	0.53%
EXP_A_O&M_CUST_SERV_	Allocated Accounts 908, 909	91.12%	8.74%	0.10%	0.04%
EXP_A_O&M_DM_	Allocated Expense Accounts 887-893	69.10%	22.02%	3.95%	4.93%
EXP_A_O&M_SALES_MISC	Allocated Expense Accounts 912, 913	91.12%	8.74%	0.10%	0.04%
LAB_A_O&M_CUST_ACCT_	Allocated Labor Accounts 902-903	90.61%	8.89%	0.35%	0.15%
LAB_A_O&M_DM_	Allocated Labor Accounts 886-893	67.39%	21.48%	4.78%	6.35%
MC385DA	Account 385 Ind M&R Direct Assignment	0.00%	66.89%	16.16%	16.95%
MCDEPS	Customer Deposits	81.25%	15.41%	0.86%	2.48%
MCUST1	Year End Customers	91.12%	8.74%	0.10%	0.04%
MCW1	Weighted Distribution Services	87.99%	9.79%	0.87%	1.34%
MCW2	Weighted Meters	76.22%	21.67%	1.08%	1.03%
MCW3	Weighted Mains	78.60%	12.95%	3.19%	5.26%
MCW4	Weighted Mains and Services	81.75%	11.89%	2.41%	3.94%
MCX8030000DA	PF Adjustment - Fixed Gas Cost	58.99%	22.31%	5.04%	13.66%
MCX8030100DA	PF Adjustment - Commodity Gas Cost	72.22%	23.36%	1.90%	2.52%
MCX803FIXED	Per Books - Fixed Gas Cost	61.66%	26.93%	5.63%	5.78%
MCX803OTH	ADJUSTMENTS TO PER BOOKS CCOG	84.27%	-3.22%	18.95%	0.00%
MCX902	Meter Reading	87.23%	9.91%	1.99%	0.87%
MCX904	Uncollectables	67.30%	18.45%	6.40%	7.85%
MDEM1	Peak Day	67.54%	25.66%	6.79%	0.00%
MDEM4	Peak Day and Avg	52.00%	21.91%	9.75%	16.34%
MMAN	Allocated Total Income Taxes	50.43%	28.69%	11.97%	8.92%
MRCTHR	Actual Test Year Sales	57.37%	30.30%	5.22%	7.10%
MRSL	Sales Revenue	63.98%	27.56%	3.95%	4.51%
MRSL2	Sales Revenue Res & SGS	69.90%	30.10%	0.00%	0.00%
MRSLPF	Sales Revenue PF	72.03%	21.56%	2.43%	3.97%
MTRSL	Transportation Revenue	0.00%	0.00%	43.43%	56.57%
NTI	Income before Income Taxes	57.66%	25.40%	10.27%	6.67%
RB_A_PLT	Total Gross Plant less Total Reserves	75.65%	15.08%	3.58%	5.68%
RB_A_PLT_??_O	Gross Plant	75.46%	15.23%	3.65%	5.67%
RB_A_PLT_DI_O	Gross Distrubution Plant	79.14%	14.02%	2.67%	4.17%
RB_A_PLT_DI_O_	Distribution Plant Accounts 375-385	79.14%	14.02%	2.67%	4.17%
RB_A_PLT_DI_O__378	METERS & REGULATORS Acct 378	52.00%	21.91%	9.75%	16.34%
RB_A_PLT_DI_O_385	INDUSTRIAL METERS & REGULATORS Acct 385, 385.DA	2.77%	64.50%	15.82%	16.92%
RB_A_PLT_DI_O_ALOC	DIST MAINS & SERVICES Accts 376 & 380	81.75%	11.89%	2.41%	3.94%
RB_A_PLT_ST_O	STORAGE PLANT	67.54%	25.66%	6.79%	0.00%
RB_A_PLT_TR_O	TRANSMISSION PLANT	52.00%	21.91%	9.75%	16.34%
RB_A_PLT_IN_R	Intangible Plant Reserves	75.65%	15.08%	3.58%	5.68%
RB_A_PLT_DI_R	Distribution Plant Reserves	79.14%	14.02%	2.67%	4.17%
RB_A_PLT_GC_R	General Plant Reserves	75.65%	15.08%	3.58%	5.68%
RB_A_PLT_ST_R	Storage Plant Reserves	67.54%	25.66%	6.79%	0.00%
RB_A_PLT_TR_R	Transmission Plant Reserves	52.00%	21.91%	9.75%	16.34%
TOTI	General Taxes	76.40%	15.35%	3.30%	4.95%
WORKPTD	Storage, Transmission, Distrib Plt less Reserves	75.65%	15.08%	3.58%	5.68%
XLABOR	Labor Excluding A&G	77.01%	16.49%	2.73%	3.78%

