

OFFICIAL COPY

FILED

MARCH 2008

Created by
N.C. Utilities Commission



**PUBLIC SERVICE COMPANY
OF NORTH CAROLINA, INC.**

GENERAL RATE CASE

DOCKET NO. G-5, SUB 495

N.C.U.C. FORM G-1

RATE CASE INFORMATION REPORT

MARCH 2008

SET 1

PUBLIC SERVICE COMPANY OF NORTH CAROLINA INCORPORATED
DOCKET NO. G-5, SUB 495

N.C.U.C. FORM G-1
RATE CASE INFORMATION REPORT
SECTION C – DATA REQUEST

TABLE OF CONTENTS

FILED

MAR 31 2008

Clerk's Office
N.C. Utilities Commission

Item	Description
1	Comparative Financial Statements
2	Trial Balance
3	Cost of Service Studies
4	Adjustments to Book Amounts
5	Jurisdictional Allocation Study
6	Weather Normalization
7	Operation and Maintenance Expenses
8	Payroll
9	Employee Benefits
10	Uncollectibles
11	Miscellaneous General Expenses
12	Advertising Expenses
13	Industry Association Dues
14	Lobbying
15	Other Income Deductions
16	General Taxes
17	Income Taxes
18	Gas Plant in Service
19	AFUDC
20	Acquisition Adjustments
21	Property Held for Future Use
22	Accumulated Depreciation
23	Gas in Storage
24	Materials and Supplies
25	Accounts Payable
26	Lead/Lag Study
27	Customer Deposits
28	Miscellaneous Rate Base Items
29	Affiliates
30	Stockholder Reports
31	Financial Forecasts
32	Capital Budgeting Forecast
33	Subsequent Events
34	Capital Structure
35	Long-Term Debt
36	Short-Term Debt
37	Interest Coverage Ratios
38	Preferred Stock
39	Common Stock
40	Retained Earnings

Public Service Company of North Carolina, Inc.
Income Statement
Twelve Months Ended December 31,

Item 1
Page 1 of 3

	<u>2007</u>	<u>2006</u>
Operating Revenues:		
Gas-Regulated	577,314,456	573,408,256
Total Operating Revenues	<u>577,314,456</u>	<u>573,408,256</u>
Operating Expenses:		
Gas for Resale-Regulated	377,921,183	391,589,549
Operating Expense Other	77,208,707	72,454,759
Maintenance Expense	6,670,994	6,261,315
Deprec and Amort Exp	36,973,767	36,522,389
Taxes Other than Income Tax	8,595,582	8,065,701
State Income Taxes	2,854,732	2,402,721
Federal Income Taxes	13,121,867	10,900,600
Amortization of investment credits	(237,550)	(237,551)
Total Operating Expenses	<u>523,109,282</u>	<u>527,959,483</u>
Net Operating Income	54,205,174	45,448,773
Other Income:		
Subsidiary Equity Earnings, net	2,482,242	2,778,832
Allowance for Equity Funds	710,694	332,329
Gain/Loss on Sale of Assets	25,350	38,033
Other Revenues	16,486,953	11,923,240
Other Expenses	(9,206,424)	(9,263,861)
Income Tax on Other Income	(2,901,302)	(1,028,200)
Total Other Income	<u>7,597,513</u>	<u>4,780,373</u>
Income Before Interest Charges	61,802,687	50,229,146
Interest Charges:		
Interest on Long-Term Debt	18,671,140	18,953,752
Amort of Debt Disc and Expense	266,020	238,643
Interest on Debt to Assoc Co	568,651	263,345
Other Interest Expense	7,319,939	5,042,531
Allowance for Borrowed Funds	(402,248)	(276,074)
Total Interest Charges	<u>26,423,502</u>	<u>24,222,197</u>
Net Income	35,379,185	26,006,949

For the Years Ended December 31, (Thousands of Dollars)	2007	2006
Cash Flows From Operating Activities:		
Net income	\$35,379	\$26,007
Adjustments to reconcile net income to net cash provided from operating activities:		
Cumulative effect of accounting change, net of taxes	-	(686)
Depreciation and amortization	35,894	38,714
Gain on sale of assets	(25)	(38)
Allowance for equity funds used during construction	(711)	(332)
Excess earnings, net of distributions from equity method investments	(37)	(166)
Cash provided (used) by changes in certain assets and liabilities:		
Receivables, net	(5,694)	66,418
Inventories	(796)	(3,394)
Other regulatory assets	1,806	(2,455)
Other regulatory liabilities	(743)	1,088
Accounts payable	(13,017)	(19,232)
Deferred income taxes, net	9,088	(2,791)
Taxes accrued	3,506	1,437
Changes in gas cost adjustment clauses	(24,203)	(28,321)
Changes in other assets	5,008	2,198
Changes in other liabilities	(5,403)	2,452
Net Cash Provided From Operating Activities	40,052	80,899
Cash Flows From Investing Activities:		
Construction expenditures, net of AFC	(93,366)	(83,788)
Proceeds on sale of asset	-	72
Nonutility and other	(471)	(1,329)
Net Cash Used For Investing Activities	(93,837)	(85,045)
Cash Flows From Financing Activities:		
Short-term borrowings, net	32,200	26,100
Contributions from parent	42,936	2,818
Contributions to parent	(2,615)	(2,976)
Repayment of debt	(3,200)	(3,200)
Distributions/dividends	(19,354)	(15,811)
Net Cash Provided From Financing Activities	49,967	6,931
Net Increase (Decrease) in Cash and Cash Equivalents	(3,818)	2,785
Cash and Cash Equivalents, January 1	6,038	3,253
Cash and Temporary Investments, December 31	\$2,220	\$6,038
Supplemental Cash Flow Information:		
Cash paid for - Interest (net of capitalized interest of \$402 and \$276)	\$23,941	\$21,846
Income taxes	33,398	16,013
Noncash Investing and Financing Activities:		
Accrued construction expenditures	9,608	3,047

Public Service Company of North Carolina, Inc.
Balance Sheet
December 31, 2007

Item 1
Page 3 of 3

	2007	2006
Assets and Other Debits:		
Gas Utility Plant	1,152,480,743	1,078,386,400
Less Accum Deprec & Amortization	(415,787,047)	(402,051,099)
Total	736,693,696	676,335,301
Construction Work In Progress	12,408,923	5,673,864
Acquisition Adj, Net	209,823,656	209,823,656
Utility Plant, Net	958,926,275	891,832,821
Other Property and Investments:		
Investments and Advances to Subsidiaries	18,118,903	18,644,207
Other Investments	6,875	6,875
Total Other Prop & Investments	18,125,778	18,651,082
Current Assets:		
Cash, Temp Inv & Special Deposits	4,573,128	7,686,801
Accounts Receivable-Customers	113,173,791	109,321,956
Accounts Receivable-Other	6,840,616	4,076,093
Allow for Uncoll Accounts	(832,356)	(1,492,129)
Accounts Receivable-Associated Co	4,456,392	6,416,959
Inventories-Fuel	90,337,511	92,395,457
Inventories-Material & Supplies	8,411,506	7,549,903
Prepayments	1,507,302	1,263,826
Interest & Dividends Receivable	-	3,156
Notes Receivable	227,792	230,879
Total Current Assets	228,495,682	227,452,901
Deferred Debits:		
Environmental	9,011,320	11,136,971
Unamortized Debt Expense	1,590,423	1,856,443
Other Regulatory Assets	68,542,657	68,800,153
Clearing Accounts	(1,786)	1,189
Misc Deferred Debits	1,695,983	752,919
Due from Parent - Pension Asset	1,470,199	5,452,705
Due from Parent - Other Benefits	27,729	36,487
Accum Deferred Income Taxes	7,619,696	11,913,452
Total Deferred Debits	89,956,221	99,952,319
Total Assets and Other Debits	1,295,503,956	1,237,889,123
Liabilities and Other Credits:		
Stockholders' Investment:		
Common Stock	1,000	1,000
Other Paid in Capital	649,660,717	630,793,961
Retained Earnings	(56,585,954)	(91,965,139)
Accumulated Other Comprehensive Income	(628,648)	(1,205,844)
Total Common Equity	592,447,115	537,623,978
Long-Term Debt:		
Other Long-Term Debt	266,578,457	269,399,656
Contra-Current Portion Other LTD	(3,200,000)	(3,200,000)
Long-Term Debt, Net	263,378,457	266,199,656
Total Capitalization	855,825,572	803,823,634
Current Liabilities:		
Notes Payable	156,900,000	124,700,000
Accounts Payable	66,748,943	72,152,758
Accounts Payable-Associated Co	354,971	882,060
Customer Deposits	9,998,376	10,028,404
Total Current Portion of LTD	3,200,000	3,200,000
Taxes Accrued-Federal Income	7,532,855	4,440,236
Taxes Accrued-State Income	(307,028)	(1,891,771)
Taxes Accrued-Other	1,149,120	2,157,945
Interest Accrued-LTD	5,483,646	5,483,646
Interest Accrued-Other	255,342	237,767
Dividends Declared	5,600,000	3,500,000
Tax Collections Payable	83,594	339,522
Miscellaneous Current Liabilities	17,378,457	35,918,914
Total Current Liabilities	274,378,276	261,149,481
Deferred Credits:		
Accumulated Deferred ITC	505,758	743,308
Accum Deferred Income Taxes	112,542,279	107,777,861
Other Regulatory Liabilities	6,807,105	11,681,057
Due to Parent - Postretirement Benefits	23,482,833	28,282,488
Due to Parent - Other Benefits	1,821,284	2,100,845
Other Asset Retirement Obligations	12,073,787	12,438,252
Other Deferred Credits	8,067,062	9,892,197
Total Deferred Credits	165,300,168	172,918,008
Total Liabilities and Other Credits	1,295,503,956	1,237,889,123

PSNC Energy
Trial Balance
For the Period Ended December 31, 2007

Item 2
Page 1 of 12

<u>Account</u>	<u>Description</u>	<u>PSNC Energy</u>
1180210	Gas Plant In Service	1,145,764,641.48
1180212	Gas Pis For Arc- Non Ratebase	3,981,127.58
1180250	Gas Plant Held For Future Use	999,339.97
1180260	Compl Constr Not Classified Ga	1,735,634.13
1180270	Constr Work In Prog Gas	12,408,922.94
1180294	Gas Plant Acquispsnc	236,533,733.15
1190001	Accum Prov For Amortization	(79,844.33)
1190050	Acc Prov For Amort-gas Plant	(26,710,076.85)
1190210	Acc Depr Rwp Gas	74,315.23
1190270	Acc Depr Of Gas Utility Plant	(414,355,548.93)
1190272	Accum Depr Gas Pis - Arc	(1,425,969.66)
1210100	Nonutility Property	0.00
1220100	Acc Amrt & Depr Non-utlty Prop	0.00
1231132	Invest In Sub Co Pscp	11,829,746.06
1231133	Invest In Sub Co Blue	5,918,490.86
1231136	Invest In Sub Co Clean	427,613.12
1231432	Invest In Sub Co Non Pscp	(226,229.16)
1231433	Invest In Sub Co Non Blue	183,924.48
1231436	Invest In Sub Co Non Clean	(14,642.21)
1240026	Invest In Cardinal Club	875.00
1240028	Invest In Croasdaile Cty Club	6,000.00
1240035	Invest In Pine Needle Lng	0.00
1240036	Invest In Cardinal Extension	0.00
1310000	Cash	266,756,004.01
1310100	Csh Trnfr Btwn Sc & Eg Units	(74,070,312.14)
1310200	Csh Trnfr Btwn Sh & Eg Units	(53,922,446.45)
1310300	Csh Trnfr Btwn Eg & Pscn Units	(2,824,290.98)
1310500	Csh Trnfr Btwn Sh & Pscn Units	(529,825.74)
1310600	Csh Trnfr Btwn Sc & Pscn Units	(131,832,204.88)
1310803	Csh Trnfr Btwn Svci & Pscn	(204,014.16)
1350006	Petty Cash Working Fund	1,562.00
1350009	Right Of Way Working Fund	(1,000.00)
1360000	Temp Cash Investments	1,199,656.67
1410000	Notes Receivable	227,792.20
1420000	Cust Ar Miscellaneous	0.00
1420006	Ar Pscn Gas Customers	63,705,819.50
1420007	Ar Pscn Mdse Customers	9,021,012.22
1420008	Ar Pscn Pending Revenue	(796,957.50)
1420009	Ar Pscn Pending Def Interest	(12,747.34)
1420010	Ar Pscn Pending Tax	(64,391.61)
1420011	Ar Pscn Heat Care Donations	2,085.40
1430013	Cash Escrow For Like Kind	110,631.12
1430015	Oth Ar Gas Brokering	5,671,728.53
1430020	Oth Ar Pscn Ciac	101,019.87
1430025	Hedges - Broker Ar	206,481.00
1430027	Oth Ar - Otc Hedging	39,347.00
1430029	Oth Ar - Mgp Ins Settlement	300,000.00
1430102	Oth Ar Ltd	149,802.19

PSNC Energy
Trial Balance
For the Period Ended December 31, 2007

Item 2
Page 2 of 12

Account	Description	PSNC Energy
1430121	Oth Ar - G&k Uniforms	(19.32)
1430502	Oth Ar Agcy Voucher Psnc	61,625.66
1440006	Acc Prov Uncoll Psnc Gas Cr	(697,303.84)
1440007	Acc Prov Uncoll Psnc Mdse Cr	(135,052.18)
1460003	Ar Assoc Co Semi	3,626,261.48
1460024	Ar Assoc Co Clean Energy	130.45
1460032	Ar Assoc Co Pscp	230,000.00
1460033	Ar Assoc Co Blue Ridge	600,000.00
1540400	M And S Inventory	6,816,530.52
1540410	Invent Work In Process-pipes	802,362.97
1550000	Merch Inventory	559,748.59
1550001	Merch Inv Appliance Parts	232,864.08
1642011	Liq Ng Stored Transco Gss Inv	12,276,603.94
1642013	Liq Ng Stored Transco Wss Inv	16,270,237.45
1642015	Gas Stored - Saltville	4,064,095.66
1642017	Liq Ng Stored Dti Gss Inv	22,573,987.11
1642018	Liq Ng Stored Transco Ess Inv	1,010,382.71
1642019	Gas Storage - Eminence	2,916,847.64
1642024	Liq Ng Stored Cola Fss Inv	16,564,358.82
1643023	Liq Ng Held Cove Pt Lng Inv	1,645,001.15
1643025	Liq Ng Held Pine Needle Lng	6,638,051.27
1643031	Liq Ng Held Lng Inv	6,377,944.87
1650000	Prepayments - Misc	30,320.19
1650006	Prepay Int On Commer Paper	345,026.27
1650018	Prepaid-software Agreement	31,378.40
1650111	Prepay Direct & Offic Liabty	235,848.36
1650129	Prepay Publc Liab & Prop Damge	457,597.64
1650141	Prepay Work Comp Policy Excess	51,732.52
1650172	Prepay Fiduc And Emp Ben Liab	58,217.20
1650210	Prepay Taxes & Priv Lic	42,755.14
1650401	Prepay Crime & Fiduciary Liab	9,882.50
1650402	Prepay Excess Laib Ins Layer 1	135,860.84
1650403	Prepay Excess Laib Ins Layer 2	93,682.50
1650412	Prepay-renwl Fee On Comm Paper	15,000.00
1730000	Accrued Utility Revenues	41,318,970.59
1810111	Unam Debt Exp 8.75% 2012	19,075.04
1810112	Unam Debt Exp 6.99% 2026	412,162.00
1810113	Unam Debt Exp 7.45% 2026	369,189.00
1810114	Unam Debt Exp 6.625% 2011	564,256.04
1810132	Unam Penalty Exp 6 99% 2026	70,650.13
1810133	Unam Penalty Exp 7 45% 2026	70,442.61
1810134	Unam Penalty Exp 6 625% 2011	84,648.00
1823011	Reg Asset Psnc Def Gas Costs	6,582,641.45
1823013	Reg Asset Psnc Def Gas Sales	16,152,872.00
1823021	Deferred Hedge Costs	18,460,991.52
1823025	Reg Asset Pipeline Integ Costs	1,728,440.17
1823029	Hedges - Asset	7,874,504.20
1823030	Hedges - Contra Account	(1,079,070.00)
1823038	Reg Asset Unrecov Ferc Sttlmnt	213,679.59

PSNC Energy
Trial Balance
For the Period Ended December 31, 2007

Item 2
Page 3 of 12

Account	Description	PSNC Energy
1823040	Reg Asset Work Comp Ibnr	187,036.46
1823045	Reg Asset Pipeline Integ Amort	870,774.97
1823050	Reg Asset Def Residential	358,117.00
1823106	Def Aro Acretion And Arc Depr	9,518,628.93
1823401	Reg Asst Mgp Env Remd Cur Vntg	2,221,982.47
1823403	Reg Asst Mgp Env Rem Ftr Vntg	4,566,144.00
1823408	Reg Asset Psnc Env Compl	2,223,193.76
1823411	Reg Asset - Gas Sfas 158 Adj	7,464,258.00
1823481	Reg Asst Rate Case 2006	209,782.82
1840405	Trnsf Acct Bal Btw Cis Sys	(1,785.74)
1840641	Indir Payroll Holiday	1,206,549.13
1840644	Indir Payroll Jury Duty	11,276.87
1840645	Indir Payroll Funeral	44,605.86
1840646	Indir Payroll Paid Time Off	2,774,213.08
1840649	Clear Indirect Payroll	(4,036,644.94)
1840650	Taxes Transfer Fica	2,791,868.00
1840651	Tax Transfer Fed Unemployment	41,337.25
1840659	Clear Taxes Transferred	(2,833,205.25)
1860000	Misc Deferred Debits	79,913.44
1860006	Def Dr Inv Wo Prop Acct Dist	(45.00)
1860022	Def Dr Other Work In Prog	328,968.79
1860033	Treas A For Cust Acctg	(11,260.46)
1860034	Cis System Balance	(8,697.45)
1860048	Misc Def Dr-swap-true Value	578,457.45
1860055	Def Dr-mgp Ins Settlement	600,000.00
1860058	Def Dr Dep On Rented Prop	2,402.66
1860128	Psnc Workers Comp Reserve Def	126,243.78
1860512	Def Dr Ar Sh - Pensions	1,470,198.64
1860950	Csv Due From Sh For Dir Endow	27,729.00
1900010	Adit Fed Gas Itc Fasb 109	278,469.00
1900013	Adit St Gas Itc Fasb 109	57,036.00
1900032	Adit Fed Gas Bonus Plan	29,702.00
1900035	Adit St Gas Bonus Plan	6,291.00
1900062	Adit Fed Gas Unbill Rev	(1,032,816.00)
1900064	Adit St Gas Unbill Rev	(218,703.00)
1900068	Adit Fed Gas Uncoll Accts	296,032.00
1900070	Adit St Gas Uncoll Accts	62,686.00
1900078	Adit Fed Gas Opeb	2,269,346.00
1900081	Adit St Gas Opeb	480,543.00
1900083	Adit Fed Nonop Opeb	110,600.00
1900084	Adit St Nonop Opeb	23,400.00
1900117	Adit-psnc Federal Deferred Buy	393.00
1900118	Adit-psnc State Deferred Buy/s	83.00
1900121	Adit-fed Psnc Insurance Reserv	260,952.00
1900122	Adit-state Psnc Insurance Rese	55,258.00
1900123	Adit-fed Psnc 263 Adj To Inv	156,025.00
1900124	Adit-state Psnc 263 Adj To Inv	33,039.00
1900129	Adit-fed Psnc Benefit Restor	1,294,775.00
1900130	Adit-st Psnc Benefit Restor	274,174.00

PSNC Energy
Trial Balance
For the Period Ended December 31, 2007

Item 2
Page 4 of 12

Account	Description	PSNC Energy	
1900133	Adit Fed Psnc Ex Npl Reg Liab	279,274.00	
1900134	Adit St Psnc Ex Nonpl Reg Liab	59,137.00	
1900135	Adit-fed Lost And Unacctd For	499,090.00	
1900136	Adit-state Lost And Unacctd Fo	105,684.00	
1900161	Adit Fed - Directors Endowment	154,630.00	
1900162	Adit St - Directors Endowment	32,744.00	
1900181	Adit Fed Non-rec Line Pack	19,354.00	
1900182	Adit-state Non-recov Line Pack	4,098.00	
1900302	St Gas Opeb Fas 158	354,400.00	
1900307	Fed Gas Opeb Fas 158	1,674,000.00	
		<u>1,295,503,956.22</u>	Ties to Balance Sheet
2010000	Com Stk Issued	(1,000.00)	
2080000	Donations From Stockholders	(40,000,000.00)	
2110100	Misc Paid In Capital	(609,660,716.81)	
2160000	Unapp Retained Earnings	91,965,138.54	
2169999	Cur Mo Retd Earn	(35,379,184.60)	
2190001	Oci-sfas 158 Adj	308,436.00	
2190016	Other Comprehensive Inc-psnc	320,212.00	
2230028	Adv Frm Assoc Co Psnc	0.00	
2240107	Oth Ltd 8.75% 2012	(16,578,457.45)	
2240108	Oth Ltd 6.99% 2026	(50,000,000.00)	
2240109	Oth Ltd 7.45% 2026	(50,000,000.00)	
2240110	Oth Ltd 6.625% 2011	(150,000,000.00)	
2240200	Oth Ltd Current Portion	(3,200,000.00)	
2240201	Oth Ltd Curr Portion Contra	3,200,000.00	
2282004	Acc Pro Inj & Dam Retain Liab	(500,000.00)	
2282010	Acc Pro Inj And Dam Work Comp	(427,078.00)	
2282014	True Up For Actuary Wc Reserv	(192,508.00)	
2282015	W C Ibrn Reserve	(431,070.00)	
2300001	Aro - Electric And Gas	(12,073,786.85)	
2310001	Notes Pay Psnc Comm Paper	(156,900,000.00)	
2320003	Apay Manual Accrual	(7,284,839.96)	
2320011	Apay Gas Costs	(52,402,458.90)	
2320012	Apay Ferc Settlement	(102,889.71)	
2320027	Oth Ap - Otc Hedging	(2,738,836.00)	
2320109	Apay Proj Share Donate	(3,268.59)	
2320118	Apay Accr Rcpts Liab	(133,428.22)	
2320119	Apay Nonstock Rcpts Acrl Psft	(244,461.36)	
2320304	Apay Emp Ded For Sav Pln Stk	(3,809.72)	
2320306	Apay Tax Def Sav Stk	(92,065.06)	
2320307	Apay Emp Ded 401k Loan	(36,252.01)	
2320327	Ee Garnishment Deducts	764.88	
2320334	Ee Miscellaneous Deducts	(213.04)	
2340003	Apay Assoc Co Semi	(63,317.09)	
2340028	Apay Assoc Co Psnc	0.00	
2341029	Inter Co Payable Sc Apay	(3,707,185.41)	

**PSNC Energy
Trial Balance**

Item 2
Page 5 of 12

For the Period Ended December 31, 2007

Account	Description	PSNC Energy
2344029	Apay Assoc Co Accr-sc	(291,653.85)
2350001	Cust Deposits Utility Sales	(9,998,375.63)
2360002	Taxes Accr Current Fed Inc	(7,532,854.99)
2360003	Taxes Accr State Inc Tax	307,027.79
2360004	Taxes Accr Other Than Inc	3,231.00
2360005	Taxes Accr State Excise	(998,428.71)
2360006	Taxes Accr Spec Fuels Cng	0.00
2360007	Taxes Accr Psnc Fica Bonus Est	(112,526.16)
2360008	Taxes Accr Fed Excise Tax Cng	0.00
2360303	Accrued Taxes - Futa	(623.15)
2360305	Accrued Payroll Taxes	(40,772.73)
2370001	Int Accr Cust Deposits	(254,925.48)
2370124	Int Accr 8.75% 2012	(0.03)
2370125	Int Accr 6.99% 2026	(1,601,875.00)
2370126	Int Accr 7.45% 2026	(155,208.57)
2370127	Int Accr 6.625% 2011	(3,726,562.50)
2370199	Commit Fees Misc	(416.85)
2380000	Common Dividends Declared	(5,600,000.00)
2410112	Tax Col Pay Sc Use Tax	11,428.77
2410113	Tax Col Pay Nc Use Tax	(37,636.08)
2410118	Tax Col Pay Nc Sales & Use Tax	(66,654.52)
2410121	Tax Col Pay White Goods Disp	(534.00)
2410201	Tax Col Pay Lost Coll Pay Use	9,800.88
2420000	Misc Cur And Accr Liab	(25,506.35)
2420015	Misc C&a Liab Reg Fees	(180,319.69)
2420019	Credit Balance Customer Ar	(9,036,364.13)
2420025	Misc Cur And Accr Liab-psnc	(26,038.00)
2420026	Ibnr - Health Care Accrual	(302,198.00)
2420027	Misc Cur And Accr-mgp Atty Fee	(75,000.00)
2420100	Misc Cur&accr Bonus Stk Match	(73,063.88)
2420132	Misc Cur&accr 2005 Officer Lt	(64,454.00)
2420144	Mis Cur&accr 2007 Emp Bonus	(1,070,016.83)
2420145	Mis Cur&accr 2007 St Bonus	(147,715.40)
2420300	Msc Cur & Accr Liab Accr Pysl	(529,039.70)
2420301	Accrue Vacation Carryover	(344,205.91)
2450002	Market Value - Open Positions	(5,504,534.20)
2530000	Misc Deferred Credits	(9,441.98)
2530005	Def Cr Mgp Enviro Cleanup	(4,566,144.00)
2530013	Def Cr Treas A Account	(319,722.61)
2530027	Def Cr Uearn Int Third	(699,874.15)
2530031	Deferred Cr Psnc Ciac	(18,625.73)
2530050	Apay Directors Endowment	(474,544.00)
2530051	Ap Sh Serp Fas 158	(579,331.00)
2530052	Def Credit-mgp Atty Fees	(150,000.00)
2530142	Def Credit 2006 Officer Lt Bon	(52,887.00)
2530143	Def Cr 2007 Officer Lt Bonus	(135,857.00)
2530208	Def Cr Gas Appliances	(201,858.38)
2530213	Def Cr Secondary Market Fees	(1,206.50)
2530216	Def Cr Unearned Sec Mkt Fees	(249,999.01)