Development of Design Day Peak

PSNC uses a design day with an average temperature of 4.4 degrees. In terms of heating degree days (HDD) this means a design day of 55.6 HDDs when using a base temperature of 60 degrees. The attached printouts show the calculations of the peak demand daily models for the four rate definitions. Rates 145/175 were modeled together. For each model a predicted daily value was estimated and that number was then multiplied by the forecasted number of customers to arrive at a daily peak demand. The design day peak demand for these rates is calculated as follows:

$$\text{Peak DTs} = \text{Customers} \times \text{Daily Predicted Value}$$

RATE 105 AVERAGE USE MODELS FOR PSRC DESIGN DAY

The REG Procedure
Model: MODEL1
Dependent Variable: avgt_d

Number of Observations Read 36
Number of Observations Used 27
Number of Observations with Missing Values 9

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	6	23.10377	3.85063	213.50	<.0001
Error	20	0.36072	0.01804		
Corrected Total	26	23.46449			

Root MSE	0.13430	R-Square	0.9845
Dependent Mean	4.11588	Adj R-Sq	0.9800
Coeff Var	3.26292		

Parameter Estimates

Variable	DF	Parameter Estimate	Standard Error	t Value	Pr > t	Type I SS	Type II SS
Intercept	1	0.57227	0.12860	4.44	0.0002	457.39347	0.35603
bdd60_d	1	0.21549	0.00672	32.08	<.0001	20.03591	18.55651
windu	1	-0.25754	0.08968	-2.87	0.0094	0.30269	0.14873
iwy	1	-0.04512	0.01903	-2.37	0.0279	0.02895	0.10144
d10612	1	-0.37599	0.15515	-2.42	0.0250	0.03032	0.10593
d10701	1	-1.41031	0.15630	-9.02	<.0001	1.80207	1.46838
d10702	1	0.37467	0.15615	2.40	0.0263	0.10383	0.10383

RATE 110 AVG USE MODELS FOR PSWC DESIGN DAY

The REG Procedure

Model: MODEL1

Dependent Variable: avgt_d

Number of Observations Read	36
Number of Observations Used	27
Number of Observations with Missing Values	9

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	3	16.33947	5.44649	336.32	<.0001
Error	23	0.37247	0.01619		
Corrected Total	26	16.71195			

Root MSE	0.12726	R-Square	0.9777
Dependent Mean	3.11215	Adj R-Sq	0.9748
Coeff Var	4.08905		

Parameter Estimates

Variable	DF	Parameter Estimate	Standard Error	t Value	Pr > t	Type I SS	Type II SS
Intercept	1	0.12175	0.10857	1.12	0.2737	261.50840	0.02036
hdd60_d	1	0.17868	0.00592	30.18	<.0001	15.89562	14.74983
fwyr	1	-0.04105	0.01385	-2.96	0.0070	0.31826	0.14221
window	1	-0.20993	0.07539	-2.78	0.0105	0.12559	0.12559

RATE 125 AVERAGE USE FOR THE DESIGN DAY FORECASTS

The REG Procedure
Model: MODEL1
Dependent Variable: avgt_d

Number of Observations Read 36
Number of Observations Used 27
Number of Observations with Missing Values 9

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	2	284.88492	142.44246	248.31	<.0001
Error	24	13.76744	0.57364		
Corrected Total	26	298.65237			

Root MSE	0.75739	R-Square	0.9539
Dependant Mean	16.72762	Adj R-Sq	0.9501
Coeff Var	4.52780		

Parameter Estimates

Variable	DF	Parameter Estimate	Standard Error	t Value	Pr > t	Type I SS	Type II SS
Intercept	1	4.58931	0.58622	7.83	<.0001	7554.95887	35.15685
hdd60_d	1	0.76580	0.03492	21.93	<.0001	282.37793	275.83913
windum	1	-0.86088	0.41180	-2.09	0.0473	2.50700	2.50700

RATE 175 and 145 LG GENERAL SERVICE AND FIRM T-PORT DESIGN DAY FORECAST

The REG Procedure
Model: MODEL1
Dependent Variable: avgt_d

Number of Observations Read	36
Number of Observations Used	27
Number of Observations with Missing Values	9

Analysis of Variance

Source	DF	Sum of Squares	Mean Square	F Value	Pr > F
Model	2	817064	408532	208.83	<.0001
Error	24	46950	1956.26515		
Corrected Total	26	864015			

Root MSE	44.22969	R-Square	0.9457
Dependent Mean	691.39180	Adj R-Sq	0.9411
Coeff Var	6.39720		

Parameter Estimates

Variable	DF	Parameter Estimate	Standard Error	t Value	Pr > t	Type I SS	Type II SS
Intercept	1	614.86957	33.69259	18.23	<.0001	12906611	649822
bdd60_d	1	8.70390	2.05492	4.24	0.0003	2865.39234	35097
pricedum	1	-558.79597	27.39062	-20.40	<.0001	814199	814199

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 495
PROPOSED FIXED GAS COST RATES

Rate Schedule	(a) Percent Fixed Cost	(b) Annual Fixed Cost	(c) Therms	(d) \$ Per Therm
101/115-Summer	5.5351%	\$3,352,345	40,752,417	\$0.08226
101/115-Winter	56.1294%	\$33,994,998	238,961,766	\$0.14226
125-Step 1	18.0295%	\$10,911,483	70,068,860	\$0.15573
125-Step 2	8.6869%	\$5,265,995	61,428,833	\$0.08573
125-Step 3/126	0.2093%	\$130,174	3,643,773	\$0.03573
145	3.0864%	\$1,869,290	21,432,699	\$0.08722
150	0.8491%	\$514,261	29,143,686	\$0.01765
175	2.5415%	\$1,539,269	72,088,196	\$0.02135
180	4.9328%	\$2,987,569	178,397,895	\$0.01675
Total	100.0000%	\$60,565,384	715,918,125	

- (a) Allocated using allocation percentages approved in
Docket No. G-5, Sub 481
- (b) Item 3e, page 3 of 3
- (c) Total proforma volumes 748,859,474
Less Special Contract Volumes (32,941,349)
Total for Fixed Gas Cost rates 715,918,125
- (d) Column (b) / Column (c)

	CONTRACT	RATE	DEMAND	MONTHS/		PIPELINE
PIPELINE	NUMBER	SCHEDULE	MDTQ	RATE	DAYS	TOTAL
DTI	100035	FTNN	18,331	\$4.4435	12	977,446
DTI	100103	FTNN	12,000	\$4.4435	12	639,864
DTI	100051	FTNN	10,000	\$4.4435	12	533,220
DTI	200085	FT	5,035	\$6.4715	12	391,008
DTI	700013	FTNN-GSS	11,669	\$4.4435	5	259,256
DTI	700036	FTNN-GSS	18,000	\$4.4435	5	399,915
						3,200,709
TGT	8260	FT	5,272	\$0.2842	365	546,880
						546,880
TRANSCO	0.6505	FT, Zn 3-6	30	\$0.50683	365	5,550
TRANSCO	0.6505	FT, Zn 2-6	1,371	\$0.53918	365	269,814
			1,401			275,364
TRANSCO	0.2264	FT, Zn 1-5	385	\$0.48415	365	68,035
TRANSCO	0.2264	FT, Zn 2-5	566	\$0.45975	365	94,980
TRANSCO	0.2264	FT, Zn 3-5	1,313	\$0.42740	365	204,829
			2,264			367,844
TRANSCO	1.2381	FT, Zn 6-6	5,175	\$0.13039	365	246,290
TRANSCO	1.2028	FT, Zn 4-5	44,627	\$0.37434	365	6,097,570
TRANSCO	0.3703	FT, Zn 1-5	27,906	\$0.48415	365	4,931,402
TRANSCO	0.3703	FT, Zn 2-5	41,037	\$0.45975	365	6,886,368
TRANSCO	0.3703	FT, Zn 3-5	95,208	\$0.42740	365	14,852,543
			164,151			26,670,313
TRANSCO	0.4190	FT, Zn 4-5	5,159	\$0.37434	90	173,810
TRANSCO	0.4190	FT, Zn 4-5	34,171	\$0.37434	90	1,151,241
			39,330			1,325,051
TRANSCO	0.4190	FT, Zn 4-5	4,643	\$0.37434	61	106,022
TRANSCO	0.4190	FT, Zn 4-5	30,754	\$0.37434	61	702,260
			35,397			808,281
TRANSCO	0.4996	FT, Zn 1-5	352	\$0.48415	365	62,204
TRANSCO	0.4996	FT, Zn 2-5	518	\$0.45975	365	86,925
TRANSCO	0.4996	FT, Zn 3-5	1,201	\$0.42740	365	187,357
			2,071			336,486
						36,127,199
CARDINAL	1031995	Zone 2	103,500	\$0.20141	365	7,608,766
CARDINAL	1031994	Zone 1B	72,450	\$0.07290	365	1,927,786
						9,536,552
COLUMBIA	49526	SST	35,335	\$5.8150	182	1,232,838
COLUMBIA	49528	SST	17,667	\$5.8150	183	616,402
						1,849,240
EAST TN PATRIOT	410097	FT-A	30,000	\$7.4520	12	2,682,720
						2,682,720
TEXAS EASTERN TRANSMISSION						
Compressor lease agreement				\$46,944	12	563,328
						563,328
PIEDMONT NATURAL GAS						
Town of Faith Redelivery Agreement				\$760	12	9,120
						9,120
TOTAL TRANSPORTATION						\$54,515,748

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
PRO FORMA COST OF GAS
FOR THE TEST YEAR ENDED DECEMBER 31, 2007
DOCKET NO. G-5, SUB 495