PSNC Energy
Trial Balance
For the Period Ended December 31, 2007

Item 2
Page 6 of 12

Account	Description	PSNC Energy
2530222	Def Cr Ferc Settlement	(110,789.88)
2530612	Apay Sh - Opeb	(23,482,832.76)
2530812	Def Cr Apay Lt Disability	(767,409.17)
2540002	Regulatory Liab Miscellane	(19,548.16)
2540004	Reg Liab Estimated L&u Trueup	(2,140,695.40)
2540015	Reg Liab Est Sec Mkt Cust	(1,877,507.23)
2540208	Reg Liab Psnc Excess Def Tx	(2,769,354.00)
2550005	Acc Def Itc Fed Gas	(505,758.00)
2820003	Adit Fed Gas Liberal Depr	(70,544,713.00)
2820007	Adit St Gas Liberal Depr	(13,984,283.00)
2820018	Adit Fed Gas Plt Fasb 109	1,295,542.00
2820021	Adit St Gas Plt Fasb 109	295,739.00
2820024	Adit Fed Gas Res And Exp	(9,057,573.00)
2820027	Adit St Gas Res And Exp	(1,918,714.00)
2820031	Adit Fed Gas Basis Dif	(5,505,939.00)
2820035	Adit St Gas Basis Dif	(1,165,904.00)
2820045	Adit State Gas Removal Cost	(789,486.00)
2820047	Adit Fed Gas Removal Cost	(3,731,806.00)
2820052	Adit Reg Cr Excess Adj	(1,784,511.00)
2820053	Adit Reg Dr Deficient	102,504.00
2820054	Adit Reg Cr Excess State	(49,907.00)
2820055	Adit Reg Dr Deficient	22,348.00
2820057	Adit Fed Def Inc Tax	0.00
2820058	Adit Other Federal	(880,619.00)
2820059	Adit State Def Inc Tax	0.00
2820060	Adit Other State	23,557.00
2820061	Adit - Fed - Line Pack	2,419.00
2820062	Fed Psnc Cardinal Liberal Depr	0.00
2820063	St Psnc Cardinal Liberal Depr	0.00
2820064	Adit-state - Line Pack	512.00
2830042	Adit Fed Nonop Pension Exp	55,500.00
2830046	Adit St Nonop Pension Exp	11,800.00
2830048	Adit Fed Gas Ltd	250,060.00
2830051	Adit St Gas Ltd	52,951.00
2830067	Adit-federal-psnc-195 Merger C	(964,588.00)
2830068	Adit-state-psnc-195 Merger Cos	(204,255.00)
2830069	Adit-federal-psnc-deferred Buy	810,237.00
2830070	Adit Fed - Prepay	171,572.00
2830071	Adit Federal Psnc - Prepayment	(353,735.00)
2830072	Adit State Psnc - Prepayment	(74,905.00)
2830073	Adit-federal-psnc-enviromental	(1,433,797.00)
2830074	Adit-state-psnc-enviromental C	(303,612.00)
2830089	Adit-fed Def Pipeline Integ	(846,954.00)
2830090	Adit-st Def Pipeline Integ	(179,346.00)
2830091	Adit-fed Vacation Carryover	240,683.00
2830092	Adit-st Vacation Carryover	50,966.00
2830095	Adit-fed Bond Prepmnt Penalty	(83,928.00)
2830096	Adit-st Bond Prepmnt Penalty	(17,772.00)
2830097	Adit-fed Def Case Expenses	(68,358.00)

**PSNC Energy
Trial Balance**

Item 2
Page 7 of 12

For the Period Ended December 31, 2007

Account	Description	PSNC Energy	
2830098	Adit-st Def Case Expenses	(14,475.00)	
2830102	Adit-fed Workers Comp lbnr	48,616.00	
2830103	Adit-state Workers Comp lbnr	10,295.00	
2830202	St Gas Pension Reg Rec	(160,600.00)	
2830205	St Gas Pension Fas 158	160,600.00	
2830207	Fed Gas Pension Reg Rec	(758,600.00)	
2830209	Fed Gas Pension Fas 158	758,600.00	
2830302	St Gas Opeb Reg Rec	(354,400.00)	
2830307	Fed Gas Opeb Reg Rec	(1,674,000.00)	
		<u>(1,295,503,956.22)</u>	Ties to Balance Sheet
4081000	Tx Oth Than Inc Tx Util	8,595,581.78	
4082000	Tx Oth Than Inc Tx Oth Inc-ded	25,964.14	
4091003	Inc Tx Fed Gas Util	7,188,168.00	
4091007	Inc Tx St Gas Util	967,556.00	
4092000	Inc Tx Fed Oth Inc And Ded	2,361,900.00	
4092001	Inc Tx St Oth Inc And Ded	500,100.00	
4092009	Fed Estimated Inc Tax - Btl	0.00	
4092010	State Estimated Inc Tax - Btl	0.00	
4101000	Def Inc Tax Fed	5,933,699.00	
4101001	Def Inc Tax State	1,887,176.00	
4102000	Def Fed Tx Oth Inc And Ded	0.00	
4102001	Def St Tx Oth Inc And Ded	0.00	
4112000	Def Fed Tx Cr	32,434.00	
4112001	Def St Tx Cr	6,868.00	
4114007	Tax Credit Adj Restored	(237,550.00)	
4140000	Depr Exp Gas	35,506,423.32	
4140001	Acc Amort Misc Gas	6,237.19	
4140004	Amrt Exp Gas Franchise Fees	680.13	
4140500	Amort For Scana Software	494,866.75	
4140550	Depr For Scana Assets	965,559.96	
4150111	Gross Sales Appliances	(7,348,663.06)	
4150116	Servicecare Cash Call Appl Rev	(250.00)	
4150117	Servicecare Appl Contract Rev	(573,610.51)	
4150118	Servicecare Appl Serv Call Rev	(8,261.92)	
4150119	Servicecare Hvac Contract Rev	(1,308.45)	
4150120	Servicecare Hvac Serv Call Rev	(337.95)	
4150121	Servicecare Pipeline Prot Rev	(834.85)	
4150122	Servicecare Complete Revenue	(3,537.00)	
4150212	Gross Sales Jobbing	(1,268,286.36)	
4150213	Late Payment Chrg Jobbing	(39,521.94)	
4160120	Employee Expenses	131,049.91	
4160121	Cost Of Appliances Sold	2,179,410.37	
4160122	Cost Of Installing Appliances	2,295,189.45	
4160124	Cost Of Service Contract	(44.25)	
4160131	Supervision Merchandise	713,491.54	
4160133	Comm & Bonus Merchandise	727,912.37	

**PSNC Energy
Trial Balance**

Item 2
Page 8 of 12

For the Period Ended December 31, 2007

Account	Description	PSNC Energy
4160134	Advertising	138,380.79
4160135	Appliance Parts & Serv Merch	28,357.36
4160136	Misc Expenses Merchandise	500,548.40
4160138	Estimated Hourly Payroll	8,779.68
4160140	Acctg And Cashiering-mdse	151,834.77
4160150	Servicecare Contract Costs	313,742.84
4160151	Servicecare Marketing Costs	46,895.66
4160152	Servicecare Misc Costs	9,966.54
4160153	Uncollectible Accts Servcare	6,097.15
4160154	Servicecare Hvac Contract Cost	1,030.20
4160155	Servicecare Hvac Marktg Costs	40,478.33
4160175	Uncollectible Accts Third Part	21,243.34
4160179	Uncollectible Accts Merch	54,336.42
4160223	Cost Of Jobbing	925,778.35
4160231	Supervision Jobbing	229,329.28
4160240	Acctg And Cashiering-jobbing	63,799.09
4160289	Uncollectible Accts Jobbing	52,295.69
4170100	Non Util Rev Cng Retail Sales	0.00
4170101	Non Util Rev Gross Sales	0.00
4171000	Exp From Non-utility Opertns	99,888.05
4171009	Exp Frm Nonutil Oper Telecom	1,367.60
4171100	Exp Frm Non Util Cog Cng	0.00
4171921	A&g Off Supp & Exp Non Util	3,207.44
4181032	Equity Earn Of Sub Co Pscp	(1,593,683.00)
4181033	Equity Earn Of Sub Co Blue	(887,635.34)
4181036	Equity Earn Of Sub Co Clean	(923.67)
4190000	Interest And Dividend Income	(60,871.30)
4190096	Int And Div Inc Short Term Inv	(95,588.23)
4190098	Int And Div Inc St Invest Tax	(11,981.68)
4190099	Int And Div Inc Other	(3,821,848.81)
4190175	Earned Interest Third Party	(337,022.44)
4190179	Earned Interest Merchandise	(173,734.48)
4191000	Allow Funds Used Constr Eq	(710,693.59)
4210000	Misc Nonoper Income	108.88
4210301	Other Income - Secondary Marke	(2,741,402.92)
4211000	Gain On Disp Of Prop	(25,349.82)
4261000	Donations	341,821.65
4262002	Ins Exp Csv Directors Endowmnt	20,686.30
4262003	Ins Exp-proceeds Dir Endowment	(78,154.68)
4263000	Penalties	(249.83)
4264000	Exp-civic Polit & Related Act	173,760.23
4265000	Other Deductions	(14,566.58)
4265001	Other Deductions Scana	1,593.92
4265002	Misc Inc Ded Dir Endow	(9,455.00)
4265003	Oth Ded Pine Needle	0.00
4265004	Oth Ded Cardinal Exten	0.00
4265070	Oth Ded Exp Frm Sale-land	657.13
4270000	Interest On Long Term Debt	18,671,139.99
4280000	Amort Of Debt Disc And Exp	266,020.36

**PSNC Energy
Trial Balance**

Item 2
Page 9 of 12

For the Period Ended December 31, 2007

Account	Description	PSNC Energy
4300029	Int On Debt Assoc Co - Svc Co	448,978.20
4300129	Interest On Advances - Sc	119,672.94
4310000	Other Interest Expense	577,623.07
4310001	Oth Int Exp Int-cust Deposits	609,946.42
4310002	Oth Int Exp Commercial Paper	6,132,369.17
4320000	Allw Fnds Used Dmg Constr Dbt	(402,247.86)
4800101	Residential Gas Sales Rate 101	(109,625,496.87)
4800105	Residential Gas Sales Rate 105	(184,188,155.51)
4800110	Residential Gas Sales Rate 110	(59,023,303.27)
4800115	Open Flame Gas Lantern	(39,327.89)
4800120	Residential Gas Sales Rate 120	(4,795.52)
4810020	Comm Firm Gas Sales Rate 120	(5,161.28)
4810025	Comm Firm Gas Sales Rate 125	(142,697,969.27)
4810026	Comm Firm Gas Sales Rate 126	(95,411.71)
4810045	Comm Firm Gas Sales Rate 145	(13,960,282.66)
4810091	Comm Firm Gas Sales Rate 190	(11,337.55)
4810095	Comm Firm Gas Sales Rate 195	(18,587.27)
4810150	Comm Int Gas Sales Rate 150	(10,023,552.02)
4810160	Comm Int Gas Sales Rate 160	(1,718,072.69)
4810225	Ind Firm Gas Sales Rate 125	(9,161,502.70)
4810245	Ind Firm Gas Sales Rate 145	(7,821,944.86)
4810350	Ind Int Gas Sales Rate 150	(7,186,248.21)
4810360	Ind Int Gas Sales Rate 160	(5,973,729.54)
4840225	Interdptmnt Gas Sales-cee 225	(4,563.50)
4870000	Other Oper Rev-delinquent Chgs	(906,140.42)
4880000	Miscellaneous Service Revenue	(2,014,694.78)
4880001	Oth Oper Rev Rents From Gas	(36,666.60)
4880100	Other Oper Rev-ret Check Fee	(212,572.52)
4880300	Other Oper Rev After Hours Chg	(9,367.50)
4880500	New Meter Set Trip Charges	(21,920.00)
4880600	Investigative Charges	(20,301.95)
4890201	Ind Firm Gas Sls-trans Rte 200	(492,834.37)
4890202	Ind Firm Gas Sls-trans Rte 201	(217,460.77)
4890275	Ind Firm Gas Sls-trans Rte 175	(9,568,157.96)
4890365	Ind Int Gas Sales-trans Rt 165	(64,816.39)
4890380	Ind Int Gas Sales-trans Rte 18	(12,190,080.18)
7170000	Oper Liq Petroleum Gas Exp Mgp	23,256.55
7350000	Envir Amrt & Misc Oper Exp Mgp	1,218,363.03
8030510	Ng Trans Line Purch Transco	47,268,311.78
8030520	Ng Trans Line Purch Interco	2,712.53
8030550	Ng Trans Line Purch Comm Chrg	310,659,353.80
8081011	Gas Wd Frm Stor Transco Gss	13,348,825.94
8081013	Gas Wd Frm Stor Transco Wss	12,692,664.17
8081015	Gas Withdraw - Saltville	5,100,377.96
8081017	Gas Wd Frm Stor Dti Gss	20,706,821.42
8081019	Gas Wd Frm Stor - Eminence	99,600.00
8081021	Gas Wd Frm Stor Transco Lga	66,507.03
8081024	Gas Wd Frm Stor Cola Fss	19,342,813.35
8081051	Gas Wd Frm Stor Trans Gss	1,789,561.69

**PSNC Energy
Trial Balance**

Item 2
Page 10 of 12

For the Period Ended December 31, 2007

Account	Description	PSNC Energy
8081052	Gas Wd Frm Stor Trans Wss	580,584.08
8081053	Stored Gas Demand Chrg Dti Gss	2,195,642.00
8081054	Gas Wd Frm Stor Trans Ess	1,100,654.02
8081055	Demand Charges - Saltville	1,112,606.79
8081058	Gas Wd Frm Stor Cola Fss	1,822,083.31
8081061	Gas Wd Frm Stor Trans Lga	190,016.65
8082011	Gas DI Frm Stor Transco Gss	(13,438,599.36)
8082013	Gas DI Frm Stor Transco Wss	(11,238,146.70)
8082015	Gas Injections - Saltville	(4,377,489.83)
8082017	Gas Delv To Stor Dti Gss	(19,783,762.46)
8082019	Gas Delv To Stor - Eminence	(3,016,447.64)
8082021	Gas DI Frm Stor Transco Lga	(66,507.03)
8082024	Gas DI Frm Stor Cola Fss	(16,344,832.37)
8091023	Lng Wd Cove Point	1,753,362.00
8091025	Lng Wd Pine Needle	4,101,340.19
8091031	Lng Wd Withdrawal	2,609,104.44
8091056	Lng - Cary Power Costs	818,782.61
8091057	Lng Wd Cove Point	13,547.00
8092023	Lng Delivery Cove Point	(1,599,171.72)
8092025	Lng Delivery Pine Needle	(3,740,199.17)
8092031	Lng Delivery Injections	(4,190,611.85)
8130001	Fac Chrg Oth Gas Supp Exp	3,289.00
8130002	Gas Cost Oth Gas Supp Exp	1,315,579.91
8130004	Comm Cost Oth Gas Supp Exp	6,282,977.98
8130005	Lost & Unacctd For Interim Adj	739,831.12
8400000	Oper Supr & Engr Oth Stor Exp	172,138.39
8410000	Oper Labor & Exp Oth Stor Exp	428,395.57
8410001	Oper Refrigerants Oth Stor Exp	40,972.56
8410003	Oper Oth Consum Oth Stor Exp	14,687.91
8410004	Oper Exp Oth Stor Exp	14,837.71
8420000	Oper Rents Oth Stor Exp	100.83
8432000	Maint Struct & Impr Oth Stor	7,153.82
8434000	Maint Purificatn Equip Oth Sto	53,883.14
8435000	Maint Liquefaction Oth Stor	3,587.69
8436001	Maint Vaporizing Equip Boilers	600.00
8437001	Maint Compressor Equip C1	335.30
8437002	Maint Compressor Equip C2	18,887.84
8437003	Maint Compressor Equip C3	1,513.94
8437004	Maint Compressor Equip C4	1,513.93
8437005	Maint Compressor Equip Air	1,080.44
8437007	Maint Compressor Equip Other	137.19
8439000	Maint Other Equip Oth Stor	31,933.64
8500000	Oper Supervsn & Engineering	356,039.47
8510000	Syst Cntrl And Load Disptch	528,593.60
8520000	Oper Comm Sys Exp Trans Exp	2,017.67
8530000	Oper Compressor Station Exp	18,732.10
8560000	Oper Mains Exp Transmission	885,456.81
8570000	Oper Meas & Reg Stations Exp	38,397.17
8590000	Oper Other Transmission Exp	562,582.29

**PSNC Energy
Trial Balance**

Item 2
Page 11 of 12

For the Period Ended December 31, 2007

<u>Account</u>	<u>Description</u>	<u>PSNC Energy</u>
8610000	Maint Supervision & Enginrng	450,838.25
8620000	Maint Struct & Impr Trans Exp	110,206.97
8630000	Maint Mains Transmission Exp	713,695.55
8640000	Maint Compressor Stat Trans Ex	76,846.64
8650000	Maint Meas & Reg Stat Equip	348,076.07
8660000	Maint Comm Equip Trans Exp	35,876.27
8700000	Supervsn & Engr Ng Dist Oper	910,570.44
8740000	Mains & Srvc Exp Ng Dist Oper	5,913,055.21
8750000	Meas/reg Statn Exp Gnrl Ng Dst	201,263.74
8760000	Meas/reg Statn Exp Indstl Ng D	143,562.18
8780000	Meter/house Reg Exp Ng Dist Op	3,675,621.56
8780020	Oper Meter House Reg Pre Fab	764.32
8790000	Cust Installation Ng Dist Oper	4,002,640.39
8800000	Other Expenses Ng Dist Oper	2,809,857.19
8810000	Rents Ng Dist Oper	5,400.00
8850000	Maint Supervsn & Engr Ng Dist	462,592.36
8860000	Maint Strctr & Imprvmnt Ng Dis	411,312.36
8870000	Maint Mains Ng Dist	1,024,985.33
8890000	Maint Meas/reg Statn Equ Genrl	18,515.04
8900000	Maint Meas/reg Statn Equ Indst	473,140.73
8920000	Maint Services Ng Dist	861,860.44
8930000	Maint Metrs/house Regtr Ng Dis	798,630.60
9010000	Supervision Cust Acct	1,019,105.35
9020000	Meter Reading Exp Cust Acct	3,439,504.62
9030001	Billing & Accntng Exp Cust Act	4,771,968.68
9030002	Collecting Exp Cust Acct	1,158,735.52
9030003	Contrct & Orders Exp Cust Acct	2,319,431.32
9040000	Uncollectbl Accnts Cust Acct	393,971.50
9050000	Misc Cust Accnts Exp Cust Acct	164,275.27
9070000	Supervision Cust Serv	5,273.60
9080000	Customr Assistnc Exp Cust Srv	508,275.46
9090000	Info/instrct Advert Ex Cst Srv	395,304.40
9100000	Misc Cust Srv/info Exp Cus	6,949.94
9110000	Supervision Sales	110,686.21
9120000	Demonstrng & Selling Exp Sales	1,184,743.06
9130000	Advertising Exp Sales	734,862.15
9160000	Misc Sales Exp Sales	196,646.47
9200000	A And G Salaries	8,791,315.08
9200001	Accrue Vacation Carryover	11,692.73
9200003	A And G Salaries Bonus	2,713,258.68
9210000	A And G Off Supp And Expenses	8,710,586.43
9230000	A And G Outside Svcs	3,482,733.10
9240000	A And G Property Insurance	392,628.66
9250000	A And G Injuries And Damages	1,433,313.24
9260000	A And G Pension	1,450,860.27
9260001	A And G Benefits	8,675,097.77
9280000	A And G Reg Comm Exps	129,846.39
9280002	A&g Reg Comm Exp Psnc Fees	691,450.13
9301000	A And G Gen Advert Exps	50,575.78

PSNC Energy
Trial Balance
For the Period Ended December 31, 2007

Item 2
Page 12 of 12

<u>Account</u>	<u>Description</u>	<u>PSNC Energy</u>	
9302000	A And G Misc Gen Exps	875,307.90	
9310000	A And G Rents	1,423,000.71	
9350000	A And G Maint General Plant	572,959.70	
9350001	A And G Environ Exp	190,830.54	
9999999	Retained Earn Contra	<u>35,379,184.60</u>	Ties to Income Statement

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	65,248,980	15,831,418	2,816,451	3,672,429
DEPRECIATION EXPENSE	37,555,784	28,814,772	5,512,473	1,300,020	1,928,518
TAXES OTHER THAN INCOME	9,344,472	7,126,229	1,453,881	314,115	450,247
STATE INCOME TAXES	3,798,385	2,331,863	874,799	364,095	227,628
FEDERAL INCOME TAXES	17,937,733	11,012,138	4,131,208	1,719,424	1,074,964
INVESTMENT TAX CREDIT (NET)	(830,678)	(622,756)	(126,762)	(32,936)	(48,224)
TOTAL EXPENSES	\$632,254,961	\$400,951,652	\$163,572,227	\$29,013,140	\$38,717,942
OPERATING RETURN AFTER TAXES	\$55,065,365	\$33,917,926	\$12,617,457	\$5,231,609	\$3,298,373
RATE BASE					
GROSS PLANT	1,191,285,225	900,424,781	179,317,430	45,325,089	66,217,926
RESERVES FOR DEPRECIATION	(427,817,811)	(319,648,075)	(66,196,433)	(17,406,701)	(24,566,602)
NET PLT IN SERVICE	763,467,414	580,776,706	113,120,996	27,918,387	41,651,324
WORKING CAPITAL	63,039,596	40,132,670	15,758,474	6,423,511	724,941
ACCUMULATED DEFERRED INCOME TAXES	(106,359,412)	(79,947,286)	(16,081,836)	(4,137,901)	(6,192,389)
RATE BASE	\$720,147,598	\$540,962,090	\$112,797,634	\$30,203,997	\$36,183,877
RATE OF RETURN	7.65%	6.27%	11.19%	17.32%	9.12%

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	389,153	78,280	20,142	30,142
360	STORAGE PLANT - ACCTS. 360-363	MDEM1	18,995,624	12,634,892	4,814,428	1,546,304	0
365	TRANSMISSION PLANT - ACCTS. 365-370	MDEM4	113,437,247	58,193,308	24,786,038	11,854,192	18,603,709
374	DIST LAND & LAND RIGHTS	RB_A_PLT_DI_O_	7,328,762	5,766,667	1,031,752	213,376	316,967
375	DIST STRUCTURES & IMPROVEMENTS	MDEM4	24,283,081	12,457,221	5,305,853	2,537,582	3,982,425
376	DIST MAINS	MCW3	563,203,082	439,496,652	72,454,950	19,865,299	31,386,181
378	DIST MEAS & REG STA EQUIP-GEN	MDEM4	9,216,094	4,727,856	2,013,717	963,082	1,511,439
380	DIST SERVICES	MCW1	266,442,543	233,390,878	27,096,141	2,618,597	3,336,927
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	571,264	243,316	116,369	182,626
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	571,264	8,072,552	2,007,628	2,166,414
387	DIST OTHER EQUIPMENT (Includes 386 & 387)	RB_A_PLT_DI_O_	1,632,510	1,284,547	229,827	47,530	70,606
	DISTRIBUTION PLANT		995,119,897	781,690,741	140,080,441	29,445,088	43,903,628
389	GENERAL PLANT	WORKPTD	63,214,740	47,516,687	9,558,243	2,459,362	3,680,448
	GROSS PLANT		\$1,191,285,225	\$900,424,781	\$179,317,430	\$45,325,089	\$66,217,926

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)	(60,016)	(12,073)	(3,106)	(4,649)
RES STORAGE PLANT	RB_A_PLT_ST_O	(14,533,908)	(9,667,193)	(3,683,609)	(1,183,106)	0
RES TRANSMISSION PLANT	RB_A_PLT_TR_O	(51,810,508)	(26,578,791)	(11,320,596)	(5,414,198)	(8,496,923)
RES DIST PLT	RB_A_PLT_DI_O	(332,346,818)	(261,508,488)	(46,788,210)	(9,676,230)	(14,373,890)
RES GEN & COM PLT	WORKPTD	(29,046,733)	(21,833,587)	(4,391,946)	(1,130,060)	(1,691,140)
RESERVES FOR DEPRECIATION		(427,817,811)	(319,648,075)	(66,196,433)	(17,406,701)	(24,566,602)