FACILITY	RATE [\$/DT]	STORAGE QUANTITY	DAILY DEMAND	MONTHS/ DAYS	AMOUNT	SERVICE TOTAL
TRANSCO						
GSS						
DEMAND	\$0.10697		33,218	365	1,296,965	
CAPACITY	\$0.00061	1,835,944		365	408,773	1,705,738
WSS						
DEMAND	\$0.02353		32,877	365	282,362	
CAPACITY	\$0.00028	2,794,500		365	285,598	567,960
LG-A						
DEMAND	\$0.04899		5,175	365	92,536	
CAPACITY	\$0.00944	25,875		365	89,155	181,691
ESS						
DEMAND	\$0.01718		47,222	365	296,115	
CAPACITY	\$0.00172	475,111		365	298,275	594,390
Eminence						
DEMAND	\$0.01718		48,259	365	302,618	
CAPACITY	\$0.00172	480,603		365	301,723	604,340
COLUMBIA FSS						
DEMAND	\$1.5070		35,335	12	638,998	
CAPACITY	\$0.0290	3,180,150		12	1,106,692	1,745,690
COVE POINT LNG						
RESV CHG - FPS-1	\$3.5557		25,000	12	1,066,710	
RESV CHG - FTS	\$0.5662		25,000	12	169,860	1,236,570
DTI GSS						
DEMAND	\$1.8780		62,669	12	1,412,309	
CAPACITY	\$0.0145	3,856,000		12	670,944	2,083,253
PINE NEEDLE LNG						
RESV CHG	\$0.1140		103,500	365	4,308,146	4,308,146
SALTVILLE						
DEMAND	\$0.075083	600,000		12	540,598	
INJ RESERV	\$1.495000		13,333	12	239,194	
WD RESERV	\$0.751000		30,000	12	270,360	1,050,152
TOTAL STORAGE						\$14,077,930
TOTAL DEMAND CHARGES						\$68,593,678
ANNUALIZED SECONDARY MARKET CREDITS						(\$8,028,292)
NET FIXED GAS COSTS TO BE RECOVERED						\$60,565,386

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 495
CUSTOMER USAGE TRACKER ADJUSTMENT MECHANISM
OR WEATHER NORMALIZATION ADJUSTMENT
PROPOSED BASE LOAD, HSF AND R FACTORS

DESCRIPTION	Rate Schedule No. 101 Residential Summer	Rate Schedule No. 101 Residential Winter	Rate Schedule No. 125 SGS First 500 Therms	Rate Schedule No. 125 SGS Next 4,500 Therms	Rate Schedule No. 125 SGS Over 5,000 Therms
"Clean" Rates (\$/Therm)	\$1.33011	\$1.39011	\$1.29230	\$1.22230	\$1.17230
Less:					
Commodity Cost of Gas	0.87500	0.87500	0.87500	0.87500	0.87500
LUAF & Co. Use Gas	0.00740	0.00740	0.00740	0.00740	0.00740
Gross Margin	\$0.44771	\$0.50771	\$0.40990	\$0.33990	\$0.28990
Less:					
Fixed Demand and Storage Rate	0.08226	0.14226	0.15573	0.08573	0.03573
R _i Value (\$/Therm)	\$0.36545	\$0.36545	\$0.25418	\$0.25418	\$0.25418
Heat Sensitive Factor (Therms/HDD)	0.16651	0.16651	0.61089	0.61089	0.61089
Base Load Factor (Therms/Mo.)	8.53271	8.53271	115.1564	115.1564	115.1564