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	5,369,195	790,544	176,753	272,607
STORED GAS (164-165)	MDEM1	76,622,602	50,965,333	19,419,945	6,237,324	0
WORKING CAPITAL - MATERIALS & SUPPLIES		<u>\$83,231,702</u>	<u>\$56,334,529</u>	<u>\$20,210,489</u>	<u>\$6,414,077</u>	<u>\$272,607</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)	(956,658)	(192,437)	(49,515)	(74,099)
AVG ACCRUED VACATION LIABILITY	XLABOR	(335,145)	(233,387)	(68,336)	(14,219)	(19,203)
AVERAGE DEFERRED CREDIT TREASURY A ACCOUNT	RB_A_PLT	(401,770)	(301,999)	(60,749)	(15,631)	(23,392)
AVG PREPAYMENTS	WORKPTD	625,993	470,541	94,652	24,354	36,446
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)	(13,073,813)	(3,828,018)	(796,538)	(1,075,724)
POST RETIRE. & POST EMPL. ACCRUALS PF	XLABOR	41,954	29,216	8,554	1,780	2,404
WORKING CAPITAL - COST FREE CAPITAL		<u>(\$18,990,139)</u>	<u>(\$13,192,621)</u>	<u>(\$3,897,637)</u>	<u>(\$808,235)</u>	<u>(\$1,091,645)</u>
CASH REQUIREMENTS - LEAD LAG STUDY						
PURCHASED GAS	MRCTHR3	2,229,359	0	0	704,857	1,524,502
OPERATION & MAINTENANCE	EXP_A_O&M_	4,071,941	3,196,255	640,859	107,608	127,219
GENERAL TAXES	TOTI	(1,760,854)	(1,342,853)	(273,966)	(59,191)	(84,844)
CHANGE IN CURRENT FEDERAL TAXES	MMAN	39,945	21,997	10,424	4,254	3,270
CHANGE IN CURRENT STATE TAXES	MMAN	5,377	2,961	1,403	573	440
DEFERRED TAXES	RB_A_PLT	846,976	636,647	128,065	32,952	49,312
DEPRECIATION	DEP_A_	4,004,141	3,050,501	593,992	144,601	215,047
INCOME TAX CREDIT	RB_A_PLT_??_O	(25,726)	(19,287)	(3,926)	(1,020)	(1,493)
NET OPERATING INCOME FOR RETURN	RB_A_PLT	577,149	433,826	87,267	22,454	33,602
WORKING CAPITAL - INVESTOR SUPPLIED CASH		<u>\$9,988,308</u>	<u>\$5,980,048</u>	<u>\$1,184,117</u>	<u>\$957,087</u>	<u>\$1,867,056</u>
WORKING CAPITAL		<u>\$63,039,596</u>	<u>\$40,132,670</u>	<u>\$15,758,474</u>	<u>\$6,423,511</u>	<u>\$724,941</u>
ACCUMULATED DEFERRED INCOME TAXES	RB_A_PLT	<u>(\$106,359,412)</u>	<u>(\$79,947,286)</u>	<u>(\$16,081,836)</u>	<u>(\$4,137,901)</u>	<u>(\$6,192,389)</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	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		\$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	145,133	55,302	17,762	0
841	OTHER LABOR & EXPENSES	MDEM1	498,895	331,839	126,445	40,612	0
842	RENTS	MDEM1	101	67	26	8	0
	O & M EXP - PRODUCTION OPER		717,193	477,039	181,772	58,382	0
735	Maint Production Equip MGP	MDEM1	1,223,847	814,039	310,183	99,625	0
843.2	MAINTENANCE STRUCTURES & IMPROVEMENTS	MDEM1	7,154	4,758	1,813	582	0
843.4	MAINTENANCE PURIFICATION EQUIPMENT	MDEM1	53,883	35,840	13,657	4,386	0
843.5	MAINTENANCE LIQUEFACTION EQUIPMENT	MDEM1	3,588	2,387	909	292	0
843.6	MAINTENANCE VAPORIZING EQUIPMENT	MDEM1	600	399	152	49	0
843.7	MAINTENANCE COMPRESSOR EQUIPMENT	MDEM1	23,468	15,610	5,948	1,910	0
843.9	MAINTENANCE OTHER EQUIPMENT	MDEM1	31,934	21,241	8,094	2,600	0
	O & M EXP - PRODUCTION MAINT		1,344,474	894,274	340,756	109,444	0
850	OPERATION SUPERVISION & ENGINEERING	MDEM4	648,874	332,872	141,779	67,807	106,415
851	SYSTEM CONTROL & LOAD DISPATCHING	MDEM4	528,594	271,169	115,498	55,238	86,689
852	COMMUNICATION SYSTEM EXPENSES	MDEM4	2,018	1,035	441	211	331
853	COMPRESSION STATION LABOR & EXPENSES	MDEM4	18,732	9,610	4,093	1,957	3,072
856	MAINS EXPENSE	MDEM4	885,457	454,239	193,472	92,530	145,215
857	MEASURING & REGULATING STATION EQUIPMENT	MDEM4	38,397	19,698	8,390	4,012	6,297
859	OTHER TRANSMISSION EXPENSES	MDEM4	562,582	288,605	122,924	58,790	92,263
860	RENTS	MDEM4	210,138	107,801	45,915	21,959	34,463
	O & M EXP - TRANSMISSION OPER		2,894,792	1,485,028	632,512	302,506	474,746
861	SUPERVISION & ENGINEERING	MDEM4	450,838	231,280	98,508	47,113	73,937
862	MAINTENANCE STRUCTURES & IMPROVEMENTS	MDEM4	110,207	56,536	24,080	11,517	18,074
863	MAINTENANCE OF MAINS	MDEM4	713,696	366,126	155,943	74,581	117,046
864	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	MDEM4	76,847	39,423	16,791	8,031	12,603
865	MAINTENANCE OF MEASURING & REGULATING STATION EQUIP	MDEM4	348,076	178,563	76,055	36,374	57,084
866	MAINTENANCE OF COMMUNICATION EQUIPMENT	MDEM4	35,876	18,404	7,839	3,749	5,884
	O & M EXP - TRANSMISSION MAINT		1,735,540	890,332	379,215	181,364	284,629
870	Supervision and Engr NG Dis	WORKPTD	974,038	732,156	147,277	37,895	56,710
871	LOAD DISPATCHING NG DIST OP	WORKPTD	(634,501)	(476,936)	(95,938)	(24,685)	(36,942)
874	Mains and Services Exp NG D	MCW4	6,177,140	5,018,274	738,875	165,201	254,790
875	District Regulating Expenses	MDEM4	213,437	109,493	46,636	22,304	35,004
876	Industrial M&R Station Expenses	RB_A_PLT_DI_O__385	145,281	3,966	93,700	23,034	24,582
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	2,311,102	413,494	85,514	127,030
881	RENTS	RB_A_PLT_DI_O	5,400	4,249	760	157	234
	O & M EXP - DIST OPER TOTAL		18,044,489	13,972,902	3,127,214	398,407	545,966

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	339,803	109,085	20,241	24,750
886	Maint Structures and Improv	EXP_A_O&M_DM_	417,631	287,342	92,244	17,116	20,929
887	Maint Mains NG Dist	MCW3	1,078,434	841,558	138,738	38,039	60,099
889	Maint Meas and Reg Station - General	RB_A_PLT_DI_O__378	19,214	9,857	4,198	2,008	3,151
890	Maint Meas and Reg Station - Industrial	RB_A_PLT_DI_O__385	501,213	13,681	323,260	79,467	84,805
892	Maint Services NG Dist	MCW1	926,174	811,284	94,188	9,102	11,599
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	2,941,051	942,929	175,021	213,930
901	Supervision Cust Acct	EXP_A_O&M_CUST_ACC	1,141,523	1,030,469	115,424	157	(4,528)
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	1,039,302	426,518	(200,194)	(216,965)
905	Misc Cust Accounts Exp Cust	MCDEPS, EXP_A_O&M_C	774,221	643,867	110,629	5,273	14,452
	O & M EXP - CUST ACCT & INFO		14,114,843	12,781,929	1,654,370	(138,836)	(182,619)
907	Customer Assistance Exp Cus	EXP_A_O&M_CUST_SERV	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_MIS	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	8,743,650	2,560,145	532,718	719,434
921	OFFICE SUPPLIES & EXPENSES	XLABOR	9,030,908	6,288,901	1,841,393	383,159	517,456
923	OUTSIDE SERVICES	XLABOR	3,426,672	2,386,249	698,695	145,385	196,342
924	PROPERTY INSURANCE	RB_A_PLT	387,368	291,173	58,571	15,071	22,553
925	INJURIES & DAMAGES	XLABOR	1,433,313	998,124	292,251	60,812	82,126
926	PENSION & BENEFITS	XLABOR	10,233,927	7,126,653	2,086,687	434,200	586,387
928	REG COMMISSION EXPENSE	EXP_A_O&M_	997,760	783,188	157,032	26,368	31,173
930.1	GENERAL ADVERTISING EXPENSE	XLABOR	50,576	35,220	10,312	2,146	2,898
930.2	MISCELLANEOUS GENERAL EXPENSE	XLABOR	843,972	587,721	172,085	35,808	48,358
931	RENTS	XLABOR	1,423,001	990,943	290,148	60,374	81,536
935	MAINTENANCE GENERAL PLANT & ENVIRONMENTAL	RB_A_PLT	791,199	594,721	119,631	30,782	46,065
	O&M EXP - A&G		41,174,643	28,826,544	8,286,950	1,726,822	2,334,328
	O&M TOTAL EXPENSES EXCL COG		\$87,569,278	\$65,248,980	\$15,831,418	\$2,816,451	\$3,672,429

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
DEPRECIATION EXPENSE						
DEPREC EXP INTANGIBLE	RB_A_PLT_IN_R	9,427	7,086	1,425	367	549
DEPREC EXP STORAGE	RB_A_PLT_ST_R	183,615	122,131	46,537	14,947	0
DEPREC EXP TRANSMISSION	RB_A_PLT_TR_R	2,000,719	1,026,369	437,157	209,075	328,118
DEPREC EXP DIST	RB_A_PLT_DI_R	30,656,101	24,121,882	4,315,805	892,548	1,325,866
DEPREC EXP GENERAL	RB_A_PLT_GC_R	4,705,921	3,537,304	711,548	183,083	273,985
DEPRECIATION EXPENSE		\$37,555,784	\$28,814,772	\$5,512,473	\$1,300,020	\$1,928,518
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	4,587,037	922,708	237,415	355,293
FICA Tax (Includes both State & Federal Payroll Taxes)	EXP_A_O&M_	3,159,427	2,480,358	515,074	73,470	90,525
Miscellaneous Taxes	RB_A_PLT	53,556	40,256	8,098	2,084	3,118
GENERAL TAXES		\$9,344,472	\$7,126,229	\$1,453,881	\$314,115	\$450,247

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	704,416,646	447,154,440	179,356,906	34,694,510	43,210,789
OTHER GAS REVENUES	3,345,175	2,829,536	512,246	2,366	1,027
TOTAL REVENUES	\$707,761,821	\$449,983,977	\$179,869,153	\$34,696,876	\$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	65,327,503	15,850,534	2,818,800	3,678,640
TAXES OTHER THAN INCOME	24,563,991	15,911,579	5,323,934	1,865,984	1,462,494
INVESTMENT TAX CREDIT (NET)	(830,678)	(622,756)	(126,762)	(32,936)	(48,224)
TOTAL EXPENSES	\$640,390,553	\$406,967,092	\$165,036,634	\$29,193,084	\$39,193,744
OPERATING RETURN AFTER TAXES	\$67,371,268	\$43,016,885	\$14,832,520	\$5,503,792	\$4,018,071
RATE BASE					
GROSS PLANT	1,191,285,225	900,424,781	179,317,430	45,325,089	66,217,926
RESERVES FOR DEPRECIATION	(427,817,811)	(319,648,075)	(66,196,433)	(17,406,701)	(24,566,602)
NET PLT IN SERVICE	763,467,414	580,776,706	113,120,996	27,918,387	41,651,324
WORKING CAPITAL	63,039,596	40,132,670	15,758,474	6,423,511	724,941
ACCUMULATED DEFERRED INCOME TAXES	(106,359,412)	(79,947,286)	(16,081,836)	(4,137,901)	(6,192,389)
RATE BASE	\$720,147,598	\$540,962,090	\$112,797,634	\$30,203,997	\$36,183,877
RATE OF RETURN	9.36%	7.95%	13.15%	18.22%	11.10%

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	389,153	78,280	20,142	30,142
360	STORAGE PLANT - ACCTS. 360-363	MDEM1	18,995,624	12,634,892	4,814,428	1,546,304	0
365	TRANSMISSION PLANT - ACCTS. 365-370	MDEM4	113,437,247	58,193,308	24,786,038	11,854,192	18,603,709
374	DIST LAND & LAND RIGHTS	RB_A_PLT_DI_O_	7,328,762	5,766,667	1,031,752	213,376	316,967
375	DIST STRUCTURES & IMPROVEMENTS	MDEM4	24,283,081	12,457,221	5,305,853	2,537,582	3,982,425
376	DIST MAINS	MCW3	563,203,082	439,496,652	72,454,950	19,865,299	31,386,181
378	DIST MEAS & REG STA EQUIP-GEN	MDEM4	9,216,094	4,727,856	2,013,717	963,082	1,511,439
380	DIST SERVICES	MCW1	266,442,543	233,390,878	27,096,141	2,618,597	3,336,927
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	571,264	243,316	116,369	182,626
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	571,264	8,072,552	2,007,628	2,166,414
387	DIST OTHER EQUIPMENT (Includes 386 & 387)	RB_A_PLT_DI_O_	1,632,510	1,284,547	229,827	47,530	70,606
	DISTRIBUTION PLANT		995,119,897	781,690,741	140,080,441	29,445,088	43,903,628
389	GENERAL PLANT	WORKPTD	63,214,740	47,516,687	9,558,243	2,459,362	3,680,448
	GROSS PLANT		\$1,191,285,225	\$900,424,781	\$179,317,430	\$45,325,089	\$66,217,926

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)	(60,016)	(12,073)	(3,106)	(4,649)
RES STORAGE PLANT	RB_A_PLT_ST_O	(14,533,908)	(9,667,193)	(3,683,609)	(1,183,106)	0
RES TRANSMISSION PLANT	RB_A_PLT_TR_O	(51,810,508)	(26,578,791)	(11,320,596)	(5,414,198)	(8,496,923)
RES DIST PLT	RB_A_PLT_DI_O	(332,346,818)	(261,508,488)	(46,788,210)	(9,676,230)	(14,373,890)
RES GEN & COM PLT	WORKPTD	(29,046,733)	(21,833,587)	(4,391,946)	(1,130,060)	(1,691,140)
RESERVES FOR DEPRECIATION		(\$427,817,811)	(\$319,648,075)	(\$66,196,433)	(\$17,406,701)	(\$24,566,602)

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	5,369,195	790,544	176,753	272,607
STORED GAS (164-165)	MDEM1	76,622,602	50,965,333	19,419,945	6,237,324	0
WORKING CAPITAL - MATERIALS & SUPPLIES		<u>\$83,231,702</u>	<u>\$56,334,529</u>	<u>\$20,210,489</u>	<u>\$6,414,077</u>	<u>\$272,607</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)	(956,658)	(192,437)	(49,515)	(74,099)
AVG ACCRUED VACATION LIABILITY	XLABOR	(335,145)	(233,387)	(68,336)	(14,219)	(19,203)
AVERAGE DEFERRED CREDIT TREASURY A ACCOUNT	RB_A_PLT	(401,770)	(301,999)	(60,749)	(15,631)	(23,392)
AVG PREPAYMENTS	WORKPTD	625,993	470,541	94,652	24,354	36,446
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)	(13,073,813)	(3,828,018)	(796,538)	(1,075,724)
POST RETIRE. & POST EMPL. ACCRUALS PF	XLABOR	41,954	29,216	8,554	1,780	2,404
WORKING CAPITAL - COST FREE CAPITAL		<u>(\$18,990,139)</u>	<u>(\$13,192,621)</u>	<u>(\$3,897,637)</u>	<u>(\$808,235)</u>	<u>(\$1,091,645)</u>
CASH REQUIREMENTS - LEAD LAG STUDY						
PURCHASED GAS	MRCTHR3	2,229,359	0	0	704,857	1,524,502
OPERATION & MAINTENANCE	EXP_A_O&M_	4,071,941	3,196,255	640,859	107,608	127,219
GENERAL TAXES	TOTI	(1,760,854)	(1,342,853)	(273,966)	(59,191)	(84,844)
CHANGE IN CURRENT FEDERAL TAXES	MMAN	39,945	21,997	10,424	4,254	3,270
CHANGE IN CURRENT STATE TAXES	MMAN	5,377	2,961	1,403	573	440
DEFERRED TAXES	RB_A_PLT	846,976	636,647	128,065	32,952	49,312
DEPRECIATION	DEP_A_	4,004,141	3,050,501	593,992	144,601	215,047
INCOME TAX CREDIT	RB_A_PLT_??_O	(25,726)	(19,287)	(3,926)	(1,020)	(1,493)
NET OPERATING INCOME FOR RETURN	RB_A_PLT	577,149	433,826	87,267	22,454	33,602
WORKING CAPITAL - INVESTOR SUPPLIED CASH		<u>\$9,988,308</u>	<u>\$5,980,048</u>	<u>\$1,184,117</u>	<u>\$957,087</u>	<u>\$1,867,056</u>
WORKING CAPITAL		<u>\$63,039,596</u>	<u>\$40,132,670</u>	<u>\$15,758,474</u>	<u>\$6,423,511</u>	<u>\$724,941</u>
ACCUMULATED DEFERRED INCOME TAXES	RB_A_PLT	<u>(\$106,359,412)</u>	<u>(\$79,947,286)</u>	<u>(\$16,081,836)</u>	<u>(\$4,137,901)</u>	<u>(\$6,192,389)</u>

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
REVENUE						
RATE SCHEDULE REVENUE	DIRECT ASSIGNMENT	704,416,646	447,154,440	179,356,906	34,694,511	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
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	145,133	55,302	17,762	0
841	OTHER LABOR & EXPENSES	MDEM1	498,895	331,839	126,445	40,612	0
842	RENTS	MDEM1	101	67	26	8	0
	O & M EXP - PRODUCTION OPER		717,193	477,039	181,772	58,382	0
	Maint Production Equip MGP PF	MDEM1	(17,773)	(11,822)	(4,505)	(1,447)	0
735	Maint Production Equip MGP	MDEM1	1,223,847	814,039	310,183	99,625	0
843.2	MAINTENANCE STRUCTURES & IMPROVEMENTS	MDEM1	7,154	4,758	1,813	582	0
843.4	MAINTENANCE PURIFICATION EQUIPMENT	MDEM1	53,883	35,840	13,657	4,386	0
843.5	MAINTENANCE LIQUEFACTION EQUIPMENT	MDEM1	3,588	2,387	909	292	0
843.6	MAINTENANCE VAPORIZING EQUIPMENT	MDEM1	600	399	152	49	0
843.7	MAINTENANCE COMPRESSOR EQUIPMENT	MDEM1	23,468	15,610	5,948	1,910	0
843.9	MAINTENANCE OTHER EQUIPMENT	MDEM1	31,934	21,241	8,094	2,600	0
	O & M EXP - PRODUCTION MAINT		1,344,474	894,274	340,756	109,444	0
850	OPERATION SUPERVISION & ENGINEERING	MDEM4	648,874	332,872	141,779	67,807	106,415
851	SYSTEM CONTROL & LOAD DISPATCHING	MDEM4	528,594	271,169	115,498	55,238	86,689
852	COMMUNICATION SYSTEM EXPENSES	MDEM4	2,018	1,035	441	211	331
853	COMPRESSION STATION LABOR & EXPENSES	MDEM4	18,732	9,610	4,093	1,957	3,072
856	MAINS EXPENSE	MDEM4	885,457	454,239	193,472	92,530	145,215
857	MEASURING & REGULATING STATION EQUIPMENT	MDEM4	38,397	19,698	8,390	4,012	6,297
859	OTHER TRANSMISSION EXPENSES	MDEM4	562,582	288,605	122,924	58,790	92,263
860	RENTS	MDEM4	210,138	107,801	45,915	21,959	34,463
	O & M EXP - TRANSMISSION OPER		2,894,792	1,485,028	632,512	302,506	474,746
861	SUPERVISION & ENGINEERING	MDEM4	450,838	231,280	98,508	47,113	73,937
862	MAINTENANCE STRUCTURES & IMPROVEMENTS	MDEM4	110,207	56,536	24,080	11,517	18,074
863	MAINTENANCE OF MAINS	MDEM4	713,696	366,126	155,943	74,581	117,046
864	MAINTENANCE OF COMPRESSOR STATION EQUIPMENT	MDEM4	76,847	39,423	16,791	8,031	12,603
865	MAINTENANCE OF MEASURING & REGULATING STATION EQUIP	MDEM4	348,076	178,563	76,055	36,374	57,084
866	MAINTENANCE OF COMMUNICATION EQUIPMENT	MDEM4	35,876	18,404	7,839	3,749	5,884
	O & M EXP - TRANSMISSION MAINT		1,735,540	890,332	379,215	181,364	284,629
870	Supervision and Engr NG Dis	WORKPTD	974,038	732,156	147,277	37,895	56,710
871	LOAD DISPATCHING NG DIST OP	WORKPTD	(634,501)	(476,936)	(95,938)	(24,685)	(36,942)
874	Mains and Services Exp NG D	MCW4	6,177,140	5,018,274	738,875	165,201	254,790
875	District Regulating Expenses	MDEM4	213,437	109,493	46,636	22,304	35,004
876	Industrial M&R Station Expenses	RB_A_PLT_DI_O__385	145,281	3,966	93,700	23,034	24,582
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	2,311,102	413,494	85,514	127,030
881	RENTS	RB_A_PLT_DI_O	5,400	4,249	760	157	234
	O & M EXP - DIST OPER TOTAL		18,044,489	13,972,902	3,127,214	398,407	545,966
885	SUPERVISION & ENGINEERING	EXP_A_O&M_DM_	493,879	339,803	109,085	20,241	24,750
886	Maint Structures and Improv	EXP_A_O&M_DM_	417,631	287,342	92,244	17,116	20,929
887	Maint Mains NG Dist	MCW3	1,078,434	841,558	138,738	38,039	60,099
889	Maint Meas and Reg Station - General	RB_A_PLT_DI_O__378	19,214	9,857	4,198	2,008	3,151
890	Maint Meas and Reg Station - Industrial	RB_A_PLT_DI_O__385	501,213	13,681	323,260	79,467	84,805
892	Maint Services NG Dist	MCW1	926,174	811,284	94,188	9,102	11,599
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	2,941,051	942,929	175,021	213,930

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
901	Supervision Cust Acct	EXP_A_O&M_CUST_ACCT_	1,141,523	1,030,469	115,424	157	(4,528)
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	1,039,302	426,518	(200,194)	(216,965)
905	Misc Cust Accounts Exp Cust	MCDEPS, EXP_A_O&M_CUST_ACCT_	774,221	643,867	110,629	5,273	14,452
	O & M EXP - CUST ACCT & INFO		14,114,843	12,781,929	1,654,370	(138,836)	(182,619)
907	Customer Assistance Exp Cus	EXP_A_O&M_CUST_SERV_	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	8,743,650	2,560,145	532,718	719,434
921	OFFICE SUPPLIES & EXPENSES	XLABOR	9,030,908	6,288,901	1,841,393	383,159	517,456
923	OUTSIDE SERVICES	XLABOR	3,426,672	2,386,249	698,695	145,385	196,342
924	PROPERTY INSURANCE	RB_A_PLT	387,368	291,173	58,571	15,071	22,553
925	INJURIES & DAMAGES	XLABOR	1,433,313	998,124	292,251	60,812	82,126
926	PENSION & BENEFITS	XLABOR	10,233,927	7,126,653	2,086,687	434,200	586,387
928	REG COMMISSION EXPENSE	EXP_A_O&M_	1,103,958	861,711	176,148	28,716	37,384
930.1	GENERAL ADVERTISING EXPENSE	XLABOR	50,576	35,220	10,312	2,146	2,898
930.2	MISCELLANEOUS GENERAL EXPENSE	XLABOR	843,972	587,721	172,085	35,808	48,358
931	RENTS	XLABOR	1,423,001	990,943	290,148	60,374	81,536
935	MAINTENANCE GENERAL PLANT & ENVIRONMENTAL	RB_A_PLT	791,199	594,721	119,631	30,782	46,065
	O&M EXP - A&G		41,280,841	28,905,066	8,306,066	1,729,171	2,340,539
	O&M TOTAL EXPENSES EXCL COG		\$87,675,476	\$65,327,503	\$15,850,534	\$2,818,800	\$3,678,641

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
DEPRECIATION EXPENSE						
DEPREC EXP INTANGIBLE	RB_A_PLT_IN_R	9,427	7,086	1,425	367	549
DEPREC EXP STORAGE	RB_A_PLT_ST_R	183,615	122,131	46,537	14,947	0
DEPREC EXP TRANSMISSION	RB_A_PLT_TR_R	2,000,719	1,026,369	437,157	209,075	328,118
DEPREC EXP DIST	RB_A_PLT_DI_R	26,986,431	21,234,386	3,799,184	785,706	1,167,154
DEPREC EXP DIST	RB_A_PLT_GC_R	7,463,956	5,610,439	1,128,571	290,384	434,562
DEPREC EXP GENERAL	RB_A_PLT_GC_R	4,705,921	3,537,304	711,548	183,083	273,985
DEPRECIATION EXPENSE		\$37,555,784	\$28,814,772	\$5,512,473	\$1,300,020	\$1,928,518
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	4,587,037	922,708	237,415	355,293
FICA Tax (Includes both State & Federal Payroll Taxes)	EXP_A_O&M_	3,159,427	2,480,358	515,074	73,470	90,525
Miscellaneous Taxes	RB_A_PLT	53,556	40,256	8,098	2,084	3,118
TAXES OTHER THAN INCOME		\$9,344,472	\$7,126,229	\$1,453,881	\$314,115	\$450,247

Account:	Spread	928	926	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	Pro Forma
	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	Account	Account
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 IRM-3 3M	9	8,523.50	3			8,523.50				
INSTROMET IRM-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>	<u>100.00%</u>

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": 00769	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

		Customer	Avg Cust		Demand	Peak & Avg	Percent
Mains	RES	68.00%	91.12%	61.96%	32.00%	51.82%	16.58%
CW3	SGS	68.00%	8.74%	5.94%	32.00%	22.01%	7.04%
Calculation	LGS_F	68.00%	0.10%	0.07%	32.00%	9.77%	3.13%
	LGS_I	68.00%	0.04%	0.03%	32.00%	16.40%	5.25%
	TOTAL		100.00%	68.00%		100.0000%	32.00%

		Customer	Avg Cust		Demand	Peak & Avg	Percent
Services	RES	92.00%	90.7600%	83.50%	8.00%	51.8200%	4.15%
CW1	SGS	92.00%	9.0800%	8.35%	8.00%	22.0100%	1.76%
Calculation	LGS_F	92.00%	0.1100%	0.10%	8.00%	9.7700%	0.78%
	LGS_I	92.00%	0.0500%	0.05%	8.00%	16.4000%	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	403,833,641	227,181,059	631,014,700	81.59%
CW4	66,769,520	26,217,187	92,986,707	12.02%
Calculation	16,423,994	2,288,275	18,712,269	2.42%
	27,122,418	3,520,025	30,642,443	3.96%
	514,149,574	259,206,546	773,356,120	100.00%

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

Item 3d
Worksheet 7
Page 1 of 1

Method	Description	RES	SGS	LGS_FIRM	LGS_INT
DEP_A_	DEPRECIATION EXPENSE	76.18%	14.83%	3.61%	5.37%
EXP_A_O&M_	O & M EXP - EXCL A&G	78.49%	15.74%	2.64%	3.12%
EXP_A_O&M_CUST_ACCT_	O&M EXP - MET RDING & UNCOLLS	90.27%	10.11%	0.01%	-0.40%
EXP_A_O&M_CUST_SERV_	O & M EXP - CUSTOMER SERVICE	91.13%	8.74%	0.09%	0.04%
EXP_A_O&M_DM_	O & M EXP - DIST MAINT - ACCTS.	68.80%	22.09%	4.10%	5.01%
EXP_A_O&M_SALES_MISC	MISCELLANEOUS SALES EXPENSE	91.12%	8.74%	0.10%	0.04%
LAB_A_O&M_CUST_ACCT_	CUSTOMER ACCTS	90.61%	8.89%	0.35%	0.15%
LAB_A_O&M_DM_	Labor	66.98%	21.49%	5.01%	6.52%
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	Avg Customers	91.12%	8.74%	0.10%	0.04%
MCUSTY	Year End Customers	91.22%	8.63%	0.10%	0.04%
MCW1	Weighted Distribution Services	87.60%	10.17%	0.98%	1.25%
MCW2	Weighted Meters	76.22%	21.67%	1.08%	1.03%
MCW3	Weighted Mains	78.04%	12.86%	3.53%	5.57%
MCW4	Weighted Mains and Services	81.24%	11.96%	2.67%	4.12%
MCX8030000DA	Directly Assigned Fixed Gas Cost	58.99%	22.31%	5.04%	13.66%
MCX8030100DA	Directly Assigned Commodity Gas Cost	72.22%	23.36%	1.90%	2.52%
MCX8030TH	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	99.11%	40.67%	-19.09%	-20.69%
MDEM1	Peak Day	66.51%	25.34%	8.14%	0.00%
MDEM4	Peak Day and Avg	51.30%	21.85%	10.45%	16.40%
MMAN	Manual Tax Allocation	55.07%	26.10%	10.65%	8.19%
MRCTHR	Annual Sales	57.37%	30.30%	5.22%	7.10%
MRCTHR3	Annual Sales LGS Groups	0.00%	0.00%	31.62%	68.38%
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	Net Taxable Income	61.39%	23.03%	9.59%	5.99%
RB_A_PLT	Net Plant	75.17%	15.12%	3.89%	5.82%
RB_A_PLT_??_O	Gross Plant	74.97%	15.26%	3.96%	5.80%
RB_A_PLT_DI_O	Gross Distribution Plant	78.69%	14.08%	2.91%	4.32%
RB_A_PLT_DI_O_	ACCOUNTS 375-385 - DISTRIBUTION PLANT ORIG COST	78.69%	14.08%	2.91%	4.32%
RB_A_PLT_DI_O_	ACCOUNTS 376-381 - DISTRIBUTION PLANT ORIG COST	78.69%	14.08%	2.91%	4.32%
RB_A_PLT_DI_O_378	METERS & REGULATORS	51.30%	21.85%	10.45%	16.40%
RB_A_PLT_DI_O_385	INDUSTRIAL METERS & REGULATORS	2.73%	64.50%	15.86%	16.92%
RB_A_PLT_DI_O_ALOC	DIST MAINS & SERVICES	81.24%	11.96%	2.67%	4.12%
RB_A_PLT_DI_R	RESERVES - DISTRIBUTION	78.69%	14.08%	2.91%	4.32%
RB_A_PLT_GC_R	RESERVES - GENERAL COMMON	75.17%	15.12%	3.89%	5.82%
RB_A_PLT_IN_R	RESERVES - INTANGIBLE	75.16%	15.12%	3.89%	5.83%
RB_A_PLT_ST_O	STORAGE PLANT	66.51%	25.34%	8.14%	0.00%
RB_A_PLT_ST_R	STORAGE RESERVE	66.51%	25.34%	8.14%	0.00%
RB_A_PLT_TR_O	TRANSMISSION PLANT	51.30%	21.85%	10.45%	16.40%
RB_A_PLT_TR_R	TRANSMISSION RESERVE	51.30%	21.85%	10.45%	16.40%
REV_A_RS	Rate Schedule Revenue	63.98%	27.56%	3.95%	4.52%
TOTI	General Taxes	76.26%	15.56%	3.36%	4.82%
WORKPTD	Combined Storage, Transmission, Distribution Plant	75.17%	15.12%	3.89%	5.82%
XLABOR	LABOR EXCLUDING A&G	69.64%	20.39%	4.24%	5.73%

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 PSNC 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	0.9846
Dependent Mean	4.11568	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	0.12880	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
iwyr	1	-0.04512	0.01903	-2.37	0.0279	0.02695	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 P5MC 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	3.13215	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
lwyr	1	-0.04105	0.01385	-2.96	0.0070	0.31826	0.14221
windm	1	-0.20993	0.07539	-2.78	0.0103	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
Dependent 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	0.41160	-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	614.06957	33.69259	18.23	<.0001	12906611	649822
hdd60_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

	(a)	(b)	(c)	(d)
Rate Schedule	Percent Fixed Cost	Annual Fixed Cost	Therms	\$ 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	<u>100.0000%</u>	<u>\$60,565,384</u>	<u>715,918,125</u>	

(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	<u>715,918,125</u>

(d) Column (b) / Column (c)

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

	CONTRACT	RATE		DEMAND	MONTHS/		PIPELINE
PIPELINE	NUMBER	SCHEDULE	MDTQ	RATE	DAYS	AMOUNT	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

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

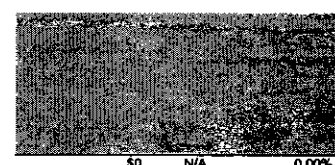
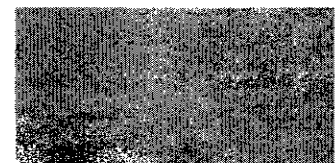
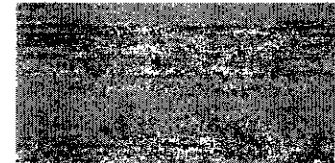
3/31/2008 15:02

Line	Description	Billing Determinants	Present		Proposed			Difference		
			Rates	Revenues	Rates	Bill Dets.	Revenues	Revenues	Per Therm	Percent
1										
2										
3	Rate 101 - All Residential									
4	BFC	5,062,672	\$10.00	\$50,626,720						
5	Summer Therms	40,727,711	\$1.31237	\$53,448,826						
6	Winter Therms	238,938,208	\$1.37237	\$327,911,628						
7	101 Sub-Total			\$431,988,175						
8	Total BFC	5,062,672	\$10.00	\$50,626,720						
9	Total Therm Sale Rev.	279,695,919	\$1.36383	\$381,361,455						
10		662.89								
11	Rate 115 - Open Flame									
12	BFC	79	\$10.00	\$790						
13	Summer Therms	15,886	\$1.31237	\$20,848						
14	Winter Therms	14,738	\$1.37237	\$20,226						
15	115 Sub-Total	30,624	\$1.69218	\$51,821						
16										
17	Rate 120 - Outdoor Lting.									
18	Per Fixture - Fixed Monthly Charge	-	\$10.16	\$0						
19	All Therms	-	\$0.00000	\$0						
20	120 Sub-Total	-	#DIV/0!	\$0						
21										
22	115 / 120 Sub-Total BFC	79	\$10.00000	\$790						
23	115 / 120 Sub-Total Therm Sale Rev.	30,624	\$1.69218	\$51,821						
24										
25	Residential - Total Revenue	279,695,919	\$1.54487	\$432,039,996						
31										
32										
33	Rate 125/225 - Small GS									
34	BFC	470,917	\$17.50	\$8,241,048						
35	First 500 Therms	70,068,860	\$1.27378	\$89,252,312						
36	Next 4500 Therms	61,428,833	\$1.20378	\$73,946,800						
37	Over 5000 Therms	3,556,792	\$1.15378	\$4,103,755						
38	Total BFC	470,917	\$17.50	\$8,241,048						
39	Total Therm Sale Rev.	135,054,484	\$1.23878	\$167,302,868						
40	125/225 Sub-Total			\$175,543,915						
41										
42	Rate 126 - SGS Cooling									
43	BFC	90	\$30.00	\$2,700						
44	All Therms	86,981	\$1.16055	\$100,946						
45	126 Sub-Total			\$103,646						
46										
47	Rate 125 / 126 / 225 - Total Revenue	135,141,485	\$1.28973	\$175,647,561						
54										
55										
56										
57	Rate 145 - Large GS									
58	BFC	2,620	\$300.00	\$786,000						
59	First 15,000 Therms	18,704,462	\$1.06830	\$19,981,977						
60	Next 15,000 Therms	1,822,188	\$1.04930	\$1,912,022						
61	Next 15,000 Therms	449,953	\$1.03030	\$463,587						
62	Next 15,000 Therms	236,135	\$1.00478	\$237,264						
63	Over 60,000 Therms	219,960	\$0.98378	\$216,393						
64	Total BFC	2,620	\$300.00	\$786,000						
65	Total Therm Sale Rev.	21,432,699	\$1.06432	\$22,811,242						
66	145 Sub-Total			\$23,597,242						
67										
68	Rate 175 - LGS Transp.									
69	BFC	2,810	\$300.00	\$843,000						
70	First 15,000 Therms	33,396,636	\$0.15797	\$5,275,687						
71	Next 15,000 Therms	15,547,405	\$0.13897	\$2,160,623						
72	Next 15,000 Therms	8,108,516	\$0.11967	\$972,779						
73	Next 15,000 Therms	4,818,930	\$0.09445	\$455,148						
74	Over 60,000 Therms	10,216,709	\$0.07345	\$750,417						
75	Total BFC	2,810	\$300.00	\$843,000						
76	Total Therm Sale Rev.	72,086,196	\$0.13337	\$9,514,633						
77	175 Sub-Total			\$10,457,633						
78										
79										
80										
	Rate 101 - All Residential									
	BFC									
	Summer Therms									
	Winter Therms									
	101 Sub-Total									
	Total BFC									
	Total Therm Sale Rev.									
	Rate 115 - Open Flame									
	BFC									
	Summer Therms									
	Winter Therms									
	115 Sub-Total									
	Rate 120 - Outdoor Lting.									
	Per Fixture - Fixed Monthly Charge									
	All Therms									
	120 Sub-Total									
	115 / 120 Sub-Total BFC									
	115 / 120 Sub-Total Therm Sale Rev.									
	Residential - Total Revenue									
	Rate 125/225 - Small GS									
	BFC									
	First 500 Therms									
	Next 4500 Therms									
	Over 5000 Therms									
	Total BFC									
	Total Therm Sale Rev.									
	125/225 Sub-Total									
	Rate 126 - SGS Cooling									
	BFC									
	All Therms									
	126 Sub-Total									
	Rate 125 / 126 / 225 - Total Revenue									
	Rate 145 - Large GS									
	BFC									
	First 15,000 Therms									
	Next 15,000 Therms									
	Next 15,000 Therms									
	Next 15,000 Therms									
	Over 60,000 Therms									
	Total BFC									
	Total Therm Sale Rev.									
	145 Sub-Total									
	Rate 175 - LGS Transp.									
	BFC									
	First 15,000 Therms									
	Next 15,000 Therms									
	Next 15,000 Therms									
	Next 15,000 Therms									
	Over 60,000 Therms									
	Total BFC									
	Total Therm Sale Rev.									
	175 Sub-Total									

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 Data	Revenues	Revenues	Per Therm	Percent
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	\$32,425,876	Total LGS Therm Sale Rev.	\$0.84975	38,891,560	\$32,878,003	\$452,127	N/A
84										1.38%
85	LGS - Total Revenue	93,520,895	\$0.36414	\$34,054,876	LGS - Total Revenue	\$0.36898	93,520,895	\$34,507,003	\$452,127	\$0.00483
86										1.33%
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	\$2,158,278	First 15,000 Therms	\$1.00875	2,148,009	\$2,168,811		
97	Next 15,000	1,733,810	\$0.98378	\$1,706,688	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	\$9,290,846		
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			\$18,465,213	\$75,813	N/A
107										0.41%
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	\$0.98775	894,812	\$883,854		
112	Next 70,000	2,680,788	\$0.96278	\$2,581,009	Next 70,000	\$0.96675	2,680,788	\$2,591,660		
113	Next 500,000	4,688,649	\$0.94178	\$4,415,676	Next 500,000	\$0.94575	4,688,649	\$4,434,305		
114	All Over 600,000	738,019	\$0.92078	\$679,553	All Over 600,000	\$0.92475	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	\$9,661,967	\$39,981	N/A
120	160 Sub-Total			\$9,664,586	175 Sub-Total			\$9,704,567	\$39,981	N/A
121										0.41%
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	\$31,062		
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	\$0.06872	\$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										8.52%
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	60,125,174	\$0.06781	\$4,077,148	Next 70,000	\$0.07386	60,125,174	\$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.	176,862,816	\$0.06904	\$12,210,936	Total Therm Sale Rev.	\$0.07509	176,862,816	\$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										7.96%
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	\$0.18320	\$40,008,822	Total Large Interruptible Therm Sale F	\$0.19891	207,541,581	\$41,263,130	\$1,186,208	N/A
153										2.96%
154	Large Interruptible - Total Revenue	207,541,581	\$0.20051	\$41,814,223	Large Interruptible - Total Revenue	\$0.20627	207,541,581	\$42,809,723	\$1,195,500	\$0.00576
										2.87%



Public Service Company of North Carolina, Inc.

Workpapers supporting adjustments to revenues, expenses and rate base are attached. A narrative discussion of each adjustment is contained in the testimony of either Sharon D. Boone or Candace A. Paton. More detailed workpapers, such as supporting computer reports which are too voluminous to enclose, are maintained by the Company and will be made available to the appropriate parties upon request.

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DETAIL OF ACCOUNTING AND PRO FORMA ADJUSTMENTS

		<u>Workpaper Reference</u>
1 Gas Sales and Transportation Revenues		
Increase gas sales and transportation revenues based on sales quantities and amounts as shown on Paton Exhibit 3.	(1) <u>109,882,358</u>	1
1.1 Other Operating Revenues		
Increase due to customer growth	(1.1) <u>123,511</u>	1.1
	<u>123,511</u>	
2 Purchased Gas		
Increase to annualize on end-of-period rates	(2) <u>98,958,803</u>	2
3 Operating and Maintenance		
Adjustments to reflect:		
A. Increased wages	2,072,907	3-A
B. Interest on customer deposits as an operating expense	609,946	3-B
C. Regulatory fees increased for revenue adjustments	131,985	3-C
D. Increased pension cost	55,213	3-D
E. Postretirement costs other than pension increase	(41,954)	3-E
F. Increased 401K expenses and other misc employee benefits	162,723	3-F
G. Uncollectibles cost adjustment	654,688	3-G
H. Customer accounts expense increase for customer growth	174,529	3-H
I. Manufactured gas plant amortization	(17,773)	3-I
J. Rate case expense amortization	44,479	3-J
K. Pipeline integrity management amortization	292,835	3-K
L. Inflation adjustment to non-adjusted O&M expenses	435,184	3-L
M. Amortization of Excess ADIT	(743,297)	3-M
N. Decrease O&M for non-utility allocation	(153,671)	3-N
O. Decrease meter reading expenses due to AMR project	(1,117,156)	3-O
P. Increase to fuel costs for fleet	172,614	3-P
Q. Increase in postage	119,122	3-Q
R. Workers compensation amortization	(68,013)	3-R
S. Bonuses	905,219	3-S
	(3) <u>3,689,580</u>	
4 Depreciation Expense		
Decrease to reflect depreciation on end of period plant	(1,580,440)	4-A
Allocation to nonutility	(129,559)	4-B
Increase to give effect to estimated net plant additions	2,180,317	4-C
Increase to reflect depreciation on end of period Scana Services plant allocated to PSNC	64,932	4-D
Increase to give effect to estimated Scana Services net plant additions	46,767	4-E
	(4) <u>582,017</u>	
5 General Taxes		
Property taxes increased for increase in plant	593,839	5-A
FICA increase due to wage increase and amount subject to FICA	155,053	3-A
	(5) <u>748,892</u>	
6 State Income Taxes		
State income taxes normalized for proforma adjustments	(6) <u>855,247</u>	

7 Federal Income Taxes		
Federal income taxes normalized for proforma adjustments	(7) <u>3,692,116</u>	
8 To decrease amortization of ITC to the going level	(8) <u>52,297</u>	8
8.1 To decrease the amortization of excess ADIT to the going level	(8.1) <u>566,731</u>	8.1
9 Utility Plant		
Estimated net plant additions thru June 30, 2008	47,497,570	4-C
Allocation to nonutility	(3,712,623)	4-B
	(9) <u>43,784,947</u>	
10 Accumulated Depreciation		
Estimated increase to the reserve between test year and June 30, 2008	(14,929,419)	10
Decrease for nonutility	1,472,686	4-B
	(10) <u>(13,456,733)</u>	
11 Working Capital		
Increase for a reduction in expenses related to the postretirement liability	41,954	3-E
	(11) <u>41,954</u>	
12 Deferred Income Taxes		
Estimated increase between test year and June 30, 2008	(1,726,770)	12
Allocated to nonutility	289,941	4-B
	(12) <u>(1,436,829)</u>	
13 Gas Sales and Transportation Revenues		
Increase in revenues following adjustments	(13) <u>20,441,501</u>	
14 Operating and Maintenance		
Increase in regulatory fees following increase in revenues	(14) <u>106,198</u>	
15 State Income Taxes		
Increase for effect of previous adjustments	(15) <u>1,403,136</u>	
16 Federal Income Taxes		
Increase for effect of previous adjustments	(16) <u>6,626,258</u>	

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
SUMMARY OF ADJUSTED TEST YEAR REVENUE
FOR THE TEST YEAR ENDED DECEMBER 31, 2007
DOCKET NO. G-6, SUB 495

Item 4
Workpaper 1
Page 1 of 4

RATE SCHEDULE	PER BOOK			ANNUALIZED			NORMALIZED		GROWTH ADJUSTED		
	BILLS	THERMS	AMOUNT	BILLS	THERMS	AMOUNT	THERMS	AMOUNT	BILLS	THERMS	AMOUNT
101 - Summer	2,410,818	34,439,257	-	2,410,818	34,439,257	\$69,305,228	39,082,337	\$75,398,867	2,512,314	40,727,711	\$78,572,966
101 - Winter	2,447,325	200,920,627	\$352,452,830	2,447,325	200,920,627	\$300,210,691	229,308,970	\$339,170,001	2,560,358	238,938,208	\$353,415,209
115 - Summer	41	15,886	\$20,600	41	15,886	\$21,258	15,886	\$21,258	41	15,886	\$21,258
115 - Winter	38	14,738	\$18,728	38	14,738	\$20,606	14,738	\$20,606	38	14,738	\$20,606
120	980	17,640	\$9,957	980	17,640	\$9,957	17,640	\$9,957	980	17,640	\$9,957
125	465,730	124,198,445	\$151,980,870	465,748	124,235,381	\$181,994,937	133,572,310	\$173,617,361	470,917	135,054,485	\$175,543,916
126	90	86,981	\$95,412	90	86,981	\$103,646	86,981	\$103,646	90	86,981	\$103,646
145	2,620	21,432,699	\$21,782,228	2,620	21,432,699	\$23,597,241	21,432,699	\$23,597,242	2,620	21,432,699	\$23,597,242
150	209	19,081,037	\$17,209,800	209	19,081,037	\$18,389,400	19,081,037	\$18,389,400	209	19,081,037	\$18,389,400
160 - Sales	71	10,062,649	\$7,691,802	71	10,062,649	\$9,664,586	10,062,649	\$9,664,586	71	10,062,649	\$9,664,586
160 - Transportation	6	1,535,279	\$64,816	6	1,535,279	\$109,101	1,535,279	\$109,101	6	1,535,279	\$109,101
175	2,810	72,088,196	\$9,568,158	2,810	72,088,196	\$10,457,633	72,088,196	\$10,457,633	2,810	72,088,196	\$10,457,633
180	2,067	176,862,616	\$12,190,080	2,067	176,862,616	\$13,451,136	176,862,616	\$13,451,136	2,067	176,862,616	\$13,451,136
190	8	14,844	\$11,338	0	0	\$0	0	\$0	0	0	\$0
195	12	22,092	\$18,587	0	0	\$0	0	\$0	0	0	\$0
200	12	20,860,195	\$492,834	12	20,860,195	\$401,035	20,860,195	\$401,035	12	20,860,195	\$401,035
201	12	12,081,154	\$217,461	12	12,081,154	\$217,461	12,081,154	\$217,461	12	12,081,154	\$217,461
Total	5,332,847	693,734,335	\$573,825,501	5,332,847	693,734,335	\$607,953,915	736,102,687	\$664,629,089	5,542,545	748,859,474	\$683,975,151
Other Operating Revenue			\$3,221,664								\$3,221,664
Unbilled Revenue			\$267,292								
Per Book and Proforma Revenue			<u>\$577,314,457</u>								<u>\$687,196,815</u>

Total Adjustment to Revenue

\$109,882,358

RATE SCHEDULE	BILLS	FACILITY CHARGE	ANNUALIZED		BILLING RATE	ANNUALIZED		TOTAL
			FACILITY	ANNUALIZED		ENERGY	ANNUALIZED	
			CHARGES	THERMS		CHARGES	CHARGES	
	1	2	1x2=3	4	5	4x5=6	3+6=7	
101 - Summer	2,410,818	\$10.00	\$24,108,180	34,439,257	\$1.31237	\$45,197,048	\$69,305,228	
101 - Winter	2,447,325	\$10.00	\$24,473,250	200,920,627	\$1.37237	\$275,737,441	\$300,210,691	
115 - Summer	41	\$10.00	\$410	15,886	\$1.31237	\$20,848	\$21,258	
115 - Winter	38	\$10.00	\$380	14,738	\$1.37237	\$20,226	\$20,606	
120	980	\$10.16	\$9,957	17,640	\$0.00000	\$0	\$9,957	
125	465,748	\$17.50	\$8,150,590	124,235,381	see below	\$153,844,347	\$161,994,937	
126	90	\$30.00	\$2,700	86,981	\$1.16055	\$100,946	\$103,646	
145	2,620	\$300.00	\$786,000	21,432,699	see below	\$22,811,241	\$23,597,241	
150	209	\$600.00	\$125,400	19,081,037	see below	\$18,264,000	\$18,389,400	
160 - Sales	71	\$600.00	\$42,600	10,062,649	see below	\$9,621,986	\$9,664,586	
160 - Transportation	6	\$600.00	\$3,600	1,535,279	see below	\$105,501	\$109,101	
175	2,810	\$300.00	\$843,000	72,088,196	see below	\$9,614,633	\$10,457,633	
180	2,067	\$600.00	\$1,240,200	176,862,616	see below	\$12,210,936	\$13,451,136	
200	12	\$11,381.05	\$136,573	20,860,195	\$0.01268	\$264,462	\$401,035	
201	12	\$0.00	\$0	12,081,154	\$0.01800	\$217,461	\$217,461	
Total	5,332,847		\$59,922,839	693,734,335		\$548,031,076	\$607,953,915	

STEPPED RATE CALCULATIONS

	Rate	Volumes	Rates	Amount		Rate	Volumes	Rates	Amount
Step 1	145	18,704,462	\$1.06830	\$19,981,977	160-T		228,870	\$0.10981	\$25,132
Step 2	145	1,822,188	\$1.04930	\$1,912,022	160-T		196,122	\$0.08881	\$17,418
Step 3	145	449,953	\$1.03030	\$463,587	160-T		522,698	\$0.06781	\$35,445
Step 4	145	236,135	\$1.00478	\$237,264	160-T		587,589	\$0.04681	\$27,506
Step 5	145	219,960	\$0.98378	\$216,392	160-T		0	\$0.02581	\$0
Total		<u>21,432,698</u>		<u>\$22,811,241</u>	Total		<u>1,535,279</u>		<u>\$105,501</u>
Step 1	150	2,148,009	\$1.00478	\$2,158,276	175		33,396,636	\$0.15797	\$5,275,667
Step 2	150	1,733,810	\$0.98378	\$1,705,688	175		15,547,405	\$0.13897	\$2,160,623
Step 3	150	4,728,599	\$0.96278	\$4,552,601	175		8,108,516	\$0.11997	\$972,779
Step 4	150	9,823,753	\$0.94178	\$9,251,814	175		4,818,930	\$0.09445	\$455,148
Step 5	150	646,866	\$0.92078	\$595,621	175		10,216,709	\$0.07345	\$750,417
Total		<u>19,081,037</u>		<u>\$18,264,000</u>	Total		<u>72,088,196</u>		<u>\$9,614,633</u>
Step 1	160-S	1,060,381	\$1.00478	\$1,065,449	180		28,541,840	\$0.10981	\$3,134,208
Step 2	160-S	894,812	\$0.98378	\$880,298	180		23,473,157	\$0.08881	\$2,084,675
Step 3	160-S	2,680,788	\$0.96278	\$2,581,009	180		60,125,174	\$0.06781	\$4,077,148
Step 4	160-S	4,688,649	\$0.94178	\$4,415,676	180		59,254,977	\$0.04681	\$2,773,785
Step 5	160-S	738,019	\$0.92078	\$679,553	180		5,467,467	\$0.02581	\$141,121
Total		<u>10,062,649</u>		<u>\$9,621,986</u>	Total		<u>176,862,616</u>		<u>\$12,210,936</u>
Step 1	125	63,826,262	\$1.27378	\$81,300,616					
Step 2	125	56,848,412	\$1.20378	\$68,432,982					
Step 3	125	3,523,771	\$1.15378	\$4,065,656					
Total		<u>124,198,445</u>		<u>\$153,799,254</u>					
Re-pricing Rate 190 @ Rate 125 - Single Cust moved to 125 for 07/07									
Step 1	190	3,000	\$1.27378	\$3,821					
Step 2	190	11,844	\$1.20378	\$14,258					
Step 3	190	0	\$1.15378	\$0					
Total		<u>14,844</u>		<u>\$18,079</u>					
Re-pricing Rate 195 @ Rate 125 - Single Cust moved to 125 before 11/08									
Step 1	195	6,000	\$1.27378	\$7,643					
Step 2	195	16,092	\$1.20378	\$19,371					
Step 3	195	0	\$1.15378	\$0					
Total		<u>22,092</u>		<u>\$27,014</u>					

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
REVENUE NORMALIZATION ADJUSTMENT
FOR THE YEAR ENDED DECEMBER 31, 2007
Docket No. G-5, Sub 495

Item 4
Worksheet 1
Page 3 of 4

RATE SCHEDULE	BILLS	FACILITY CHARGE	ANNUALIZED FACILITY CHARGES	ANNUALIZED THERMS	BILLING RATE	ANNUALIZED ENERGY CHARGES	TOTAL ANNUALIZED CHARGES
	1	2	1x2=3	4	5	4x5=6	3+6=7
101 - Summer	2,410,818	\$10.00	\$24,108,180	39,082,337	\$1.31237	\$51,290,487	\$75,398,667
101 - Winter	2,447,325	\$10.00	\$24,473,250	229,308,970	\$1.37237	\$314,696,751	\$339,170,001
115 - Summer	41	\$10.00	\$410	15,886	\$1.31237	\$20,848	\$21,258
115 - Winter	38	\$10.00	\$380	14,738	\$1.37237	\$20,226	\$20,606
120	980	\$10.16	\$9,957	17,640	\$0.00000	\$0	\$9,957
125	465,748	\$17.50	\$8,150,590	133,572,310	see below	\$165,466,771	\$173,617,361
126	90	\$30.00	\$2,700	86,981	\$1.16055	\$100,946	\$103,646
145	2,620	\$300.00	\$786,000	21,432,699	see below	\$22,811,242	\$23,597,242
150	209	\$600.00	\$125,400	19,081,037	see below	\$18,264,000	\$18,389,400
160 - Sales	71	\$600.00	\$42,600	10,062,649	see below	\$9,621,986	\$9,664,586
160 - Transportation	6	\$600.00	\$3,600	1,535,279	see below	\$105,501	\$109,101
175	2,810	\$300.00	\$843,000	72,088,196	see below	\$9,614,633	\$10,457,633
180	2,067	\$600.00	\$1,240,200	176,862,616	see below	\$12,210,936	\$13,451,136
200	12	\$11,381.05	\$136,573	20,860,195	\$0.01268	\$264,462	\$401,035
201	12	\$0.00	\$0	12,081,154	\$0.01800	\$217,461	\$217,461
Total	5,332,847		\$59,922,839	736,102,687		\$604,706,250	\$664,629,089