PUBLIC SERVICE COMPANY OF NORTH CAROLINA
Docket No. G-5, Sub 495
TEST YEAR END 12/31/2007

3/31/2008 15:02

Line	Description	Billing Determinants	Present		Proposed			Difference		
			Rates	Revenues	Rates	Bill Dets.	Revenues	Revenues	Per Therm	Percent
1										
2										
3	Rate 101 - All Residential						MR Increase	Total Rev.		
4	BFC	5,062,672	\$10.00	\$50,626,720	\$12.00		\$18,114,405	\$447,171,954		
5	Summer Therms	40,727,711	\$1.31237	\$53,449,826	\$1.33011	5,062,672	\$60,752,064			
6	Winter Therms	238,938,208	\$1.37237	\$327,911,628	\$1.39011	40,727,711	\$54,172,336			
7	101 Sub-Total			\$431,988,175		238,938,208	\$332,150,392			
8	Total BFC	5,062,672	\$10.00	\$50,626,720	\$12.00	5,062,672	\$60,752,064	\$10,125,344	N/A	20.00%
9	Total Therm Sale Rev.	279,665,919	\$1.36383	\$381,361,455	\$1.38137	279,665,919	\$386,322,728	\$4,961,273	N/A	1.30%
10		662.89								
11	Rate 115 - Open Flame									
12	BFC	79	\$10.00	\$790	\$12.00	1,059	\$12,708			
13	Summer Therms	15,886	\$1.31237	\$20,848	\$1.33011	24,706	\$32,862			
14	Winter Therms	14,738	\$1.37237	\$20,226	\$1.39011	23,558	\$32,748			
15	115 Sub-Total	30,624	\$1.69218	\$51,821	\$1.62270	48,264	\$78,318	\$26,497	N/A	51.13%
16										
17	Rate 120 - Outdoor Lting.									
18	Per Fixture - Fixed Monthly Charge		\$10.16	\$0	\$10.16		\$0			
19	All Therms		\$0.00000	\$0	\$0.00000		\$0			
20	120 Sub-Total		#DIV/0!	\$0	#DIV/0!		\$0	\$0	N/A	#DIV/0!
21										
22	115 / 120 Sub-Total BFC	79	\$10.00000	\$790	\$12.00000	1,059	\$12,708	\$11,918	N/A	1508.61%
23	115 / 120 Sub-Total Therm Sale Rev.	30,624	\$1.69218	\$51,821	\$1.62270	48,264	\$78,318	\$26,497	N/A	51.13%
24										
25	Residential - Total Revenue	279,665,919	\$1.54467	\$432,039,996	\$1.59861	279,714,183	\$447,153,110	\$15,113,114	\$0.65393	3.60%
26										
27										
28										
29	Rate 125/225 - Small GS						MR Increase	Total Rev.		
30	BFC	470,917	\$17.50	\$8,241,048	\$20.00		\$3,679,469	\$179,222,362		
31	First 500 Therms	70,068,860	\$1.27378	\$89,252,312	\$1.29230	70,068,860	\$90,549,959			
32	Next 4500 Therms	61,428,833	\$1.20378	\$73,946,800	\$1.22230	61,428,833	\$75,084,437			
33	Over 5000 Therms	3,556,792	\$1.15378	\$4,103,755	\$1.17230	3,556,792	\$4,169,626			
34	Total BFC	470,917	\$17.50	\$8,241,048	\$20.00	470,917	\$9,418,340	\$1,177,293	N/A	14.29%
35	Total Therm Sale Rev.	135,054,484	\$1.23878	\$167,302,868	\$1.25730	135,054,484	\$169,804,022	\$2,501,155	N/A	1.49%
36	125/225 Sub-Total			\$175,543,915			\$179,222,362	\$3,678,447	N/A	2.10%
37										
38	Rate 126 - SGS Cooling									
39	BFC	90	\$30.00	\$2,700	\$30.00	90	\$2,700			
40	All Therms	86,981	\$1.16055	\$100,948	\$1.17230	86,981	\$101,968	\$1,022	N/A	0.99%
41	126 Sub-Total			\$103,646			\$104,668			
42			\$0.12198							
43	Rate 125 / 126 / 225 - Total Revenue	135,141,465	\$1.29973	\$175,647,561	\$1.32896	135,141,465	\$179,327,030	\$3,679,469	\$0.02723	2.09%
44										
45										
46										
47										
48										
49										
50										
51										
52										
53										
54										
55										
56										
57										
58	Rate 145 - Large GS						MR Increase	Total Rev.		
59	BFC	2,810	\$300.00	\$843,000	\$300.00		\$453,127	\$34,967,063		
60	First 15,000 Therms	18,704,462	\$1.06830	\$19,981,977	\$1.07817	18,704,462	\$20,186,552			
61	Next 15,000 Therms	1,822,188	\$1.04930	\$1,912,022	\$1.05917	1,822,188	\$1,930,003			
62	Next 15,000 Therms	449,953	\$1.03030	\$463,587	\$1.04017	449,953	\$468,027			
63	Next 15,000 Therms	236,135	\$1.00478	\$237,264	\$1.01465	236,135	\$239,594			
64	Over 60,000 Therms	219,960	\$0.98378	\$216,393	\$0.99365	219,960	\$218,563			
65	Total BFC	2,810	\$300.00	\$843,000	\$300.00	2,810	\$843,000	\$0	N/A	0.00%
66	Total Therm Sale Rev.	21,432,699	\$1.06432	\$22,811,242	\$1.07419	21,432,699	\$23,022,740	\$2,111,498	N/A	0.93%
67	145 Sub-Total			\$23,597,242			\$23,806,740	\$211,498	N/A	0.90%
68										
69										
70	Rate 175 - LGS Transp.									
71	BFC	2,810	\$300.00	\$843,000	\$300.00	2,810	\$843,000			
72	First 15,000 Therms	33,396,636	\$0.15797	\$5,275,667	\$0.16131	33,396,636	\$5,387,144			
73	Next 15,000 Therms	15,547,405	\$0.13897	\$2,160,623	\$0.14231	15,547,405	\$2,212,520			
74	Next 15,000 Therms	8,108,516	\$0.11997	\$972,779	\$0.12331	8,108,516	\$999,845			
75	Next 15,000 Therms	4,818,930	\$0.09445	\$455,148	\$0.09779	4,818,930	\$471,233			
76	Over 60,000 Therms	10,216,709	\$0.07345	\$750,417	\$0.07679	10,216,709	\$784,520			
77	Total BFC	2,810	\$300.00	\$843,000	\$300.00	2,810	\$843,000	\$0	N/A	0.00%
78	Total Therm Sale Rev.	72,088,196	\$0.13337	\$9,614,633	\$0.13671	72,088,196	\$9,855,263	\$240,629	N/A	2.50%
79	175 Sub-Total			\$10,457,633			\$10,698,263	\$240,629	N/A	2.30%
80										