STEPPED RATE CALCULATIONS									
	Rate	Volumes	Rates	Amount		Rate	Volumes	Rates	Amount
Step 1	145	18,704,462	\$1.06830	\$19,981,977	160-T		228,870	\$0.10981	\$25,132
Step 2	145	1,822,188	\$1.04930	\$1,912,022	160-T		196,122	\$0.08881	\$17,418
Step 3	145	449,953	\$1.03030	\$463,587	160-T		522,698	\$0.06781	\$35,445
Step 4	145	236,135	\$1.00478	\$237,264	160-T		587,589	\$0.04681	\$27,506
Step 5	145	219,960	\$0.98378	\$216,393	160-T		0	\$0.02581	\$0
Total		<u>21,432,699</u>		<u>\$22,811,242</u>	Total		<u>1,535,279</u>		<u>\$105,501</u>
Step 1	150	2,148,009	\$1.00478	\$2,158,276	175		33,396,636	\$0.15797	\$5,275,667
Step 2	150	1,733,810	\$0.98378	\$1,705,688	175		15,547,405	\$0.13897	\$2,160,623
Step 3	150	4,728,599	\$0.96278	\$4,552,601	175		8,108,516	\$0.11997	\$972,779
Step 4	150	9,823,753	\$0.94178	\$9,251,814	175		4,818,930	\$0.09445	\$455,148
Step 5	150	646,866	\$0.92078	\$595,621	175		10,216,709	\$0.07345	\$750,417
Total		<u>19,081,037</u>		<u>\$18,264,000</u>	Total		<u>72,088,196</u>		<u>\$9,614,633</u>
Step 1	160-S	1,060,381	\$1.00478	\$1,065,449	180		28,541,840	\$0.10981	\$3,134,208
Step 2	160-S	894,812	\$0.98378	\$880,298	180		23,473,157	\$0.08881	\$2,084,675
Step 3	160-S	2,680,788	\$0.96278	\$2,581,009	180		60,125,174	\$0.06781	\$4,077,148
Step 4	160-S	4,688,649	\$0.94178	\$4,415,676	180		59,254,977	\$0.04681	\$2,773,785
Step 5	160-S	738,019	\$0.92078	\$679,553	180		5,467,467	\$0.02581	\$141,121
Total		<u>10,062,649</u>		<u>\$9,621,986</u>	Total		<u>176,862,616</u>		<u>\$12,210,936</u>
Step 1	125	69,290,758	\$1.27378	\$88,261,182					
Step 2	125	60,726,868	\$1.20378	\$73,101,789					
Step 3	125	3,517,748	\$1.15378	\$4,058,707					
Total		<u>133,535,374</u>		<u>\$165,421,678</u>					
Re-pricing Rate 190 @ Rate 125 - Single Cust moved to 125 for 07/07									
Step 1	190	3,000	\$1.27378	\$3,821					
Step 2	190	11,844	\$1.20378	\$14,258					
Step 3	190	0	\$1.15378	\$0					
Total		<u>14,844</u>		<u>\$18,079</u>					
Re-pricing Rate 195 @ Rate 125 - Single Cust moved to 125 before 11/08									
Step 1	195	6,000	\$1.27378	\$7,643					
Step 2	195	16,092	\$1.20378	\$19,371					
Step 3	195	0	\$1.15378	\$0					
Total		<u>22,092</u>		<u>\$27,014</u>					

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
CUSTOMER GROWTH REVENUE ADJUSTMENT
FOR THE YEAR ENDED DECEMBER 31, 2007
Docket No. G-5, Sub 495

Item 4
Workpaper 1
Page 4 of 4

RATE SCHEDULE	BILLS	FACILITY CHARGE	ANNUALIZED FACILITY CHARGES	ANNUALIZED THERMS	BILLING RATE	ANNUALIZED ENERGY CHARGES	TOTAL ANNUALIZED CHARGES
	1	2	1x2=3	4	5	4x5=6	3+6=7
101 - Summer	2,512,314	\$10.00	\$25,123,140	40,727,711	\$1.31237	\$53,449,826	\$78,572,966
101 - Winter	2,550,358	\$10.00	\$25,503,580	238,938,208	\$1.37237	\$327,911,629	\$353,415,209
115 - Summer	41	\$10.00	\$410	15,886	\$1.31237	\$20,848	\$21,258
115 - Winter	38	\$10.00	\$380	14,738	\$1.37237	\$20,226	\$20,606
120	980	\$10.16	\$9,957	17,640	\$0.00000	\$0	\$9,957
125	470,917	\$17.50	\$8,241,048	135,054,485	see below	\$167,302,869	\$175,543,916
126	90	\$30.00	\$2,700	86,981	\$1.16055	\$100,946	\$103,646
145	2,620	\$300.00	\$786,000	21,432,699	see below	\$22,811,242	\$23,597,242
150	209	\$600.00	\$125,400	19,081,037	see below	\$18,264,000	\$18,389,400
160 - Sales	71	\$600.00	\$42,600	10,062,649	see below	\$9,621,986	\$9,664,586
160 - Transportation	6	\$600.00	\$3,600	1,535,279	see below	\$105,501	\$109,101
175	2,810	\$300.00	\$843,000	72,088,196	see below	\$9,614,633	\$10,457,633
180	2,067	\$600.00	\$1,240,200	176,862,616	see below	\$12,210,936	\$13,451,136
200	12	\$11,381.05	\$136,573	20,860,195	\$0.01268	\$264,462	\$401,035
201	12	\$0.00	\$0	12,081,154	\$0.01800	\$217,461	\$217,461
Total	5,542,545		\$62,058,587	748,859,474		\$621,916,564	\$683,975,151

STEPPED RATE CALCULATIONS

STEPPED RATE CALCULATIONS

	Rate	Volumes	Rates	Amount		Rate	Volumes	Rates	Amount
Step 1	145	18,704,462	\$1.06830	\$19,981,977	160-T	228,870	\$0.10981	\$25,132	
Step 2	145	1,822,188	\$1.04930	\$1,912,022	160-T	196,122	\$0.08881	\$17,418	
Step 3	145	449,953	\$1.03030	\$463,587	160-T	522,698	\$0.06781	\$35,445	
Step 4	145	236,135	\$1.00478	\$237,264	160-T	587,589	\$0.04681	\$27,506	
Step 5	145	219,960	\$0.98378	\$216,393	160-T	0	\$0.02581	\$0	
Total		21,432,699		\$22,811,242	Total	1,535,279		\$105,501	
Step 1	150	2,148,009	\$1.00478	\$2,158,278	175	33,396,836	\$0.15797	\$5,275,667	
Step 2	150	1,733,810	\$0.98378	\$1,705,688	175	15,547,405	\$0.13897	\$2,160,623	
Step 3	150	4,728,599	\$0.96278	\$4,552,601	175	8,108,516	\$0.11997	\$972,779	
Step 4	150	9,823,753	\$0.94178	\$9,251,814	175	4,818,930	\$0.09445	\$455,148	
Step 5	150	646,866	\$0.92078	\$595,621	175	10,216,709	\$0.07345	\$750,417	
Total		19,081,037		\$18,264,000	Total	72,088,196		\$9,614,633	
Step 1	160-S	1,060,381	\$1.00478	\$1,065,449	180	28,541,840	\$0.10981	\$3,134,208	
Step 2	160-S	894,812	\$0.98378	\$880,298	180	23,473,157	\$0.08881	\$2,084,675	
Step 3	160-S	2,680,788	\$0.96278	\$2,581,009	180	60,125,174	\$0.06781	\$4,077,148	
Step 4	160-S	4,688,649	\$0.94178	\$4,415,676	180	59,254,977	\$0.04681	\$2,773,785	
Step 5	160-S	738,019	\$0.92078	\$679,553	180	5,467,467	\$0.02581	\$141,121	
Total		10,062,649		\$9,621,986	Total	176,862,616		\$12,210,936	
Step 1	125	70,059,860	\$1.27378	\$89,240,848					
Step 2	125	61,400,897	\$1.20378	\$73,913,172					
Step 3	125	3,556,792	\$1.15378	\$4,103,755					
Total		135,017,549		\$167,257,776					
Re-pricing Rate 190 @ Rate 125 - Single Cust moved to 125 for 07/07									
Step 1	190	3,000	\$1.27378	\$3,821					
Step 2	190	11,844	\$1.20378	\$14,258					
Step 3	190	0	\$1.15378	\$0					
Total		14,844		\$18,079					
Re-pricing Rate 195 @ Rate 125 - Single Cust moved to 125 before 11/08									
Step 1	195	6,000	\$1.27378	\$7,643					
Step 2	195	16,092	\$1.20378	\$19,371					
Step 3	195	0	\$1.15378	\$0					
Total		22,092		\$27,014					

Public Service Company of North Carolina
Docket No. G-5, Sub 495
ADJUSTMENT TO OTHER OPERATING REVENUES
For The Test Year Ended December 31, 2007

Line No.	Item	Other Operating Revenues (a)	Applicable Growth Rate (b)	Adjustment Amount (a) x (b) = (c)
		[1]		
1	Late payment revenues	906,140	3.93% [2]	\$35,611
2	Reconnect revenues	2,014,695	3.93%	79,178
3	Returned Check Service Charges	212,573	3.93%	8,354
4	After Hours Service Charges	9,368	3.93%	368
5	Rent from gas property	36,667	0.00%	0
6	Investigative Charges	20,302	3.93%	798
7	New Meter Set Trip Charges	21,920	3.93%	861
8	Total other operating revenues (Sum of L1 thru L6)	<u>\$3,221,664</u>		<u>\$123,511</u>

[1] December 2007 monthly financial report page 4.4

[2] Page 2

Calculation of Customer Growth Rate

DATE	Rate No. 101 (1)	Rate No. 105 (2)	Rate No. 110 (3)	Rate No. 115 (4)	Rate No. 120 (5)	Residential (1)+(2)+(3)+(4)+(5) (6)	Rate No. 125 (7)	Rate No. 126 (8)	Rate No. 225 (9)	Small General Service (7)+(8)+(9) (10)	Total Residential & Commercial (6) + (10)
January 2006		366,798	20,315	3	51	387,167	38,273	8	493	38,774	
February 2006		368,842	20,361	3	50	389,256	38,309	8	484	38,801	
March 2006		370,588	20,225	3	50	390,866	38,426	8	481	38,915	
April 2006		369,880	18,958	5	50	388,893	38,243	8	481	38,732	
May 2006		370,192	17,021	6	50	387,269	38,000	8	471	38,479	
June 2006		369,720	14,977	6	50	384,753	37,690	8	468	38,166	
July 2006		368,573	13,717	6	49	382,345	37,435	8	467	37,910	
August 2006		370,270	13,555	6	49	383,880	37,371	8	472	37,851	
September 2006		370,793	13,394	5	48	384,240	37,191	8	565	37,764	
October 2006		373,609	15,030	5	47	388,691	37,423	8	567	37,998	
November 2006		277,017	118,206	5	47	395,275	38,042	8	372	38,422	
December 2006		275,388	124,609	6	47	400,050	38,512	8	375	38,895	
Total 2006		4,251,670	410,368	59	588	4,662,685	454,915	96	5,696	460,707	5,123,392
January 2007		277,759	125,215	6	47	403,027	38,746	8	376	39,130	
February 2007		280,045	125,768	6	47	405,866	38,988	8	372	39,368	
March 2007		281,962	125,822	6	47	407,837	38,999	8	371	39,378	
April 2007		282,258	123,670	6	46	405,980	38,796	8	369	39,173	
May 2007		283,281	121,059	6	45	404,391	38,587	8	366	38,961	
June 2007		283,455	117,871	7	44	401,377	38,256	8	366	38,630	
July 2007		284,220	115,877	7	44	400,148	38,034	7	373	38,414	
August 2007		285,943	114,596	7	44	400,590	37,899	7	372	38,278	
September 2007		286,592	113,910	7	45	400,554	37,780	7	371	38,158	
October 2007	390	288,926	114,698	7	45	404,066	37,909	7	367	38,283	
November 2007	386,302	17,236	5,950	7	46	409,541	38,359	7	375	38,741	
December 2007	415,332	5	1	7	46	415,391	38,919	7	380	39,306	
Total 2007	802,024	2,851,682	1,204,437	79	546	4,858,768	461,272	90	4,458	465,820	5,324,588

Change 201,196

All data from CIS report 52010-26 PSNC Gas monthly revenue summary by rate

% Change 3.93%

Item 4
Workpaper 2
1 of 2

	CONTRACT	RATE		DEMAND	MONTHS/		PIPELINE
PIPELINE	NUMBER	SCHEDULE	MDTQ	RATE	DAYS	AMOUNT	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	
			<u>1,401</u>			<u>275,364</u>	
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	
			<u>2,264</u>			<u>367,844</u>	
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	
			<u>164,151</u>			<u>26,670,313</u>	
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	
			<u>39,330</u>			<u>1,325,051</u>	
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	
			<u>35,397</u>			<u>808,281</u>	
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	
			<u>2,071</u>			<u>336,486</u>	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							<u>\$54,515,748</u>

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

Item 4
Worksheet 2
2 of 2

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						<u>\$14,077,930</u>
TOTAL DEMAND CHARGES						<u>\$68,593,678</u>
SALES VOLUMES		465,432,034	\$0.8750			407,253,030
UNACCOUNTED FOR GAS		5,691,332	\$0.8750			4,979,916
COMPANY USE GAS		726,910	\$0.8750			636,046
PRO FORMA GAS COST						<u>481,462,670</u>
DEFERRED FIXED GAS COST, CO. USE & LUAF						<u>(4,582,684)</u>
TOTAL PRO FORMA GAS COST						<u>476,879,986</u>
GAS COST PER BOOKS						<u>377,921,183</u>
ADJUSTMENT TO GAS COST						<u>\$98,958,803</u>

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment to Employee Compensation
For the Test Year Ended December 31, 2007

	Amount	Refer
PSNC:		
L1 Adjusted Union Salaries	\$12,816,555	Page 2
L2 Adjusted Non Union Salaries (Includes Union Equivalents)	\$21,814,103	Page 2
L3 Adjusted Overtime	\$4,682,364	Page 2
L4 Total Adjusted Employee Compensation	\$39,313,022	L1+L2+L3
L5 Less: 2007 Salaries including Overtime - All PSNC Employees	\$36,837,135	Page 5
L6 Increase in Salaries over the Test Year	\$2,475,887	L4 - L5
L7 Portion of increase allocated to O&M - 68.31%	\$1,691,278	L5 * 68.31% (Page 5 for %)
Scana Services:		
L8 Total Adjustment for SCANA Services	\$381,629	Page 9
L9 Total Proforma for Compensation	\$2,072,907	
L10 Proforma for payroll taxes @ 7.48%	\$155,053	Page 10 for rate

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment to Employee Compensation
For the Test Year Ended December 31, 2007

	Amount	Refer
L1 Union Employee Salaries as of 12/31/07	\$12,157,662.40	Page 3
L2 2008 Union Progression Increases	\$255,465.60	Page 6
L3 Total Union Salaries including Progressions	<u>\$12,413,128.00</u>	L1 + L2
L4 Union Merit Increases effective 12/08 per 2008 budget 3.25% (Contract will be re-negotiated in 2008)	\$403,426.66	L3 * 3.25%
L5 Adjusted Union Labor	<u>\$12,816,554.66</u>	L3 + L4
L6 Non Union Employee Salaries as of 12/31/07 (includes Union Equivalents)	\$21,178,740.94	Page 3
L7 Non Union Merit Increase effective 2/08 (3.0%)	\$635,362.23	L6 * 3.0%
L8 Adjusted Non Union Labor	<u>\$21,814,103.17</u>	L6 + L7
L9 2007 Total Overtime as of 12/31/07	\$4,534,976.97	Page 8
L10 3.25% Overtime Increase	\$147,386.75	L9 * 3.25%
L11 Adjusted Overtime	<u>\$4,682,363.72</u>	

PSNC Energy		
Salaries as of 12/31/2007		
Union Code		Sum Annual Rt
ICC-Intrenational Chemical Workers Union-Concord		1,035,548.80
ICR-International Chemical Workers Union-Raleigh		4,689,464.00
ICA-International Chemical Workers Union-Asheville		1,823,494.40
ICD-International Chemical Workers Union-Durham		3,735,825.60
ICS-International Chemical Workers Union-Statesville		873,329.60
		12,157,662.40
00-Non Union Employees		18,972,755.34
UE-Union Equivalent Employees		2,205,985.60
		21,178,740.94
Total Union and Non Union		33,336,403.34
Note: Query from Payroll System provided by Tina Lineberger		

2007 Payroll - 101, 102, 106, 107

Account	Amount	%
1180270 - CONSTR WORK IN PROG GAS	\$8,175,105.17	
1190210 - ACC DEPR RWIP GAS	\$578,002.26	
Total Capital	\$8,753,107.43	23.76%
1630000 - STORES EXP	\$874,517.78	
1840210 - CLR TRANSPORTATION EXP	\$827,605.02	
1840616 - EMPL BEN SHORT TERM DISABIL	\$61.23	
4160122 - COST OF INSTALLING APPLIANCES	\$796,081.20	
4160131 - SUPERVISION MERCHANDISE	\$332,556.25	
4160135 - APPLIANCE PARTS & SERV MERCH	\$22,292.10	
4160136 - MISC EXPENSES MERCHANDISE	\$11,915.77	
4160138 - ESTIMATED HOURLY PAYROLL	\$5,704.70	
4160140 - ACCTG AND CASHIERING-MDSE	\$105,523.58	
4160152 - SERVICECARE MISC COSTS	\$1,731.66	
4160223 - COST OF JOBBING	\$346,243.41	
4160231 - SUPERVISION JOBBING	\$163,439.54	
4160240 - ACCTG AND CASHIERING-JOBBING	\$42,809.42	
Total M&J	\$1,828,297.63	4.96%
9% of Stores	\$78,706.60	
64% of Fleet	\$529,667.21	
1840641 - INDIR PAYROLL HOLIDAY	\$1,206,536.13	
1840644 - INDIR PAYROLL JURY DUTY	\$11,276.87	
1840645 - INDIR PAYROLL FUNERAL	\$44,605.86	
1840646 - INDIR PAYROLL PAID TIME OFF	\$2,774,187.08	
1840649 - CLEAR INDIRECT PAYROLL	(\$4,036,644.94)	
8400000 - OPER SUPR & ENGR OTH STOR EXP	\$168,620.65	
8410000 - OPER LABOR & EXP OTH STOR EXP	\$412,744.53	
8500000 - OPER SUPERVSN & ENGINEERING	\$336,796.65	
8510000 - SYST CNTRL AND LOAD DISPTCH	\$47,112.51	
8560000 - OPER MAINS EXP TRANSMISSION	\$466,503.77	
8570000 - OPER MEAS & REG STATIONS EXP	\$22,568.82	
8590000 - OPER OTHER TRANSMISSION EXP	\$444,448.39	
8610000 - MAINT SUPERVISION & ENGINRNG	\$392,232.37	
8620000 - MAINT STRUCT & IMPR TRANS EXP	\$80,858.75	
8630000 - MAINT MAINS TRANSMISSION EXP	\$90,095.04	
8640000 - MAINT COMPRESSOR STAT TRANS EX	\$21,898.28	
8650000 - MAINT MEAS & REG STAT EQUIP	\$258,086.43	
8660000 - MAINT COMM EQUIP TRANS EXP	\$29,382.33	
8700000 - SUPERVSN & ENGR NG DIST OPER	\$795,445.94	
8740000 - MAINS & SRVCS EXP NG DIST OPER	\$3,307,471.70	
8750000 - MEAS/REG STATN EXP GNRL NG DST	\$152,570.01	
8760000 - MEAS/REG STATN EXP INDSTL NG D	\$21,550.29	
8780000 - METER/HOUSE REG EXP NG DIST OP	\$3,461,640.75	
8780020 - OPER METER HOUSE REG PRE FAB	\$170.95	
8790000 - CUST INSTALLATION NG DIST OPER	\$3,383,580.27	
8800000 - OTHER EXPENSES NG DIST OPER	\$1,588,328.48	
8850000 - MAINT SUPERVSN & ENGR NG DIST	\$392,119.54	
8860000 - MAINT STRCTR & IMPRVMT NG DIS	\$194,631.95	
8870000 - MAINT MAINS NG DIST	\$677,005.69	
8890000 - MAINT MEAS/REG STATN EQU GENRL	\$8,762.10	
8900000 - MAINT MEAS/REG STATN EQU INDST	\$351,499.84	
8920000 - MAINT SERVICES NG DIST	\$803,044.62	
8930000 - MAINT METRS/HOUSE REGTR NG DIS	\$472,890.89	
9010000 - SUPERVISION CUST ACCT	\$470,786.14	
9020000 - METER READING EXP CUST ACCT	\$141,459.31	
9030001 - BILLING & ACCNTNG EXP CUST ACT	\$341,041.28	

2007 Payroll - 101, 102, 106, 107

Account	Amount	%
1180270 - CONSTR WORK IN PROG GAS	\$8,175,105.17	
9030002 - COLLECTING EXP CUST ACCT	\$609,932.67	
9030003 - CONTRCT & ORDERS EXP CUST ACCT	\$924.83	
9080000 - CUSTOMR ASSISTNC EXP CUST SRV	\$464,898.23	
9110000 - SUPERVISION SALES	\$109,511.43	
9120000 - DEMONSTRNG & SELLNG EXP SALES	\$863,274.04	
9200000 - A AND G SALARIES	\$3,072,612.97	
9350000 - A AND G MAINT GENERAL PLANT	\$52,654.53	
9350001 - A AND G ENVIRON EXP	\$44,428.39	
Total O&M	\$25,161,920.17	68.31%
Grand Total	\$36,837,135.45	

Query Criteria:

Business Unit - PSNC

Resource Code - 101,102, 106, 107 (Normal Time, Overtime, Indirect, Accrued Payroll)

Month Number - 2007%

Wage Summary Union Employees Receiving Progressions		
	December 2007 Progressions	December 2008 Progressions
Union	337,854	217,568
Gastonia and Hendersonville	45,427	37,898
Total	383,281	255,466
2007 increase due to mapping (1)	383,281	
2008 add'l increase due to map (1)		255,466

(1) During negotiations agreed to make all these changes in December to make it administratively easier.