PUBLIC SERVICE COMPANY OF NORTH CAROLINA
Docket No. G-5, Sub 495
TEST YEAR END 12/31/2007

3/31/2008 15:02

Line	Description	Billing Determinants	Present		Proposed			Difference		
			Rates	Revenues	Rates	Bill Dets.	Revenues	Revenues	Per Therm	Percnt
81										
82	Total LGS BFC	5,430	\$300.00	\$1,629,000	Total LGS BFC	\$300.00	5,430	\$1,629,000	\$0	N/A
83	Total LGS Therm Sale Rev.	93,520,895	\$0.34672	\$32,425,878	Total LGS Therm Sale Rev.	\$0.84975	38,081,560	\$32,878,003	\$452,127	N/A
84										
85	LGS - Total Revenue	93,520,895	\$0.36414	\$34,054,878	LGS - Total Revenue	\$0.36898	93,520,895	\$34,507,003	\$452,127	\$0.00483
86										
87										
88										
89										
90										
91										
92										
93										
94	Rate 150 - Interruptible				Rate 150 - Interruptible					
95	BFC	209	\$600.00	\$125,400	BFC	\$600.00	209	\$125,400		
96	First 15,000 Therms	2,148,009	\$1.00478	\$2,158,276	First 15,000 Therms	\$1.00875	2,148,009	\$2,168,811		
97	Next 15,000	1,733,810	\$0.98378	\$1,705,688	Next 15,000	\$0.98775	1,733,810	\$1,712,576		
98	Next 70,000	4,728,599	\$0.96278	\$4,552,601	Next 70,000	\$0.96675	4,728,599	\$4,571,388		
99	Next 500,000	9,823,753	\$0.94178	\$9,251,814	Next 500,000	\$0.94575	9,823,753	\$9,280,846		
100	All Over 600,000	646,866	\$0.92078	\$595,621	All Over 600,000	\$0.92475	646,866	\$598,191		
101										
102										
103										
104	Total BFC	209	\$600.00	\$125,400	Total BFC	\$600.00	209	\$125,400	\$0	N/A
105	Total Therm Sale Rev.	19,081,037	\$0.95718	\$18,264,000	Total Therm Sale Rev.	\$0.96115	19,081,037	\$18,339,813	\$75,813	N/A
106	150 Sub-Total			\$18,389,400	175 Sub-Total			\$18,485,213	\$75,813	N/A
107										
108	Rate 160 - Compet. Int.				Rate 160 - Compet. Int.					
109	BFC	71	\$600.00	\$42,600	BFC	\$600.00	71	\$42,600		
110	First 15,000 Therms	1,060,381	\$1.00478	\$1,065,449	First 15,000 Therms	\$0.89497	1,060,381	\$1,069,662		
111	Next 15,000	894,812	\$0.98378	\$880,298	Next 15,000	\$0.89497	894,812	\$883,854		
112	Next 70,000	2,680,788	\$0.96278	\$2,581,009	Next 70,000	\$0.89497	2,680,788	\$2,591,680		
113	Next 500,000	4,888,649	\$0.94178	\$4,415,676	Next 500,000	\$0.89497	4,888,649	\$4,434,305		
114	All Over 600,000	738,019	\$0.92078	\$679,553	All Over 600,000	\$0.89497	738,019	\$682,486		
115										
116										
117										
118	Total BFC	71	\$600.00	\$42,600	Total BFC	\$600.00	71	\$42,600	\$0	N/A
119	Total Therm Sale Rev.	10,062,649	\$0.95621	\$9,621,986	Total Therm Sale Rev.	\$0.96018	10,062,649	\$9,681,967	\$39,981	N/A
120	160 Sub-Total			\$9,684,588	175 Sub-Total			\$9,704,567	\$39,981	N/A
121										
122	Rate 165 - Compet. T'port				Rate 165 - Compet. T'port					
123	BFC	6	\$600.00	\$3,600	BFC	\$600.00	6	\$3,600		
124	First 15,000 Therms	228,870	\$0.10981	\$25,132	First 15,000 Therms	\$0.11586	228,870	\$26,518		
125	Next 15,000	196,122	\$0.08881	\$17,418	Next 15,000	\$0.09486	196,122	\$18,605		
126	Next 70,000	522,698	\$0.06781	\$35,445	Next 70,000	\$0.07386	522,698	\$38,608		
127	Next 500,000	587,589	\$0.04681	\$27,506	Next 500,000	\$0.05286	587,589	\$31,082		
128	All Over 600,000	-	\$0.02581	\$0	All Over 600,000	\$0.03186	-	\$0		
129										
130										
131										
132	Total BFC	6	\$600.00	\$3,600	Total BFC	\$600.00	6	\$3,600	\$0	N/A
133	Total Therm Sale Rev.	1,535,279	\$0.06672	\$105,501	Total Therm Sale Rev.	\$0.07477	1,535,279	\$114,792	\$9,292	N/A
134	165 Sub-Total			\$109,101	175 Sub-Total			\$118,392	\$9,292	N/A
135										
136										
137	Rate 180 - Int. Transp.				Rate 180 - Int. Transp.					
138	BFC	2,067	\$600.00	\$1,240,200	BFC	\$600.00	2,067	\$1,240,200		
139	First 15,000 Therms	28,541,840	\$0.10981	\$3,134,208	First 15,000 Therms	\$0.11586	28,541,840	\$3,306,950		
140	Next 15,000	23,473,157	\$0.08881	\$2,084,675	Next 15,000	\$0.09486	23,473,157	\$2,226,740		
141	Next 70,000	80,125,174	\$0.06781	\$4,077,148	Next 70,000	\$0.07386	80,125,174	\$4,441,040		
142	Next 500,000	59,254,977	\$0.04681	\$2,773,785	Next 500,000	\$0.05286	59,254,977	\$3,132,410		
143	All Over 600,000	5,467,467	\$0.02581	\$141,121	All Over 600,000	\$0.03186	5,467,467	\$174,211		
144										
145										
146										
147	Total BFC	2,067	\$600.00	\$1,240,200	Total BFC	\$600.00	2,067	\$1,240,200	\$0	N/A
148	Total Therm Sale Rev.	178,862,616	\$0.06904	\$12,210,936	Total Therm Sale Rev.	\$0.07509	178,862,616	\$13,281,350	\$1,070,414	N/A
149	180 Sub-Total			\$13,451,136	175 Sub-Total			\$14,521,550	\$1,070,414	N/A
150										
151	Total Large Interruptible BFC	2,353	\$600.00	\$1,411,800	Total Large Interruptible BFC	\$600.00	2,353	\$1,411,800	\$0	N/A
152	Total Large Interruptible Therm Sale F	207,541,581	\$0.19320	\$40,096,922	Total Large Interruptible Therm Sale F	\$0.19891	207,541,581	\$41,283,130	\$1,196,208	N/A
153										
154	Large Interruptible - Total Revenue	207,541,581	\$0.20051	\$41,614,223	Large Interruptible - Total Revenue	\$0.20627	207,541,581	\$42,809,723	\$1,195,500	\$8.00576

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 495
PER BOOKS COST OF SERVICE STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

Paton Exhibit 5
Revised

DESCRIPTION	TOTAL	RES	SGS	LGS FIRM	LGS INT
OPERATING REVENUES					
RATE SCHEDULE REVENUES	574,092,793	352,889,801	151,985,812	31,567,847	37,649,333
OTHER GAS REVENUES	3,221,664	2,743,207	475,065	2,366	1,027
TOTAL REVENUES	\$577,314,457	\$355,633,008	\$152,460,877	\$31,570,213	\$37,650,360
OPERATING EXPENSES					
COG & OTHER GAS SUPPLY EXP	377,921,183	218,738,278	113,029,695	19,900,362	26,252,849
O&M TOTAL EXPENSES EXCL COG	83,879,701	65,220,747	13,378,743	2,281,860	2,998,351
DEPRECIATION EXPENSE	36,973,767	28,344,050	5,469,426	1,227,876	1,932,415
TAXES OTHER THAN INCOME	8,595,580	6,582,935	1,313,272	281,307	418,066
STATE INCOME TAXES	2,943,138	1,546,253	810,839	331,527	254,518
FEDERAL INCOME TAXES	14,245,617	7,484,301	3,924,689	1,604,685	1,231,941
INVESTMENT TAX CREDIT (NET)	(1,449,706)	(1,093,973)	(220,743)	(52,842)	(82,147)
TOTAL EXPENSES	\$523,109,280	\$326,822,590	\$137,705,921	\$25,574,775	\$33,005,994
OPERATING RETURN AFTER TAXES	\$54,205,177	\$28,810,418	\$14,754,956	\$5,995,437	\$4,644,366
RATE BASE					
GROSS PLANT	1,147,500,277	865,923,753	174,727,052	41,826,741	65,022,732
RESERVES FOR DEPRECIATION	(414,361,078)	(311,286,055)	(64,149,957)	(15,554,817)	(23,370,249)
NET PLT IN SERVICE	733,139,199	554,637,697	110,577,095	26,271,923	41,652,483
WORKING CAPITAL	62,997,642	40,816,980	17,398,220	5,065,305	(282,863)
ACCUMULATED DEFERRED INCOME TAXES	(104,922,583)	(79,376,495)	(15,825,145)	(3,759,884)	(5,961,059)
RATE BASE	\$691,214,258	\$516,078,183	\$112,150,169	\$27,577,345	\$35,408,561
RATE OF RETURN	7.84%	5.58%	13.16%	21.74%	13.12%

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 495
PRO FORMA COST OF SERVICE STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