2007 Total Overtime

Account	Resource Code	Amount
1180270 - CONSTR WORK IN PROG GAS	102 - OVERTIME	\$1,080,107.52
1190210 - ACC DEPR RWIP GAS	102 - OVERTIME	\$118,504.87
1630000 - STORES EXP	102 - OVERTIME	\$84,385.05
1840210 - CLR TRANSPORTATION EXP	102 - OVERTIME	\$20,797.73
1840641 - INDIR PAYROLL HOLIDAY	102 - OVERTIME	\$13,253.26
1840646 - INDIR PAYROLL PAID TIME OFF	102 - OVERTIME	\$5,270.80
1860516 - DEF DR SUBS CAPITAL CHARGES	102 - OVERTIME	\$0.00
4160122 - COST OF INSTALLING APPLIANCES	102 - OVERTIME	\$54,841.74
4160131 - SUPERVISION MERCHANDISE	102 - OVERTIME	\$442.45
4160135 - APPLIANCE PARTS & SERV MERCH	102 - OVERTIME	\$2,022.55
4160136 - MISC EXPENSES MERCHANDISE	102 - OVERTIME	\$1,468.61
4160140 - ACCTG AND CASHIERING-MDSE	102 - OVERTIME	\$2,924.30
4160152 - SERVICECARE MISC COSTS	102 - OVERTIME	\$40.01
4160223 - COST OF JOBBING	102 - OVERTIME	\$26,419.23
4160231 - SUPERVISION JOBBING	102 - OVERTIME	\$132.15
4160240 - ACCTG AND CASHIERING-JOBBING	102 - OVERTIME	\$112.87
8410000 - OPER LABOR & EXP OTH STOR EXP	102 - OVERTIME	\$73,731.99
8510000 - SYST CNTRL AND LOAD DISPTCH	102 - OVERTIME	\$6,232.63
8560000 - OPER MAINS EXP TRANSMISSION	102 - OVERTIME	\$82,247.07
8570000 - OPER MEAS & REG STATIONS EXP	102 - OVERTIME	\$4,321.16
8590000 - OPER OTHER TRANSMISSION EXP	102 - OVERTIME	\$73,981.14
8610000 - MAINT SUPERVISION & ENGINRNG	102 - OVERTIME	\$24,579.65
8620000 - MAINT STRUCT & IMPR TRANS EXP	102 - OVERTIME	\$14,231.15
8630000 - MAINT MAINS TRANSMISSION EXP	102 - OVERTIME	\$17,407.81
8640000 - MAINT COMPRESSOR STAT TRANS EX	102 - OVERTIME	\$7,160.60
8650000 - MAINT MEAS & REG STAT EQUIP	102 - OVERTIME	\$51,321.25
8660000 - MAINT COMM EQUIP TRANS EXP	102 - OVERTIME	\$15,212.71
8700000 - SUPERVSN & ENGR NG DIST OPER	102 - OVERTIME	\$1,067.81
8740000 - MAINS & SRVCS EXP NG DIST OPER	102 - OVERTIME	\$413,825.59
8750000 - MEAS/REG STATN EXP GNRL NG DST	102 - OVERTIME	\$17,404.92
8760000 - MEAS/REG STATN EXP INDSTL NG D	102 - OVERTIME	\$859.58

8780000 - METER/HOUSE REG EXP NG DIST OP	102 - OVERTIME	\$409,889.64
8790000 - CUST INSTALLATION NG DIST OPER	102 - OVERTIME	\$1,185,673.55
8800000 - OTHER EXPENSES NG DIST OPER	102 - OVERTIME	\$176,785.97
8850000 - MAINT SUPERVSN & ENGR NG DIST	102 - OVERTIME	\$13,303.87
8860000 - MAINT STRCTR & IMPRVMNT NG DIS	102 - OVERTIME	\$10,931.29
8870000 - MAINT MAINS NG DIST	102 - OVERTIME	\$173,936.76
8890000 - MAINT MEAS/REG STATN EQU GENRL	102 - OVERTIME	\$2,769.00
8900000 - MAINT MEAS/REG STATN EQU INDST	102 - OVERTIME	\$57,226.07
8920000 - MAINT SERVICES NG DIST	102 - OVERTIME	\$197,751.93
8930000 - MAINT METRS/HOUSE REGTR NG DIS	102 - OVERTIME	\$19,767.85
9020000 - METER READING EXP CUST ACCT	102 - OVERTIME	\$1,076.01
9030001 - BILLING & ACCNTNG EXP CUST ACT	102 - OVERTIME	\$502.73
9030002 - COLLECTING EXP CUST ACCT	102 - OVERTIME	\$10,989.39
9080000 - CUSTOMR ASSISTNC EXP CUST SRV	102 - OVERTIME	\$86.27
9120000 - DEMONSTRNG & SELLNG EXP SALES	102 - OVERTIME	\$174.87
9200000 - A AND G SALARIES	102 - OVERTIME	\$54,755.10
9350000 - A AND G MAINT GENERAL PLANT	102 - OVERTIME	\$4,813.63
9350001 - A AND G ENVIRON EXP	102 - OVERTIME	\$234.84
TOTAL Overtime		\$4,534,976.97

Query Criteria:
Business Unit - PSNC
Resource Code - 102
Month Number - 2007%

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment to Employee Compensation
For the Test Year Ended December 31, 2007

<u>O&M Payroll Expense Including Overtime</u>	<u>Amount</u>	<u>Refer</u>
SCANA Services Payroll Allocated to PSNC-O&M Only	\$12,720,963	G-1, Item 8
Grow by 3% Merit Increase Effective February 2008	3%	Average Merit Increase
Pro-forma Adjustment for Allocated Payroll	<u>\$381,629</u>	

Tax Calculation:

Cap/OM/BTL/Indirect/Stores/Etc

Amount

Total Taxes

Tax Rate

\$37,996,776.42

Tax Transfer FED Unemployment

Taxes Transfer FICA

7.48% (L16 Workpaper 3-A)

Grand Total

\$40,838,930.99

Query Criteria:

GL Journal = 0097SG

BU = PSNC

Excluded Accounts=242%, 232% and payroll clearing acct
1840022

Resources = 1%, Month Number = 2007%

Business Unit	Account	Resource Code	GL Journal Category	Amount
PSNC	1180270 - CONSTR WORK IN PROG GAS	101 - NORMAL TIME	0097SG - Payroll	\$6,082,009.39
PSNC	1190210 - ACC DEPR RWIP GAS	101 - NORMAL TIME	0097SG - Payroll	\$396,016.51
PSNC	1630000 - STORES EXP	101 - NORMAL TIME	0097SG - Payroll	\$690,360.44
PSNC	1840210 - CLR TRANSPORTATION EXP	101 - NORMAL TIME	0097SG - Payroll	\$714,028.40
PSNC	1840616 - EMPL BEN SHORT TERM DISABIL	101 - NORMAL TIME	0097SG - Payroll	\$53.96
PSNC	1840641 - INDIR PAYROLL HOLIDAY	101 - NORMAL TIME	0097SG - Payroll	\$1,193,282.87
PSNC	1840644 - INDIR PAYROLL JURY DUTY	101 - NORMAL TIME	0097SG - Payroll	\$11,276.87
PSNC	1840645 - INDIR PAYROLL FUNERAL	101 - NORMAL TIME	0097SG - Payroll	\$44,605.86
PSNC	1840646 - INDIR PAYROLL PAID TIME OFF	101 - NORMAL TIME	0097SG - Payroll	\$2,768,916.28
PSNC	4160122 - COST OF INSTALLING APPLIANCES	101 - NORMAL TIME	0097SG - Payroll	\$645,513.26
PSNC	4160131 - SUPERVISION MERCHANDISE	101 - NORMAL TIME	0097SG - Payroll	\$292,015.69
PSNC	4160135 - APPLIANCE PARTS & SERV MERCH	101 - NORMAL TIME	0097SG - Payroll	\$17,642.00
PSNC	4160136 - MISC EXPENSES MERCHANDISE	101 - NORMAL TIME	0097SG - Payroll	\$9,309.46
PSNC	4160140 - ACCTG AND CASHIERING-MDSE	101 - NORMAL TIME	0097SG - Payroll	\$69,417.30
PSNC	4160152 - SERVICECARE MISC COSTS	101 - NORMAL TIME	0097SG - Payroll	\$1,490.63
PSNC	4160223 - COST OF JOBBING	101 - NORMAL TIME	0097SG - Payroll	\$277,536.76
PSNC	4160231 - SUPERVISION JOBBING	101 - NORMAL TIME	0097SG - Payroll	\$140,972.07
PSNC	4160240 - ACCTG AND CASHIERING-JOBING	101 - NORMAL TIME	0097SG - Payroll	\$37,337.55
PSNC	8400000 - OPER SUPR & ENGR OTH STOR EXP	101 - NORMAL TIME	0097SG - Payroll	\$139,690.89
PSNC	8410000 - OPER LABOR & EXP OTH STOR EXP	101 - NORMAL TIME	0097SG - Payroll	\$280,344.73
PSNC	8500000 - OPER SUPERVSN & ENGINEERING	101 - NORMAL TIME	0097SG - Payroll	\$295,630.90
PSNC	8510000 - SYST CNTRL AND LOAD DISPTCH	101 - NORMAL TIME	0097SG - Payroll	\$36,161.86
PSNC	8560000 - OPER MAINS EXP TRANSMISSION	101 - NORMAL TIME	0097SG - Payroll	\$340,032.73
PSNC	8570000 - OPER MEAS & REG STATIONS EXP	101 - NORMAL TIME	0097SG - Payroll	\$15,928.76
PSNC	8590000 - OPER OTHER TRANSMISSION EXP	101 - NORMAL TIME	0097SG - Payroll	\$326,503.53
PSNC	8610000 - MAINT SUPERVISION & ENGINEING	101 - NORMAL TIME	0097SG - Payroll	\$324,308.01
PSNC	8620000 - MAINT STRUCT & IMPR TRANS EXP	101 - NORMAL TIME	0097SG - Payroll	\$59,336.70
PSNC	8630000 - MAINT MAINS TRANSMISSION EXP	101 - NORMAL TIME	0097SG - Payroll	\$63,892.47
PSNC	8640000 - MAINT COMPRESSOR STAT TRANS EX	101 - NORMAL TIME	0097SG - Payroll	\$12,744.32
PSNC	8650000 - MAINT MEAS & REG STAT EQUIP	101 - NORMAL TIME	0097SG - Payroll	\$180,366.84
PSNC	8660000 - MAINT COMM EQUIP TRANS EXP	101 - NORMAL TIME	0097SG - Payroll	\$12,060.63
PSNC	8700000 - SUPERVSN & ENGR NG DIST OPER	101 - NORMAL TIME	0097SG - Payroll	\$691,102.00
PSNC	8740000 - MAINS & SRVCS EXP NG DIST OPER	101 - NORMAL TIME	0097SG - Payroll	\$2,533,356.19
PSNC	8750000 - MEAS/REG STATN EXP GNRL NG DST	101 - NORMAL TIME	0097SG - Payroll	\$118,163.04
PSNC	8760000 - MEAS/REG STATN EXP INDSTL NG D	101 - NORMAL TIME	0097SG - Payroll	\$17,675.30
PSNC	8780000 - METER/HOUSE REG EXP NG DIST OP	101 - NORMAL TIME	0097SG - Payroll	\$2,657,394.82
PSNC	8780020 - OPER METER HOUSE REG PRE FAB	101 - NORMAL TIME	0097SG - Payroll	\$127.61
PSNC	8790000 - CUST INSTALLATION NG DIST OPER	101 - NORMAL TIME	0097SG - Payroll	\$1,894,396.49
PSNC	8800000 - OTHER EXPENSES NG DIST OPER	101 - NORMAL TIME	0097SG - Payroll	\$1,243,210.55

PSNC	8850000 - MAINT SUPERVSN & ENGR NG DIST	101 - NORMAL TIME	0097SG - Payroll	\$330,765.13
PSNC	8860000 - MAINT STRCTR & IMPRVMT NG DIS	101 - NORMAL TIME	0097SG - Payroll	\$159,715.90
PSNC	8870000 - MAINT MAINS NG DIST	101 - NORMAL TIME	0097SG - Payroll	\$443,969.03
PSNC	8890000 - MAINT MEAS/REG STATN EQU GENRL	101 - NORMAL TIME	0097SG - Payroll	\$5,352.10
PSNC	8900000 - MAINT MEAS/REG STATN EQU INDST	101 - NORMAL TIME	0097SG - Payroll	\$257,449.10
PSNC	8920000 - MAINT SERVICES NG DIST	101 - NORMAL TIME	0097SG - Payroll	\$532,936.57
PSNC	8930000 - MAINT METRS/HOUSE REGTR NG DIS	101 - NORMAL TIME	0097SG - Payroll	\$396,055.09
PSNC	9010000 - SUPERVISION CUST ACCT	101 - NORMAL TIME	0097SG - Payroll	\$384,447.84
PSNC	9020000 - METER READING EXP CUST ACCT	101 - NORMAL TIME	0097SG - Payroll	\$125,195.82
PSNC	9030001 - BILLING & ACCNTNG EXP CUST ACT	101 - NORMAL TIME	0097SG - Payroll	\$299,039.66
PSNC	9030002 - COLLECTING EXP CUST ACCT	101 - NORMAL TIME	0097SG - Payroll	\$523,465.04
PSNC	9030003 - CONTRCT & ORDERS EXP CUST ACCT	101 - NORMAL TIME	0097SG - Payroll	\$874.83
PSNC	9080000 - CUSTOMR ASSISTNC EXP CUST SRV	101 - NORMAL TIME	0097SG - Payroll	\$403,942.61
PSNC	9110000 - SUPERVISION SALES	101 - NORMAL TIME	0097SG - Payroll	\$98,893.17
PSNC	9120000 - DEMONSTRNG & SELLNG EXP SALES	101 - NORMAL TIME	0097SG - Payroll	\$755,245.20
PSNC	9200000 - A AND G SALARIES	101 - NORMAL TIME	0097SG - Payroll	\$2,655,652.98
PSNC	9350000 - A AND G MAINT GENERAL PLANT	101 - NORMAL TIME	0097SG - Payroll	\$41,804.89
PSNC	9350001 - A AND G ENVIRON EXP	101 - NORMAL TIME	0097SG - Payroll	\$40,586.56
PSNC	1180270 - CONSTR WORK IN PROG GAS	102 - OVERTIME	0097SG - Payroll	\$1,071,577.77
PSNC	1180210 - ACC DEPR RWIP GAS	102 - OVERTIME	0097SG - Payroll	\$113,446.96
PSNC	1630000 - STORES EXP	102 - OVERTIME	0097SG - Payroll	\$84,385.05
PSNC	1840210 - CLR TRANSPORTATION EXP	102 - OVERTIME	0097SG - Payroll	\$20,797.73
PSNC	1840841 - INDIR PAYROLL HOLIDAY	102 - OVERTIME	0097SG - Payroll	\$13,253.26
PSNC	1840646 - INDIR PAYROLL PAID TIME OFF	102 - OVERTIME	0097SG - Payroll	\$5,270.80
PSNC	1860516 - DEF DR SUBS CAPITAL CHARGES	102 - OVERTIME	0097SG - Payroll	\$36.51
PSNC	4160122 - COST OF INSTALLING APPLIANCES	102 - OVERTIME	0097SG - Payroll	\$54,887.79
PSNC	4160131 - SUPERVISION MERCHANDISE	102 - OVERTIME	0097SG - Payroll	\$442.45
PSNC	4160135 - APPLIANCE PARTS & SERV MERCH	102 - OVERTIME	0097SG - Payroll	\$2,022.55
PSNC	4160136 - MISC EXPENSES MERCHANDISE	102 - OVERTIME	0097SG - Payroll	\$1,468.61
PSNC	4160140 - ACCTG AND CASHIERING-MDSE	102 - OVERTIME	0097SG - Payroll	\$2,924.30
PSNC	4160152 - SERVICECARE MISC COSTS	102 - OVERTIME	0097SG - Payroll	\$40.01
PSNC	4160223 - COST OF JOBBING	102 - OVERTIME	0097SG - Payroll	\$26,540.91
PSNC	4160231 - SUPERVISION JOBBING	102 - OVERTIME	0097SG - Payroll	\$132.15
PSNC	4160240 - ACCTG AND CASHIERING-JOBBING	102 - OVERTIME	0097SG - Payroll	\$112.87
PSNC	8410000 - OPER LABOR & EXP OTH STOR EXP	102 - OVERTIME	0097SG - Payroll	\$73,731.99
PSNC	8510000 - SYST CNTRL AND LOAD DISPTCH	102 - OVERTIME	0097SG - Payroll	\$6,232.63
PSNC	8560000 - OPER MAINS EXP TRANSMISSION	102 - OVERTIME	0097SG - Payroll	\$84,426.10
PSNC	8570000 - OPER MEAS & REG STATIONS EXP	102 - OVERTIME	0097SG - Payroll	\$4,321.16
PSNC	8590000 - OPER OTHER TRANSMISSION EXP	102 - OVERTIME	0097SG - Payroll	\$75,683.45
PSNC	8610000 - MAINT SUPERVISION & ENGINRNG	102 - OVERTIME	0097SG - Payroll	\$24,579.65
PSNC	8620000 - MAINT STRUCT & IMPR TRANS EXP	102 - OVERTIME	0097SG - Payroll	\$14,231.15
PSNC	8630000 - MAINT MAINS TRANSMISSION EXP	102 - OVERTIME	0097SG - Payroll	\$17,407.81
PSNC	8640000 - MAINT COMPRESSOR STAT TRANS EX	102 - OVERTIME	0097SG - Payroll	\$7,180.80
PSNC	8650000 - MAINT MEAS & REG STAT EQUIP	102 - OVERTIME	0097SG - Payroll	\$51,321.25
PSNC	8660000 - MAINT COMM EQUIP TRANS EXP	102 - OVERTIME	0097SG - Payroll	\$15,212.71
PSNC	8700000 - SUPERVSN & ENGR NG DIST OPER	102 - OVERTIME	0097SG - Payroll	\$1,067.81
PSNC	8740000 - MAINS & SRVCS EXP NG DIST OPER	102 - OVERTIME	0097SG - Payroll	\$413,753.29
PSNC	8750000 - MEAS/REG STATN EXP GNRL NG DST	102 - OVERTIME	0097SG - Payroll	\$17,404.92
PSNC	8760000 - MEAS/REG STATN EXP INDSTL NG D	102 - OVERTIME	0097SG - Payroll	\$869.58
PSNC	8780000 - METER/HOUSE REG EXP NG DIST OP	102 - OVERTIME	0097SG - Payroll	\$409,812.40
PSNC	8790000 - CUST INSTALLATION NG DIST OPER	102 - OVERTIME	0097SG - Payroll	\$1,186,101.94
PSNC	8800000 - OTHER EXPENSES NG DIST OPER	102 - OVERTIME	0097SG - Payroll	\$176,912.53

PSNC	8850000 - MAINT SUPERVSN & ENGR NG DIST	102 - OVERTIME	0097SG - Payroll	\$13,303.87
PSNC	8860000 - MAINT STRCTR & IMPRVMT NG DIS	102 - OVERTIME	0097SG - Payroll	\$10,931.29
PSNC	8870000 - MAINT MAINS NG DIST	102 - OVERTIME	0097SG - Payroll	\$181,998.87
PSNC	8890000 - MAINT MEAS/REG STATN EQU GENRL	102 - OVERTIME	0097SG - Payroll	\$2,769.00
PSNC	8900000 - MAINT MEAS/REG STATN EQU INDST	102 - OVERTIME	0097SG - Payroll	\$57,475.38
PSNC	8920000 - MAINT SERVICES NG DIST	102 - OVERTIME	0097SG - Payroll	\$198,722.65
PSNC	8930000 - MAINT METRS/HOUSE REGTR NG DIS	102 - OVERTIME	0097SG - Payroll	\$19,629.79
PSNC	9020000 - METER READING EXP CUST ACCT	102 - OVERTIME	0097SG - Payroll	\$1,076.01
PSNC	9030001 - BILLING & ACCNTNG EXP CUST ACT	102 - OVERTIME	0097SG - Payroll	\$502.73
PSNC	9030002 - COLLECTING EXP CUST ACCT	102 - OVERTIME	0097SG - Payroll	\$10,989.39
PSNC	9080000 - CUSTOMR ASSISTNC EXP CUST SRV	102 - OVERTIME	0097SG - Payroll	\$96.27
PSNC	9120000 - DEMONSTRNG & SELLNG EXP SALES	102 - OVERTIME	0097SG - Payroll	\$174.87
PSNC	9200000 - A AND G SALARIES	102 - OVERTIME	0097SG - Payroll	\$54,893.60
PSNC	9350000 - A AND G MAINT GENERAL PLANT	102 - OVERTIME	0097SG - Payroll	\$4,813.63
PSNC	9350001 - A AND G ENVIRON EXP	102 - OVERTIME	0097SG - Payroll	\$234.84
PSNC	1180270 - CONSTR WORK IN PROG GAS	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$11,034.75
PSNC	1190210 - ACC DEPR RWIP GAS	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$2,002.00
PSNC	1840210 - CLR TRANSPORTATION EXP	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$26.00
PSNC	1840641 - INDIR PAYROLL HOLIDAY	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$13.00
PSNC	1840646 - INDIR PAYROLL PAID TIME OFF	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$26.00
PSNC	4160122 - COST OF INSTALLING APPLIANCES	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$1,118.00
PSNC	4180133 - COMM & BONUS MERCHANDISE	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$670,810.86
PSNC	4160135 - APPLIANCE PARTS & SERV MERCH	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$53.00
PSNC	4160136 - MISC EXPENSES MERCHANDISE	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$52.00
PSNC	4160140 - ACCTG AND CASHIERING-MOSE	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$1.30
PSNC	4160223 - COST OF JOBBING	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$273.00
PSNC	8410000 - OPER LABOR & EXP OTH STOR EXP	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$39.00
PSNC	8560000 - OPER MAINS EXP TRANSMISSION	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$364.00
PSNC	8590000 - OPER OTHER TRANSMISSION EXP	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$182.00
PSNC	8620000 - MAINT STRUCT & IMPR TRANS EXP	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$110.00
PSNC	8630000 - MAINT MAINS TRANSMISSION EXP	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$250.00
PSNC	8650000 - MAINT MEAS & REG STAT EQUIP	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$302.00
PSNC	8660000 - MAINT COMM EQUIP TRANS EXP	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$13.00
PSNC	8740000 - MAINS & SRVCS EXP NG DIST OPER	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$2,327.00
PSNC	8780000 - METER/HOUSE REG EXP NG DIST OP	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$6,126.00
PSNC	8790000 - CUST INSTALLATION NG DIST OPER	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$10,680.00
PSNC	8800000 - OTHER EXPENSES NG DIST OPER	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$6,927.45
PSNC	8860000 - MAINT STRCTR & IMPRVMT NG DIS	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$39.00
PSNC	8870000 - MAINT MAINS NG DIST	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$3,786.00
PSNC	8900000 - MAINT MEAS/REG STATN EQU INDST	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$325.50
PSNC	8920000 - MAINT SERVICES NG DIST	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$3,004.50
PSNC	8930000 - MAINT METRS/HOUSE REGTR NG DIS	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$299.00
PSNC	9120000 - DEMONSTRNG & SELLNG EXP SALES	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$133,045.10
PSNC	9200000 - A AND G SALARIES	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$187,208.29
PSNC	9350000 - A AND G MAINT GENERAL PLANT	104 - EXTRANEIOUS EARNINGS	0097SG - Payroll	\$91.00
PSNC	1840616 - EMPL BEN SHORT TERM DISABIL	105 - OTHER PAY	0097SG - Payroll	\$331,279.58
Total Payroll				\$37,996,776.42
PSNC	1840650 - TAXES TRANSFER FICA	901	0097SG	\$2,800,817.32
PSNC	1840651 - TAX TRANSFER FED UNEMPLOYMENT	901	0097SG	\$41,337.25
Total Taxes				\$2,842,154.57

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
CUSTOMER DEPOSITS AND INTEREST
TEST YEAR ENDED December 31, 2007

Month	Customer Deposits A/C 2350001-2350004	Interest A/C 4310001
December 2006	(10,028,404)	
January 2007	(10,376,821)	46,549
February 2007	(10,257,342)	67,844
March 2007	(10,183,569)	45,946
April 2007	(9,965,302)	57,190
May 2007	(9,446,068)	50,964
June 2007	(9,198,499)	44,427
July 2007	(9,028,154)	54,433
August 2007	(8,864,610)	45,972
September 2007	(8,823,967)	45,430
October 2007	(9,232,623)	54,706
November 2007	(9,834,586)	47,307
December 2007	(9,998,376)	49,178
	(125,238,321)	609,946
	/13	
13 month average	(9,633,717)	
Adjustment Required in Customer Deposits		<u>609,946</u>

Note: This adjustment is to reclassify the interest on customers deposits from Other Interest Expense to Operating Expense as approved in the prior general rate case.

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
ADJUSTMENT FOR INCREASED REGULATORY FEE
TEST YEAR ENDED DECEMBER 31, 2007

		Workpaper Reference
Adjusted Test Year Sales and Transportation Revenue	683,975,151	<u>Workpaper 1</u>
Adjusted Test Year Other Operating Revenues	3,345,175	Workpaper 1.1
Less: Test Year Uncollectibles (net writeoffs)	<u>(1,124,752)</u>	Item 10
Amount Subject to Fee	686,195,574	
Fee Percentage	<u>0.12%</u>	
Adjusted Fee	823,435	
Fee per Test Year Books (acct 9280002)	<u>691,450</u>	
Adjustment Required for Increased Regulatory Fee	<u><u>131,985</u></u>	

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment for Pension Expense
For the Test Year Ended December 31, 2007

	<u>Amount</u>
2008 Annualized Net Periodic Pension Cost*	\$1,901,350.00
Test Year, Net Periodic Pension Cost	<u>\$1,822,475.00</u>
Pro-forma Adjustment for Pension Expense	<u>\$78,875.00</u>
O&M Portion (70%)	<u>\$55,212.50</u>

* As defined by SFAS 87 and calculated by pension actuaries.

2008 Monthly Pension Spreadsheet

Valuation - February 2008

Discount Rate Assumption: 6.25%
Asset Return Rate Assumption: 8.00%

	Pension Benefit		Service Cost		Net Pension Benefit	Monthly
	31,000,000	A	15,500,000		15,500,000	1,291,667
Net Pension Income	15,500,000					
Alternative Pension Income	500,000			(Pension Income had SCE&G not funded above the FAS 87 requirement)		
SCE&G BTL	15,000,000	B				
Left to distribute to subs & SCE&G	16,000,000	A-B				
Subsidiaries:						
PSNC	313,600	1.96%	2,214,950	14.29%	(1,901,350)	(158,446)
CGTC*	398,400	2.49%	432,450	2.79%	(34,050)	(2,838)
SEMI	139,200	0.87%	255,750	1.65%	(116,550)	(9,713)
SEGA & SERG	169,600	1.06%	644,800	4.16%	(475,200)	(39,600)
PSI			-	0.00%	-	-
SAPP			77,500	0.50%	(77,500)	(6,458)
SCI			54,250	0.35%	(54,250)	(4,521)
TOTAL	1,020,800		3,679,700		(2,658,900)	(221,576)
SCE&G Pool for PSA amt	14,979,200		11,820,300			
PSA	1,072,511	7.16%	846,333	7.16%	226,178	18,848
Left for SCE&G O&M & Capital	13,906,689		10,973,967			
SCEG O&M	10,666,430	76.70%	8,417,031	76.70%	2,249,399	187,451
Retail Electric	2,980,203	21.43%	2,351,720	21.43%	628,483	52,374
Industrial	735,664	5.29%	580,523	5.29%	155,141	12,928
Fossil Hydro	3,083,112	22.17%	2,432,928	22.17%	650,184	54,183
2/3 Nuclear	2,219,508	15.96%	1,751,445	15.96%	468,063	39,005
Gas	1,647,943	11.85%	1,300,415	11.85%	347,528	28,961
SCEG CAPITAL	3,240,259	23.30%	2,556,934	23.30%	683,325	56,944
Retail Electric	1,782,838	12.82%	1,406,863	12.82%	375,975	31,331
Industrial	579,909	4.17%	457,614	4.17%	122,295	10,191
Fossil Hydro	305,947	2.20%	241,427	2.20%	64,520	5,377
2/3 Nuclear	218,335	1.57%	172,291	1.57%	46,044	3,837
Gas	353,230	2.54%	278,739	2.54%	74,491	6,208
		100.00%		100.00%		
SCEG BTL	15,000,000				15,000,000	1,250,000
Retail Electric	4,168,500	27.79%			4,168,500	347,375
Industrial	1,393,500	9.29%			1,393,500	116,125
Fossil Hydro	5,779,500	38.53%			5,779,500	481,625
2/3 Nuclear	1,536,000	10.24%			1,536,000	128,000
Gas	2,122,500	14.15%			2,122,500	176,875
		100.00%				
	31,000,000		15,499,998		15,500,002	1,291,667

BEVINS, ANGELA

From: BOLING, KULLEN E
Sent: Wednesday, February 20, 2008 2:47 PM
To: BEVINS, ANGELA
Subject: FW: SCANA - 2008 Cost Estimates Retirement and PRW Plans

Kullen Boling
SCANA Services
Corporate Accounting
(803) 217-8084 office
(803) 217-6176 fax

-----Original Message-----

From: MCCRAVY, ERNEST E
Sent: Wednesday, February 13, 2008 8:38 AM
To: BOLING, KULLEN E
Subject: FW: SCANA - 2008 Cost Estimates Retirement and PRW Plans

-----Original Message-----

From: Chris A Neal [mailto:chris.neal@towersperrin.com]
Sent: Tuesday, February 12, 2008 5:41 PM
To: MCCRAVY, ERNEST E
Cc: HINSON, BYRON W; Peter Kostiw; Michael Holderman; Beverly Bailey; Tom Chong; Mariasha Shapiro
Subject: SCANA - 2008 Cost Estimates Retirement and PRW Plans

Ike,

As you requested, we estimated SCANA's 2008 net periodic cost for the SCANA's Retirement Plan and Postretirement Welfare Plan (PRW).