Paton Exhibit 6
Revised

DESCRIPTION	TOTAL	RES	SGS	LGS FIRM	LGS INT
OPERATING REVENUES					
RATE SCHEDULE REVENUES	683,975,151	432,040,041	175,677,437	34,242,383	42,015,289
OTHER GAS REVENUES	3,345,175	2,829,536	512,246	2,366	1,027
TOTAL REVENUES	\$687,320,326	\$434,869,578	\$176,189,684	\$34,244,749	\$42,016,315
OPERATING EXPENSES					
COG & OTHER GAS SUPPLY EXP	476,879,987	287,040,425	135,895,210	22,531,972	31,412,381
O&M TOTAL EXPENSES EXCL COG	87,569,278	67,894,925	14,065,739	2,408,775	3,199,839
DEPRECIATION EXPENSE	37,555,784	28,991,719	5,495,920	1,194,480	1,873,664
TAXES OTHER THAN INCOME	9,344,472	7,139,154	1,434,329	308,737	462,252
STATE INCOME TAXES	3,798,385	2,190,078	964,885	390,023	253,399
FEDERAL INCOME TAXES	17,937,733	10,342,563	4,556,633	1,841,871	1,196,666
INVESTMENT TAX CREDIT (NET)	(830,678)	(626,844)	(126,485)	(30,278)	(47,070)
TOTAL EXPENSES	\$632,254,961	\$402,972,021	\$162,286,231	\$28,645,579	\$38,351,130
OPERATING RETURN AFTER TAXES	\$55,065,365	\$31,897,557	\$13,903,453	\$5,599,170	\$3,665,186
RATE BASE					
GROSS PLANT	1,191,285,225	906,248,947	178,941,022	41,609,771	64,485,485
RESERVES FOR DEPRECIATION	(427,817,811)	(321,799,337)	(66,083,437)	(15,950,229)	(23,984,808)
NET PLT IN SERVICE	763,467,414	584,449,610	112,857,585	25,659,542	40,500,677
WORKING CAPITAL	63,039,596	40,852,551	17,403,887	5,065,900	(282,742)
ACCUMULATED DEFERRED INCOME TAXES	(106,359,412)	(80,463,491)	(16,041,858)	(3,811,372)	(6,042,691)
RATE BASE	\$720,147,598	\$544,838,670	\$114,219,614	\$26,914,070	\$34,175,244
RATE OF RETURN	7.65%	5.85%	12.17%	20.80%	10.72%

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 495
AFTER PROPOSED INCREASE COST OF SERVICE STUDY
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

Paton Exhibit 7
Revised

DESCRIPTION	TOTAL	RES	SGS	LGS FIRM	LGS INT
OPERATING REVENUES					
RATE SCHEDULE REVENUES	704,416,652	447,154,452	179,356,906	34,694,504	43,210,789
OTHER GAS REVENUES	3,345,175	2,829,536	512,246	2,366	1,027
TOTAL REVENUES	\$707,761,827	\$449,983,989	\$179,869,153	\$34,696,870	\$43,211,815
OPERATING EXPENSES					
COG & OTHER GAS SUPPLY EXP	476,879,987	287,040,425	135,895,210	22,531,972	31,412,381
O&M TOTAL EXPENSES EXCL COG	87,675,476	67,973,448	14,084,855	2,411,124	3,206,050
DEPRECIATION EXPENSE	37,555,784	28,991,719	5,495,920	1,194,480	1,873,664
TAXES OTHER THAN INCOME	9,344,472	7,139,154	1,434,329	308,737	462,252
STATE INCOME TAXES	5,201,521	3,284,118	1,191,733	393,070	332,601
FEDERAL INCOME TAXES	24,563,991	15,515,789	5,624,884	1,852,959	1,570,360
INVESTMENT TAX CREDIT (NET)	(830,678)	(626,844)	(126,485)	(30,278)	(47,070)
TOTAL EXPENSES	\$640,390,553	\$409,317,809	\$163,600,445	\$28,662,062	\$38,810,237
OPERATING RETURN AFTER TAXES	\$67,371,274	\$40,666,180	\$16,268,708	\$6,034,808	\$4,401,579
RATE BASE					
GROSS PLANT	1,191,285,225	906,248,947	178,941,022	41,609,771	64,485,485
RESERVES FOR DEPRECIATION	(427,817,811)	(321,799,337)	(66,083,437)	(15,950,229)	(23,984,808)
NET PLT IN SERVICE	763,467,414	584,449,610	112,857,585	25,659,542	40,500,677
WORKING CAPITAL	63,039,596	40,852,551	17,403,887	5,065,900	(282,742)
ACCUMULATED DEFERRED INCOME TAXES	(106,359,412)	(80,463,491)	(16,041,858)	(3,811,372)	(6,042,691)
RATE BASE	\$720,147,598	\$544,838,670	\$114,219,614	\$26,914,070	\$34,175,244
RATE OF RETURN	9.36%	7.46%	14.24%	22.42%	12.88%