The total estimated costs for the Retirement Plan are as follows:

FAS87 Cost = (\$15.5) million

Santee Cooper cost allocation = (\$0.5) million

The estimated cost (FAS106 basis) for the Postretirement Welfare Plan is \$21.1 million.

For the Retirement Plan, we determined the cost under the standard FAS87 methodology and the cost allocation methodology which has been referred to as the Santee Cooper cost. The service cost for the Retirement Plan estimates is \$15.5 million. The estimated FAS106 cost for the PRW plan is prior to any adjustment that SCANA makes due to the accelerated recognition of the transition obligation.

We used the assumptions that SCANA adopted for the plans' December 31, 2007 financial disclosure. The following assumptions were adopted by SCANA at

	<u>Dec 2007</u>	<u>Dec 2006</u>	<u>Variance</u>	<u>YTD Dec 2007</u>	<u>YTD Dec 2006</u>	<u>Variance</u>
PENSION INCOME	\$ 1,453,251.00	\$ 1,127,517.25	\$ 325,733.75	\$ 17,438,956.00	\$ 13,530,207.00	\$ 3,908,749.00
CGTC formerly SCPC	\$ 1,584.00	\$ (5,425.16)	\$ 7,009.16	\$ 19,007.00	\$ (49,913.82)	\$ 68,920.82
SEMI	\$ (6,804.00)	\$ (6,958.72)	\$ 154.72	\$ (81,646.00)	\$ (83,504.64)	\$ 1,858.64
SEGA	\$ (39,958.00)	\$ (31,705.14)	\$ (8,252.86)	\$ (479,497.00)	\$ (380,461.68)	\$ (99,035.32)
PSA	\$ 34,251.00	\$ 19,662.05	\$ 14,588.95	\$ 412,514.00	\$ 235,944.60	\$ 176,569.40
PSNC	\$ (151,873.00)	\$ (147,879.69)	\$ (3,993.31)	\$ (1,822,475.00)	\$ (1,774,556.28)	\$ (47,918.72)
PSI	\$ -	\$ (6,192.09)	\$ 6,192.09	\$ (21,831.00)	\$ (74,305.08)	\$ 52,474.08
SCG merged as CGTC	\$ -	\$ -	\$ -	\$ -	\$ (15,188.10)	\$ 15,188.10
SAPP	\$ (6,383.00)	\$ (5,724.76)	\$ (658.24)	\$ (76,598.00)	\$ (68,697.12)	\$ (7,900.88)
SCI	\$ (4,468.00)	\$ (3,972.28)	\$ (495.72)	\$ (53,618.00)	\$ (47,667.36)	\$ (5,950.64)
SCEG O&M	\$ 358,670.00	\$ 201,874.25	\$ 156,795.75	\$ 4,319,786.00	\$ 2,422,491.00	\$ 1,897,295.00
Retail Electric	100,533.00	56,084.89	44,448.11	1,210,808.00	673,018.68	537,789.32
Industrial	24,393.00	13,714.28	10,678.72	293,785.00	164,571.36	129,213.64
Fossil Hydro	103,912.00	60,238.36	43,673.64	1,251,508.00	722,860.32	528,647.68
2/3 Nuclear	75,539.00	43,702.85	31,836.15	909,781.00	524,434.20	385,346.80
Gas	54,293.00	28,133.87	26,159.13	653,904.00	337,606.44	316,297.56
SCEG CAPITAL	\$ 104,190.00	\$ 59,350.19	\$ 44,839.81	\$ 1,254,846.00	\$ 712,202.28	\$ 542,643.72
Retail Electric	58,274.00	32,626.93	25,647.07	701,843.00	391,523.16	310,319.84
Industrial	18,746.00	10,475.10	8,270.90	225,773.00	125,701.20	100,071.80
Fossil Hydro	11,710.00	6,086.53	5,623.47	141,038.00	73,038.36	67,999.64
2/3 Nuclear	4,536.00	2,403.26	2,132.74	54,630.00	28,839.12	25,790.88
Gas	10,924.00	7,758.37	3,165.63	131,562.00	93,100.44	38,461.56
SCEG BTL	\$ 1,164,042.00	\$ 1,054,488.60	\$ 109,553.40	\$ 13,968,468.00	\$ 12,653,863.20	\$ 1,314,604.80
Retail Electric	330,825.00	253,077.26	77,747.74	3,969,844.00	3,036,927.12	932,916.88
Industrial	105,346.00	126,538.63	(21,192.63)	1,264,149.00	1,518,463.56	(254,314.56)
Fossil Hydro	447,337.00	453,430.11	(6,093.11)	5,368,071.00	5,441,161.32	(73,090.32)
2/3 Nuclear	126,764.00	105,448.86	21,315.14	1,521,167.00	1,265,386.32	255,780.68
Gas	153,770.00	115,993.74	37,776.26	1,845,237.00	1,391,924.88	453,312.12

**TOWERS
PERRIN**
HR SERVICES

September 26, 2007

Mr. Ike McCravy
Assistant Controller
SCANA Corporation
Palmetto Center
1426 Main Street
Columbia, SC 29218

Dear Ike:

As we discussed, SCANA will complete the closing entries for the quarter ending September 30, 2007 this week.

The following table shows the component cost for the final 2007 FAS87/106 net periodic cost for SCANA's postretirement benefit plans. For the first and second quarters, SCANA has been using estimated cost. You will need to true-up the cost you have recorded to date using these costs for each plan.

Components of Cost	Retirement Plan	SERP	Postretirement Welfare Plan	Total
Service Cost	\$15,320,055	\$317,439	\$4,431,657	\$20,069,151
Interest Cost	40,532,517	700,150	11,738,998	52,971,665
Return on Assets	(79,922,708)	N/A	N/A	(79,922,708)
Transition Obligation	0	0	3,343,767	3,343,767
Prior service cost	6,631,180	99,240	1,093,550	7,823,970
(Gain)/Loss	0	247,387	859,292	1,106,679
Total	(\$17,438,956)	\$1,364,216	\$21,467,264	\$5,392,524

It has been SCANA's practice to adjust the postretirement benefit plan cost recognized in the current and remaining quarters to reflect the net periodic cost produced by the current year valuation (first and second quarter results are accrued and disclosed based on the budgeted cost). It is our understanding that the major accounting firms have now taken the position that if the net periodic cost is true-up for a current year valuation, the balance sheet must also be true-up, regardless of materiality considerations. This adjustment, if required, would reflect the difference between the actual (remeasured) and expected (based on the rolled-forward valuation used for disclosure purposes)

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment for Other Post-Retirement Benefits ("OPEB")
For the Test Year Ended December 31, 2007

	<u>Amount</u>
Annualized PSNC OPEB Expense per Actuarial Analysis	\$2,410,352.00
PSNC OPEB Expense Per Books	<u>\$2,452,306.00</u>
Pro-forma Adjustment for OPEB	<u>(\$41,954.00)</u>

Note: The PSNC OPEB Expense Per Books includes amounts for chargeback items not expensed through the 9260001 O&M Account.

**OPEB Proforma
12 Months Ended December 2007**

	SCE&G Electric	SCE&G Gas	PSNC Gas
Total OPEB Accrual, test year (gross)	\$21,467,264 A	\$21,467,264 A	\$21,467,264 A
Less: Offsystem (test year)	489,454	489,454	489,454
Net, to be allocated	<u>20,977,810</u>	<u>20,977,810</u>	<u>20,977,810</u>
O&M %age	45.17%	8.20%	11.69%
Amt to O&M	9,475,677 B	1,720,180 B	2,452,306 B
B / A = % x 2008 OPEB Amt of \$21,100,000	9,313,566	1,690,751	2,410,352
Pro Forma	(162,111)	(29,429)	(41,954)

**TOWERS
PERRIN**
HR SERVICES

September 26, 2007

Mr. Ike McCravy
Assistant Controller
SCANA Corporation
Palmetto Center
1426 Main Street
Columbia, SC 29218

Dear Ike:

As we discussed, SCANA will complete the closing entries for the quarter ending September 30, 2007 this week.

The following table shows the component cost for the final 2007 FAS87/106 net periodic cost for SCANA's postretirement benefit plans. For the first and second quarters, SCANA has been using estimated cost. You will need to true-up the cost you have recorded to date using these costs for each plan.

Components of Cost	Retirement Plan	SERP	Postretirement Welfare Plan	Total
Service Cost	\$15,320,055	\$317,439	\$4,431,657	\$20,069,151
Interest Cost	40,532,517	700,150	11,738,998	52,971,665
Return on Assets	(79,922,708)	N/A	N/A	(79,922,708)
Transition Obligation	0	0	3,343,767	3,343,767
Prior service cost	6,631,180	99,240	1,093,550	7,823,970
(Gain)/Loss	0	247,387	859,292	1,106,679
Total	(\$17,438,956)	\$1,364,216	\$21,467,264	\$5,392,524

It has been SCANA's practice to adjust the postretirement benefit plan cost recognized in the current and remaining quarters to reflect the net periodic cost produced by the current year valuation (first and second quarter results are accrued and disclosed based on the budgeted cost). It is our understanding that the major accounting firms have now taken the position that if the net periodic cost is trued-up for a current year valuation, the balance sheet must also be trued-up, regardless of materiality considerations. This adjustment, if required, would reflect the difference between the actual (remeasured) and expected (based on the rolled-forward valuation used for disclosure purposes)

**Calculated Gross OPEB and Cash Amount
 12 Months Ended September 2007**

	Gross OPEB Accrual	Total of Subs cash & noncash %ages	Cash & Noncash Calculation
Jan 2007	\$ 1,833,333.33	2.28%	41,800.00
Feb 2007	1,883,333.37	2.28%	42,940.00
Mar 2007	1,858,333.33	2.28%	42,370.00
Apr 2007	1,858,333.33	2.28%	42,370.00
May 2007	1,858,333.33	2.28%	42,370.00
Jun 2007	1,858,333.33	2.28%	42,370.00
Jul 2007	1,858,333.33	2.28%	42,370.00
Aug 2007	1,858,333.33	2.28%	42,370.00
Sep 2007	1,233,781.31	2.28%	28,130.00
Oct 2006	1,788,938.67	2.28%	40,788.00
Nov 2006	1,788,938.67	2.28%	40,788.00
Dec 2006	1,788,938.67	2.28%	40,788.00
	<u>\$ 21,467,264.00</u>		<u>489,454.00</u>

2007 SCANA

A			B	C	D	E	F	G	H	I (A-G+H)	
GROSS OPEB RECORDED		Change In		Retiree Health Costs				Retiree	Retiree Cost	Accelerated	OPEB
						As Booked					
JV 0327 OPEB		Retiree Est	Month	Actual	Difference	Following Month	Retiree Life	Contributions	Net of	Amortization	Liability
Jan 07	1,833,333.33		Dec 06	1,023,741.49		1,023,741.49	124,932.00	178,086.92	970,586.57	(212,154.75)	650,592.01
Feb 07	1,883,333.37		Jan 07	936,028.29		936,028.29	125,666.61	215,534.12	846,160.78	(212,154.75)	825,017.84
Mar 07	1,858,333.33		Feb 07	1,406,865.67		1,406,865.67	126,781.73	209,027.78	1,324,619.62	(212,154.75)	321,558.96
Apr 07	1,858,333.33		Mar 07	1,025,253.14		1,025,253.14	127,354.53	337,717.31	814,890.36	(212,154.75)	831,288.22
May 07	1,858,333.33		Apr 07	852,397.92		852,397.92	127,461.42	217,734.80	762,124.54	(212,154.75)	884,054.04
Jun 07	1,858,333.33		May 07	1,194,697.49		1,194,697.49	127,206.53	218,312.40	1,103,591.62	(212,154.75)	542,586.96
Jul 07	1,858,333.33		Jun 07	1,001,919.76		1,001,919.76	127,656.08	217,373.07	912,202.77	(212,154.75)	733,975.81
Aug 07	1,858,333.33		Jul 07	1,150,083.71		1,150,083.71	129,062.55	506,462.61	772,683.65	(212,154.75)	873,494.93
Sep 07	1,233,781.31		Aug 07	1,142,033.84		1,142,033.84	129,175.94	219,259.74	1,051,950.04	(212,154.75)	(30,323.48)
Oct 07	1,788,938.67		Sep 07	922,524.08		922,524.08	129,330.73	215,734.87	836,119.94	(212,154.75)	740,663.98
Nov 07	1,788,938.67		Oct 07	1,361,852.64		1,361,852.64	129,604.61	217,467.89	1,273,989.36	(212,154.75)	302,794.56
Dec 07	1,788,938.67		Nov 07	1,041,838.05		1,041,838.05	129,729.43	467,477.38	704,090.10	(1,242,457.75)	(157,609.18)
TOTAL	21,467,264.00	-		13,059,236.08	-	13,059,236.08	1,533,962.16	3,220,188.89	11,373,009.35	(3,576,160.00)	6,518,094.65

Start of 2007 Balance	197,638,921.92
OPEB Liability at 12/31/06	(197,785,707.27)
OPEB Contra 2007 Adjustment	(99,879.00)
OPEB Liability Adjusted for 2007 Entry	(197,885,586.27)
OPEB Contra at 12/31/2006	814,890.36
OPEB Contra 2007 Adjustment(s)	(99,879.00)
OPEB Contra Balance adjusted for 2007 Entry	815,087.00
2007 SFAS 158 Adjustments	
1ST Quarter	755,787.00
2ND Quarter	755,787.00
3RD Quarter	5,543,683.00
4TH Quarter	9,509,764.00
Total SFAS 158 Adjustments	16,565,001.00
+ 2007 Net Additions as Detailed Above	(6,518,094.65)
Account 253.0319	(197,638,921.92)
Account 253.0320	815,087.00
OPEB Liability	(196,823,834.92)

Includes Medicare Subsidy in the
amount of \$596,095.91

**Employee Count
 November 30, 2006**

Area Name	# of Emp	% to Total	
SCE&G	2,849	48.91%	
PSNC	689	11.83%	
GENCO	76	1.31%	
CGTC	79	1.36%	
SCI	8	0.14%	} 2.28%
SEGA	30	0.52%	
SEMI - Columbia	15	0.26%	
SCANA Services	2,051	35.22%	
SVC	26	0.45%	
Grand Total	<u>5,823</u>	<u>100.00%</u>	
PSI	103		
	<u>5,926</u>		

C

Calculation based on 12ME 11/07 Labor allocation

at 2/3's

Includes adjustment for PSA portion of 1017

	Allocation of:							
	CR Payroll	Unassigned Co Items	Chargebacks	Fleet	Stores Exp	Subs Payroll	Total	Calc PCT
<u>SCE&G O&M</u>								
FADM	42,331,253	222,112	2,310,336	95,266	396,807		45,355,774	14.8164%
INAG	10,736,044	68,482	925,250	196,705	26,301		11,952,782	3.9046%
VCS/NUC	48,869,192	83,653	2,602,761	48,096	591,759		52,195,461	17.0508%
PSAD	(15,253,039)	-	(675,524)	(16,032)	(197,253)		(16,141,848)	-5.2731%
RADM	37,263,866	133,885	10,188,441	798,280	49,435		48,433,907	15.8220%
Total Electric	123,947,316	508,132	15,351,264	1,122,315	867,049	-	141,796,076	46.3207%
Gas	23,521,187	40,828	2,520,084	511,235	-	-	26,593,334	8.6873%
Total O&M	147,468,503	548,960	17,871,348	1,633,550	867,049	-	168,389,410	55.0080%
<u>SCE&G Construction</u>								
FADM	3,441,715	80,661	577,041	7,705	396,807		4,503,929	1.4713%
INAG	8,163,015	24,893	820,712	292,986	123,768		9,425,374	3.0790%
VCS/NUC	4,478,873	-	757,076	3,302	446,415		5,685,666	1.8573%
PSAD	(1,737,332)	-	(252,359)	(1,101)	(148,805)		(2,139,597)	-0.6989%
RADM	24,568,666	60,030	1,898,157	1,292,388	1,161,721		28,980,962	9.4673%
Total Electric Const	38,914,937	165,584	3,800,827	1,595,280	1,979,906	-	46,456,334	15.1760%
Gas	5,441,439	12,393	152,264	132,742	-	-	5,738,838	1.8747%
Common	-	870,745	1,255,910	-	-	-	2,126,655	0.6947%
Non-Utility	-	833,248	12,506	-	-	-	845,754	0.2763%
Total Construction	44,356,376	1,881,970	5,221,307	1,728,022	1,979,906	-	55,167,581	18.0217%
<u>SCE&G Other Accounts</u>								
<u>Non Operating:</u>								
FADM	923,528	5,779	275,921	6,318	-	-	1,211,546	0.3958%
INAG	219,006	1,819	100,535	2,195	-	-	323,555	0.1057%
VCS/NUC	254,504	2,141	171,741	42	-	-	428,428	0.1400%
PSAD	-	-	-	-	-	-	-	0.0000%
RADM	691,979	3,532	409,753	4,978	-	-	1,110,242	0.3627%
SubTotal Elec Non Oper	2,089,017	13,271	957,950	13,533	-	-	3,073,771	1.0041%
Gas	335,973	1,068	127,352	1,576	-	-	465,969	
SubTotal SCEG Non Oper	2,424,990	14,339	1,085,302	15,109	-	-	3,539,740	1.1563%
RWIP	2,496,096	-	24,239	143,477	-	-	2,663,812	0.8702%
OWIP	984,591	17,142	3,333	-	29,359	-	1,034,425	0.3379%
Other	419,568	-	-	-	-	-	419,568	0.1371%
Total SCEG Other	6,325,245	31,481	1,112,874	158,586	29,359	-	7,657,545	2.5015%
Total SCE&G	198,150,124	2,462,411	24,205,529	3,520,158	2,876,314	-	231,214,536	75.5312%
<u>SEGA</u>								
SEGA	6,071,859	-	2,473,210	3,214	-	-	8,548,283	2.7925%
SERG	3,061,482	-	35,043	-	-	-	3,096,525	1.0115%
PSI	-	-	-	-	-	-	-	0.0000%
SCI	485,094	4,668	103,013	4,216	-	-	596,991	0.1950%
SEMI	3,172,521	157,048	750,084	102	-	-	4,079,755	1.3327%
SHCO	-	-	-	-	-	-	-	0.0000%
SAPP	1,353,359	2,753	312,311	2	-	-	1,668,425	0.5450%
CGTC/SCPC/SCG	2,353,985	26,933	1,160,617	141	-	-	3,541,676	1.1570%
PSNC OM	31,933,106	114,794	2,840,036	624,179	261,402	-	35,773,517	11.6862%
PSNC Cap	7,793,091	33,516	661,886	192,457	408,441	-	9,089,391	2.9692%
PSNC BTL	2,209,554	3,830	62,938	40,306	16,338	-	2,332,966	0.7621%
PSNC Other	(190)	-	-	-	-	-	(190)	-0.0001%
PSNC RWIP	472,138	-	-	28,737	130,701	-	631,576	0.2063%
GENCO O&M	4,420,484	31,196	189,074	5,460	85,471	-	4,731,685	1.5457%
GENCO Construction	471,503	-	3,879	257	863	-	476,502	0.1557%
GENCO BTL	14,780	-	-	1	-	-	14,781	0.0048%
GENCO RWIP	69,364	-	-	58	-	-	69,422	0.0227%
GENCO OWIP	227,226	-	-	-	-	-	227,226	0.0742%
GENCO Other	21,083	3,757	-	-	-	-	24,840	0.0081%
Total Subs	64,130,439	378,495	8,592,091	899,130	903,216	-	74,903,371	24.4688%
GRAND TOTAL	262,280,563	2,840,906	32,797,620	4,419,288	3,779,530	-	306,117,907	100.0000%

BOLING, KULLEN E

From: MCCRAVY, ERNEST E
Sent: Wednesday, February 13, 2008 8:38 AM
To: BOLING, KULLEN E
Subject: FW: SCANA - 2008 Cost Estimates Retirement and PRW Plans

-----Original Message-----

From: Chris A Neal [mailto:chris.neal@towersperrin.com]
Sent: Tuesday, February 12, 2008 5:41 PM
To: MCCRAVY, ERNEST E
Cc: HINSON, BYRON W; Peter Kostiw; Michael Holderman; Beverly Bailey; Tom Chong; Mariasha Shapiro
Subject: SCANA - 2008 Cost Estimates Retirement and PRW Plans

Ike,

As you requested, we estimated SCANA's 2008 net periodic cost for the SCANA's Retirement Plan and Postretirement Welfare Plan (PRW).

The total estimated costs for the Retirement Plan are as follows:

FAS87 Cost = (\$15.5) million
Santee Cooper cost allocation = (\$0.5) million

The estimated cost (FAS106 basis) for the Postretirement Welfare Plan is \$21.1 million.

For the Retirement Plan, we determined the cost under the standard FAS87 methodology and the cost allocation methodology which has been referred to as the Santee Cooper cost. The service cost for the Retirement Plan estimates is \$15.5 million. The estimated FAS106 cost for the PRW plan is prior to any adjustment that SCANA makes due to the accelerated recognition of the transition obligation.

We used the assumptions that SCANA adopted for the plans' December 31, 2007 financial disclosure. The following assumptions were adopted by SCANA at December 31, 2007:

- discount rate 6.25% (Retirement Plan)
- discount rate 6.30% (PRW)
- cash balance crediting rate 5.00%
- medical cost trend, immediate trend 9.0% grading to 5.00% in 2014
- EROA 9.00% (unchanged)

These estimates are based on the results of the January 1, 2007 actuarial valuation for these plans. A summary of the assumptions (other than those listed above), methods and plan provisions may be found in our 2007

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment for Other Benefits
For the Test Year Ended December 31, 2007

<u>YTD Clearing Acct. Balances - Total Service Company</u>	<u>Amount</u>
401K (Acct. 1840603)	\$18,614,918
Long-Term Disability (Acct. 1840604)	\$2,938,150
Short-Term Disability (Acct. 1840616)	<u>\$2,524,459</u>
Total Other Benefits	\$24,077,527
Divide by Total SCANA Payroll (Test Year)	<u>\$306,826,431</u>
Benefits to Total Payroll Percentage	7.85%
Multiply by total PSNC Payroll Expense Adjustment per Item 4a Workpaper 3A	<u>\$2,072,907</u>
Increase in Other Benefits Expense	<u><u>\$162,723</u></u>

Calculation based on 12ME 12/07 Labor allocation

at 2/3's

Includes adjustment for PSA portion of 1017

	Allocation of:										
	CR Payroll	OT	ACCP	Unassigned Co Items	Chargebacks	Fleet	Stores Exp	Subs Payroll OT	Subs Payroll	Total	Calc PCT
SCE&G O&M											
FADM	41,025,540			215,349	2,161,222	91,997	660,576			44,154,684	14.3908%
INAG	10,495,898			66,397	898,307	192,694	25,446			11,678,742	3.8063%
VCS/NUC	47,072,028			81,105	2,545,218	45,651	824,513			50,568,515	16.4811%
PSAD	(14,686,561)			-	(664,595)	(15,217)	(274,838)			(15,641,211)	-5.0977%
RADM	35,966,671			129,903	9,984,506	752,597	40,187			46,873,864	15.2770%
Total Electric	119,873,576			492,754	14,924,658	1,067,722	1,275,884	-	-	137,634,594	44.8575%
Gas	22,769,183			39,630	2,467,461	477,811	-	427	34,046	25,788,558	8.4049%
Total O&M	142,642,759			532,384	17,392,119	1,545,533	1,275,884	427	34,046	163,423,152	53.2624%
SCE&G Construction											
FADM	3,220,513			78,205	473,103	7,183	106,067			3,885,071	1.2662%
INAG	7,807,669			24,135	856,250	273,695	119,146			9,080,895	2.9596%
VCS/NUC	4,503,524			-	487,918	3,188	171,732			5,166,362	1.6838%
PSAD	(1,749,800)			-	(162,639)	(1,063)	(57,244)			(1,970,746)	-0.6423%
RADM	23,768,772			54,967	1,907,576	1,240,688	1,147,144			28,119,147	9.1645%
Total Electric Const	37,550,678			157,307	3,562,208	1,523,691	1,486,845	-	-	44,280,729	14.4318%
Gas	5,362,107			12,016	199,556	128,171	-	-	-	5,701,850	1.8583%
Common	-			862,536	1,290,651	-	-	-	-	2,153,187	0.7018%
Non-Utility	-			783,432	25,699	-	-	-	-	809,131	0.2637%
Total Construction	42,912,785			1,815,291	5,078,114	1,651,862	1,486,845	-	-	52,944,897	17.2557%
SCE&G Other Accounts											
Non Operating:											
FADM	887,265			5,602	260,181	6,116	-	-	-	1,159,164	0.3778%
INAG	217,423			1,764	95,336	1,978	-	-	-	316,501	0.1032%
VCS/NUC	239,738			2,075	162,788	39	-	-	-	404,640	0.1319%
PSAD	-			-	-	-	-	-	-	-	0.0000%
RADM	650,536			3,423	391,919	4,733	-	-	-	1,050,611	0.3424%
SubTotal Elec Non Oper	1,994,962			12,864	910,224	12,866	-	-	-	2,930,916	0.9552%
Gas	331,269			1,036	121,821	1,412	-	-	-	455,538	-
SubTotal SCEG Non Oper	2,326,231			13,900	1,032,045	14,278	-	-	-	3,386,454	1.1037%
RWIP	2,508,821			-	24,045	139,177	4,017	-	-	2,676,060	0.8722%
OWIP	993,702			17,672	(21,264)	43,611	28,419	-	-	1,062,140	0.3462%
Other	390,422			-	-	-	21,712	-	-	412,134	0.1343%
Total SCEG Other	6,219,176			31,572	1,034,826	197,066	54,148	-	-	7,536,788	2.4564%
Total SCE&G	191,774,720			2,379,247	23,505,059	3,394,461	2,816,877		34,046	223,904,837	72.9744%
GENCO											
SEGA	5,785,238			-	2,287,607	3,048		15,390	2,773,197	10,864,480	3.5409%
SERG	2,923,789			-	34,259	-		-	-	2,958,048	0.9641%
SCI	490,075			4,570	113,661	5,486		-	525,998	1,139,790	0.3715%
SEMI	3,095,094			153,737	745,864	98		352	1,291,286	5,286,431	1.7229%
SHCO	257,140			-	26,353	-		-	-	283,493	0.0924%
SAPP	1,311,869			2,695	263,358	3		-	-	1,577,925	0.5143%
CGTC/SCPC/SCG	2,190,100			26,365	1,175,768	212		241,136	5,453,717	9,087,298	2.9617%
PSNC OM	30,947,387			112,374	2,761,670	605,436	248,102		-	34,674,969	11.3012%
PSNC Cap	7,575,860			32,810	635,979	187,347	398,227		-	8,830,223	2.8779%
PSNC BTL	2,118,904			3,750	58,759	39,421	18,173		-	2,239,007	0.7297%
PSNC Other	-			-	-	-	-		-	-	0.0000%
PSNC RWIP	459,048			-	-	27,834	125,631		-	612,513	0.1996%
GENCO O&M	4,256,479			30,246	186,265	5,704	82,267		-	4,560,961	1.4865%
GENCO Construction	456,322			-	3,801	279	1,185		-	461,587	0.1504%
GENCO BTL	14,329			-	-	1	-		-	14,330	0.0047%
GENCO RWIP	73,475			-	-	65	-		-	73,540	0.0240%
GENCO OWIP	227,339			-	-	4,419	1,185		-	232,943	0.0759%
GENCO Other	20,513			3,970	-	-	-		-	24,483	0.0080%
Total Subs	62,202,961			370,517	8,293,344	879,353	874,770	256,878	10,044,198	82,922,021	27.0257%
GRAND TOTAL	253,977,681			2,749,764	31,798,403	4,273,814	3,691,647	256,878	10,078,244	306,826,431	100.0000%

Calculation based on 12ME 12/07 Labor allocation

at 2/3's

Includes adjustment for PSA portion of 1017

Allocation of:											
	CR Payroll	OT	ACCP	Unassigned Co Items	Chargebacks	Fleet	Stores Exp	Subs Payroll OT	Subs Payroll	Total	Calc PCT
SCE&G O&M											
FADM	41,025,540		184,492	215,349	2,161,222	91,997	660,576			44,339,176	14.3838%
INAG	10,495,898		32,541	66,397	898,307	192,694	25,446			11,711,283	3.7992%
VCS/NUC	47,072,028		177,090	81,105	2,545,218	45,651	824,513			50,745,605	16.4621%
PSAD	(14,686,561)		(46,175)	-	(664,595)	(15,217)	(274,838)			(15,687,386)	-5.0891%
RADM	35,966,671		142,281	129,903	9,984,506	752,597	40,187			47,016,145	15.2522%
Total Electric	119,873,576		490,229	492,754	14,924,658	1,067,722	1,275,884	-	-	138,124,823	44.8083%
Gas	22,769,183		70,290	39,630	2,467,461	477,811	-	427	34,046	25,858,848	8.3887%
Total O&M	142,642,759		560,519	532,384	17,392,119	1,545,533	1,275,884	427	34,046	163,983,671	53.1970%
SCE&G Construction											
FADM	3,220,513		43,082	78,205	473,103	7,183	106,067			3,928,153	1.2743%
INAG	7,807,669		64,163	24,135	856,250	273,695	119,146			9,145,058	2.9667%
VCS/NUC	4,503,524		46,985	-	487,918	3,188	171,732			5,213,347	1.6912%
PSAD	(1,749,800)		(15,661)	-	(162,639)	(1,063)	(57,244)			(1,986,407)	-0.6444%
RADM	23,768,772		304,717	54,967	1,907,576	1,240,688	1,147,144			28,423,864	9.2208%
Total Electric Const	37,550,678		443,286	157,307	3,562,208	1,523,691	1,486,845	-	-	44,724,015	14.5087%
Gas	5,362,107		55,785	12,016	199,556	128,171	-	-	-	5,757,635	1.8678%
Common	-		43,093	862,536	1,290,651	-	-	-	-	2,196,280	0.7125%
Non-Utility	-		-	783,432	25,699	-	-	-	-	809,131	0.2625%
Total Construction	42,912,785		542,164	1,815,291	5,078,114	1,651,862	1,486,845	-	-	53,487,061	17.3514%
SCE&G Other Accounts											
Non Operating:											
FADM	887,265		2,037	5,602	260,181	6,116	-	-	-	1,161,201	0.3767%
INAG	217,423		662	1,764	95,336	1,978	-	-	-	317,163	0.1029%
VCS/NUC	239,738		743	2,075	162,788	39	-	-	-	405,383	0.1315%
PSAD	-		-	-	-	-	-	-	-	-	0.0000%
RADM	650,536		1,256	3,423	391,919	4,733	-	-	-	1,051,867	0.3412%
SubTotal Elec Non Oper	1,994,962		4,698	12,864	910,224	12,866	-	-	-	2,935,614	0.9523%
Gas	331,269		372	1,036	121,821	1,412	-	-	-	455,910	-
SubTotal SCEG Non Oper	2,326,231		5,070	13,900	1,032,045	14,278	-	-	-	3,391,524	1.1002%
RWIP	2,508,821		-	-	24,045	139,177	4,017	-	-	2,676,060	0.8681%
OWIP	993,702		-	17,672	(21,264)	43,611	28,419	-	-	1,062,140	0.3446%
Other	390,422		-	-	-	-	21,712	-	-	412,134	0.1337%
Total SCEG Other	6,219,176		5,070	31,572	1,034,826	197,066	54,148	-	-	7,541,858	2.4466%
Total SCE&G	191,774,720		1,107,753	2,379,247	23,505,059	3,394,461	2,816,877		34,046	225,012,590	72.9950%
SEGA											
SEGA	5,785,238		-	-	2,287,607	3,048		15,390	2,773,197	10,864,480	3.5245%
SERG	2,923,789		-	-	34,259	-		-	-	2,958,048	0.9596%
SCI	490,075		1,479	4,570	113,661	5,486		-	525,998	1,141,269	0.3702%
SEMI	3,095,094		48,875	153,737	745,884	98		352	1,291,286	5,335,306	1.7308%
SHCO	257,140		-	-	26,353	-		-	-	283,493	0.0920%
SAPP	1,311,869		657	2,695	263,358	3		-	-	1,578,582	0.5121%
CGTC/SCPC/SCG	2,190,100		8,451	26,365	1,175,768	212		241,136	5,453,717	9,095,749	2.9507%
PSNC OM	30,947,387		103,457	112,374	2,761,670	605,436	248,102		-	34,778,426	11.2823%
PSNC Cap	7,575,860		130,247	32,810	635,979	187,347	398,227		-	8,960,470	2.9068%
PSNC BTL	2,118,904		6,894	3,750	58,759	39,421	18,173		-	2,245,901	0.7286%
PSNC Other	-		-	-	-	-	-		-	-	0.0000%
PSNC RWIP	459,048		-	-	-	27,834	125,631		-	612,513	0.1987%
GENCO O&M	4,256,479		18,873	30,246	186,265	5,704	82,267		-	4,579,834	1.4857%
GENCO Construction	456,322		4,261	-	3,801	279	1,185		-	465,848	0.1511%
GENCO BTL	14,329		-	-	-	1	-		-	14,330	0.0046%
GENCO RWIP	73,475		-	-	-	65	-		-	73,540	0.0239%
GENCO OWIP	227,339		-	-	-	4,419	1,185		-	232,943	0.0756%
GENCO Other	20,513		-	3,970	-	-	-		-	24,483	0.0079%
Total Subs	62,202,961		323,194	370,517	8,293,344	879,353	874,770	256,878	10,044,198	83,245,215	27.0051%
GRAND TOTAL	253,977,681		1,430,947	2,749,764	31,798,403	4,273,814	3,691,647	256,878	10,078,244	308,257,378	100.0000%

Calculation based on CM 12/07 Labor allocation

at 2/3's

Includes adjustment for PSA portion of 1017

Allocation of:											
	CR Payroll	OT	ACCP	Unassigned Co Items	Chargebacks	Fleet	Stores Exp	Subs Payroll OT	Subs Payroll	Total	Calc PCT
SCE&G O&M											
FADM	3,183,247			15,943	164,424	6,764	53,660			3,424,038	14.3530%
INAG	911,140			4,916	68,342	14,168	1,861			1,000,427	4.1936%
VCS/NUC	3,517,889			6,005	193,639	3,357	68,289			3,789,179	15.8836%
PSAD	(1,093,758)			-	(50,562)	(1,119)	(22,763)			(1,168,202)	-4.8969%
RADM	2,769,998			9,746	759,613	55,335	3,143			3,597,835	15.0815%
Total Electric	9,288,516			36,610	1,135,456	78,505	104,190	-	-	10,643,277	44.6148%
Gas	1,777,714			2,996	187,722	35,131	-	36	2,837	2,006,436	8.4106%
Total O&M	11,066,230			39,606	1,323,178	113,636	104,190	36	2,837	12,649,713	53.0254%
SCE&G Construction											
FADM	222,083			5,790	35,993	528	8,616			273,010	1.1444%
INAG	529,805			1,787	65,143	20,124	8,715			625,574	2.6223%
VCS/NUC	454,543			-	37,120	234	14,223			506,120	2.1216%
PSAD	(176,502)			-	(12,373)	(78)	(4,741)			(193,694)	-0.8119%
RADM	1,830,226			3,497	145,127	91,222	89,727			2,159,799	9.0535%
Total Electric Const	2,860,155			11,074	271,010	112,030	116,540	-	-	3,370,809	14.1299%
Gas	445,345			890	15,182	9,424	-	-	-	470,841	1.9737%
Common	-			68,660	98,192	-	-	-	-	166,852	0.6994%
Non-Utility	-			36,434	1,955	-	-	-	-	38,389	0.1609%
Total Construction	3,305,500			117,058	386,339	121,454	116,540	-	-	4,046,891	16.9639%
SCE&G Other Accounts											
Non Operating:											
FADM	62,928			414	19,794	450	-			83,586	0.3504%
INAG	12,989			130	7,253	145	-			20,517	0.0860%
VCS/NUC	16,111			153	12,385	3	-			28,652	0.1201%
PSAD	-			-	-	-	-			-	0.0000%
RADM	51,227			253	29,817	348	-			81,645	0.3422%
SubTotal Elec Non Oper	143,255			950	69,249	946	-	-	-	214,400	0.8987%
Gas	26,189			77	9,268	104	-	-	-	35,638	
SubTotal SCEG Non Oper	169,444			1,027	78,517	1,050	-	-	-	250,038	1.0481%
RWIP	231,649			-	1,829	10,233	333			244,044	1.0230%
OWIP	112,788			5,367	(1,618)	3,207	2,203			121,947	0.5112%
Other	24,282			-	-	-	1,739			26,021	0.1091%
Total SCEG Other	538,163			6,394	78,728	14,490	4,275	-	-	642,050	2.6914%
Total SCE&G	14,909,893			163,058	1,788,245	249,580	225,005		2,837	17,338,654	72.6806%
Subs											
SEGA	426,842			-	174,039	224		1,283	231,100	833,487	3.4938%
SERG	216,050			-	2,606	-		-	-	218,656	0.9166%
SCI	48,282			355	8,647	403		-	43,833	101,520	0.4256%
SEMI	237,907			11,928	56,745	7		29	107,607	414,124	1.7359%
SHCO	22,741			-	2,005	-		-	-	24,746	0.1037%
SAPP	102,543			209	20,036	-		-	-	122,788	0.5147%
CGTC/SCPC/SCG	165,793			2,046	89,452	16		20,095	454,476	731,878	3.0679%
PSNC OM	2,435,842			8,719	210,106	48,482	20,373			2,723,522	11.4165%
PSNC Cap	614,341			2,546	48,385	15,002	32,701			712,975	2.9887%
PSNC BTL	173,726			291	4,470	3,157	1,492			183,136	0.7677%
PSNC Other	-			-	-	-	-			-	0.0000%
PSNC RWIP	30,870			-	-	2,229	10,316			43,415	0.1820%
GENCO O&M	334,215			2,239	14,171	419	8,474			359,518	1.5070%
GENCO Construction	40,309			-	289	21	122			40,741	0.1708%
GENCO BTL	939			-	-	-	-			939	0.0039%
GENCO RWIP	4,725			-	-	5	-			4,730	0.0198%
GENCO OWIP	113			-	-	325	122			560	0.0023%
GENCO Other	175			415	-	-	-			590	0.0025%
Total Subs	4,855,313			28,748	630,951	70,290	73,600	21,407	837,017	6,517,325	27.3195%
GRAND TOTAL	19,765,206			191,806	2,419,196	319,870	298,605	21,407	839,854	23,855,943	100.0000%

12-Feb-08

CONSOLIDATING BALANCE SHEET ACCOUNTS – COMPARISONS
December 2007

	Account	December This Year	December Last Year	Change From December	December Last Year	Change From Last Year
SERVICEC	1840000 Clearing Other	\$0.00	\$110,431.71	(\$110,431.71)	\$110,431.71	(\$110,431.71)
SERVICEC	1840007 Clr Pers Airfare	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840008 Clr Kerp A And G Salaries	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840009 Clr Home Ener Ck Program	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840011 Clr Fractional Shares	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840014 Clr Hvac Financing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840020 Clr Misc Empl Deductions	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840021 Clr Procure Credit Cards	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840022 Clr Gatu Financing	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840027 Clr Short Term Disability	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840028 Clearing Duct Sys & laq	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840059 Clearing-airplane 2 Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840078 Clearing-medical Mobile	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840079 Clearing-airplane 3 Expenses	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840210 Clr Transportation Exp	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840213 Clr Recycled Oil	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840214 Clr Water Environmental Exp	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840218 Clr Construction Equipment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840219 Clr Research Prk Lease	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840220 Clr Payroll	\$50,000.00	\$50,000.00	\$0.00	\$50,000.00	\$0.00
SERVICEC	1840240 Clr Office Supplies	\$59.91	\$0.00	\$59.91	\$0.00	\$59.91
SERVICEC	1840245 Employee Airline Travel	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840247 Pager Chargebacks	\$251.57	\$0.00	\$251.57	\$0.00	\$251.57
SERVICEC	1840270 Clr Postage	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840281 Pc Leasing Costs	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840291 Clr Pal Ctr Mgt And Maint	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840293 Clr Facility Maintenance	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840401 Clr Check Ramsey Grove	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840404 Clr Check Land And	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840406 Clr Check Secretarial Dept	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840570 Clr Rents	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840600 Empl Ben Retirement	(\$15,890,984.83)	(\$11,735,342.82)	(\$4,155,642.11)	(\$11,735,342.82)	(\$4,155,642.11)
SERVICEC	1840601 Empl Ben Group Insurance	\$56,732,967.16	\$52,348,008.80	\$4,384,958.36	\$52,348,008.80	\$4,384,958.36
SERVICEC	1840602 Empl Ben Education And	\$766,928.40	\$794,581.84	(\$27,653.44)	\$794,581.84	(\$27,653.44)
SERVICEC	1840603 Empl Ben Stk Purch Sav	\$18,614,918.11	\$17,950,839.60	\$664,078.51	\$17,950,839.60	\$664,078.51
SERVICEC	1840604 Empl Ben Long Term	\$2,938,150.20	\$3,065,111.89	(\$126,961.69)	\$3,065,111.89	(\$126,961.69)
SERVICEC	1840605 Empl Ben Empl Clubs Pl	\$409,402.65	\$431,113.64	(\$21,710.99)	\$431,113.64	(\$21,710.99)
SERVICEC	1840606 Empl Ben Empl Clubs Sand	\$238,816.38	\$275,801.15	(\$36,984.77)	\$275,801.15	(\$36,984.77)
SERVICEC	1840607 Empl Ben Empl Clubs Misty	\$96,620.35	\$86,765.85	\$9,854.50	\$86,765.85	\$9,854.50
SERVICEC	1840608 Empl Ben Empl Assist	\$229,648.90	\$204,417.44	\$25,231.46	\$204,417.44	\$25,231.46
SERVICEC	1840609 Empl Ben Recreat	\$41,885.14	\$48,155.41	(\$6,270.27)	\$48,155.41	(\$6,270.27)
SERVICEC	1840610 Empl Ben Serv Awards	\$286,035.98	\$278,208.56	\$7,827.42	\$278,208.56	\$7,827.42
SERVICEC	1840612 Empl Ben Parking	\$625,657.77	\$633,021.97	(\$7,364.20)	\$633,021.97	(\$7,364.20)
SERVICEC	1840613 Empl Ben Other	\$168,206.98	\$164,070.00	\$4,136.98	\$164,070.00	\$4,136.98
SERVICEC	1840614 Empl Ben Wellness	\$91,832.41	\$212,700.66	(\$120,868.25)	\$212,700.66	(\$120,868.25)
SERVICEC	1840615 Empl Ben Flex Spending	\$124,137.80	\$155,470.68	(\$31,332.88)	\$155,470.68	(\$31,332.88)
SERVICEC	1840616 Empl Ben Short Term	\$2,524,459.02	\$2,429,412.63	\$95,046.39	\$2,429,412.63	\$95,046.39
SERVICEC	1840617 Emp Ben Pc Purchase	\$3.35	\$2,381.29	(\$2,377.94)	\$2,381.29	(\$2,377.94)
SERVICEC	1840618 Empl Ben Grp Ins-res C	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840619 Prescription Drugs	\$3,132,881.13	\$2,383,089.16	\$749,791.97	\$2,383,089.16	\$749,791.97
SERVICEC	1840620 Non Prescription Items	\$6,475.67	\$0.00	\$6,475.67	\$0.00	\$6,475.67
SERVICEC	1840621 Other Pharmacy Costs	\$643,798.78	\$688,306.85	(\$44,508.07)	\$688,306.85	(\$44,508.07)
SERVICEC	1840622 Resource Center Costs	\$148,160.55	\$193,457.01	(\$45,296.46)	\$193,457.01	(\$45,296.46)
SERVICEC	1840623 Prescription Copays	(\$762,981.02)	(\$528,397.85)	(\$234,583.17)	(\$528,397.85)	(\$234,583.17)
SERVICEC	1840625 Resource Ctr Costs-plan	\$392,834.44	\$416,408.58	(\$23,572.14)	\$416,408.58	(\$23,572.14)
SERVICEC	1840626 Lt Disability - Supplemental	\$120,048.17	\$59,631.54	\$60,416.63	\$59,631.54	\$60,416.63
SERVICEC	1840635 Third Party Administrator	\$372,624.00	\$366,291.50	\$6,332.50	\$366,291.50	\$6,332.50
SERVICEC	1840638 Clear Employee Benefits	(\$87,943,512.32)	(\$82,638,846.20)	(\$5,304,666.12)	(\$82,638,846.20)	(\$5,304,666.12)
SERVICEC	1840639 Clearance Pensions	\$15,890,984.93	\$11,735,342.82	\$4,155,642.11	\$11,735,342.82	\$4,155,642.11
SERVICEC	1840641 Indir Payroll Holiday	\$3,944,665.21	\$3,474,478.34	\$470,186.87	\$3,474,478.34	\$470,186.87
SERVICEC	1840644 Indir Payroll Jury Duty	\$66,847.66	\$51,355.26	\$15,492.40	\$51,355.26	\$15,492.40
SERVICEC	1840645 Indir Payroll Funeral	\$176,586.89	\$146,488.74	\$30,098.15	\$146,488.74	\$30,098.15
SERVICEC	1840646 Indir Payroll Paid Time Off	\$8,542,207.91	\$8,332,435.63	\$209,772.28	\$8,332,435.63	\$209,772.28
SERVICEC	1840649 Clear Indirect Payroll	(\$12,730,307.67)	(\$12,004,757.97)	(\$725,549.70)	(\$12,004,757.97)	(\$725,549.70)
SERVICEC	1840650 Taxes Transfer Fica	\$7,713,277.77	\$7,245,203.19	\$468,074.58	\$7,245,203.19	\$468,074.58
SERVICEC	1840651 Tax Transfer Fed	\$123,258.10	\$114,387.49	\$8,870.61	\$114,387.49	\$8,870.61
SERVICEC	1840652 Tax Transfer St	\$225,438.22	\$201,985.20	\$23,453.02	\$201,985.20	\$23,453.02
SERVICEC	1840659 Clear Taxes Transferred	(\$8,061,974.09)	(\$7,561,575.88)	(\$500,398.21)	(\$7,561,575.88)	(\$500,398.21)

SERVICEC	1840906	Clear Insurance Prem Pymt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840907	Clear Ins Prem Pymt Scpc	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840908	Clear Insurance Prem Pymt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840909	Clear Insurance Prem Pymt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840910	Clear Ins Prem Pymt Scfc	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840913	Clr Insurance Prem Pymt	(\$2,763.75)	\$0.00	(\$2,763.75)	\$0.00	(\$2,763.75)
SERVICEC	1840914	Clr Insurance Prem Pymt	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840915	Clear Ins Prem Pymt Sr	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840928	Clear Ins Prem Pymt Psnc	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1840929	Clr-ins Prem Pymt-services	(\$1,756.41)	\$0.00	(\$1,756.41)	\$0.00	(\$1,756.41)
1840 Accounts			\$45,791.32	\$160,617.70	(\$114,826.38)	\$160,617.70	(\$114,826.38)
SERVICEC	1850000	Temporary Facilities	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
1850 Accounts			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1860000	Misc Deferred Debits	\$0.00	(\$0.03)	\$0.03	(\$0.03)	\$0.03
SERVICEC	1860006	Def Dr Inv Wo Prop Acct	\$45.00	\$45.00	\$0.00	\$45.00	\$0.00
SERVICEC	1860007	Def Dr Blink Po Wo Prop	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
SERVICEC	1860009	Def Dr Claims	(\$13,064.57)	\$0.00	(\$13,064.57)	\$0.00	(\$13,064.57)
SERVICEC	1860010	Misc Deferred Debits - Misc	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

<u>Mnth/Yr</u>	<u># Days</u>
Jan-07	23
Feb-07	20
Mar-07	22
Apr-07	21
May-07	23
Jun-07	21
Jul-07	22
Aug-07	23
Sep-07	20
Oct-07	23
Nov-07	22
Dec-07	21

261 Total Days in Test Period

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC
DOCKET NO. G-5, SUB 495
ADJUSTMENT TO UNCOLLECTIBLES FOR INCREASED REVENUES
TEST YEAR ENDING DECEMBER 31, 2007

Line
No.

1	Adjusted test year revenues	683,975,151	Workpaper 1
2	Less gas cost component of heat sensitive customers:	<u>422,935,104</u>	Page 2
3	Adjusted test year revenues to apply uncollectibles rate	261,040,047	
4	Uncollectibles rate	0.40%	
5	Proforma uncollectibles provision	1,044,160	
6	Test year uncollectibles provision	<u>389,472</u>	Item 10
7	Increase in uncollectibles provision	<u><u>654,688</u></u>	

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC
DOCKET NO. G-5, SUB 495
ADJUSTMENT TO UNCOLLECTIBLES FOR INCREASED REVENUES
TEST YEAR ENDING DECEMBER 31, 2007

Commodity gas costs applicable to heat sensitive customers	362,998,693
Fixed gas costs applicable to heat sensitive customers	55,937,203
Lost and Unaccounted for and company use applicable to heat sensitive customers	3,999,208
Total gas costs applicable to rates 101, 115, 120, 125 and 126	<u>422,935,104</u>

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
ADJUSTMENT TO CUSTOMER ACCOUNTS EXPENSES

Customer Accounts Expenses -Test Year		13,266,992 (Page 3)
Less Amounts Considered Elsewhere:		
Meter Reading Expenses Excluding Labor	3,298,045	(Page 2)
Uncollectibles accounts - act 904	393,972	
Amount of Payroll Charged to These Accounts	<u>5,134,024</u>	(1)
Total		<u>8,826,041</u>
Total Subject to Growth Adjustment		4,440,952
Growth Factor for this Adjustment		3.93% (2)
Adjustment required to Customer Accounts Expense		174,529

(1) Per Item 8

(2) Per Workpaper 1.1

Note: This adjustment is to adjust those expenses, not previously adjusted, that are associated with maintaining customer accounts by the anticipated continued growth in customers.

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
ADJUSTMENT TO CUSTOMER ACCOUNTS EXPENSES
TEST YEAR ENDED December 31, 2007

Calculation of Meter Reading Amount:

Total Account 9020000-Meter Reading 3,439,505 (Page 3)

Payroll (including non-productive charged to
9020000-meter reading): (Page 4)

January	7,275
February	8,494
March	9,127
April	9,870
May	14,539
June	17,740
July	11,684
August	11,576
September	12,034
October	11,843
November	16,769
December	10,507
Total	<u>141,459</u>

Meter Reading, Net of Labor 3,298,045

Customer Accounts: (per Monthly Financial Report)

Account	Description	Amount
9010000	Supervision Cust Acct	1,019,105.35
9020000	Meter Reading Exp Cust Acct	3,439,504.62
9030001	Billing & Accounting Exp Cust Act	4,771,968.68
9030002	Collecting Exp Cust Acct	1,158,735.52
9030003	Contract & Orders Exp Cust Acct	2,319,431.32
9040000	Uncollectible Accnts Cust Acct	393,971.50
9050000	Misc Cust Accnts Exp Cust Acct	164,275.27
		13,266,992.26

Business Unit	Account	Month Number	Amount
PSNC	9020000 - METER READING EXP CUST ACCT	200701	\$7,275.38
PSNC	9020000 - METER READING EXP CUST ACCT	200702	\$8,494.46
PSNC	9020000 - METER READING EXP CUST ACCT	200703	\$9,127.47
PSNC	9020000 - METER READING EXP CUST ACCT	200704	\$9,869.91
PSNC	9020000 - METER READING EXP CUST ACCT	200705	\$14,538.64
PSNC	9020000 - METER READING EXP CUST ACCT	200706	\$17,739.76
PSNC	9020000 - METER READING EXP CUST ACCT	200707	\$11,684.05
PSNC	9020000 - METER READING EXP CUST ACCT	200708	\$11,575.73
PSNC	9020000 - METER READING EXP CUST ACCT	200709	\$12,034.37
PSNC	9020000 - METER READING EXP CUST ACCT	200710	\$11,843.13
PSNC	9020000 - METER READING EXP CUST ACCT	200711	\$16,769.21
PSNC	9020000 - METER READING EXP CUST ACCT	200712	\$10,507.20
	TOTAL		\$141,459.31

Query Criteria:

Business Unit - PSNC

Account - 9020000

Resource Code - 1%

Month Number - 2007%

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment for Manufactured Gas plant amortization
For the Test Year Ended December 31, 2007

Line No.

1 Balance in Deferred Account 1823025 at December 31, 2007	2,221,982
2 Projected additions through June 30, 2008	<u>150,000</u>
3 Projected Balance at June 30, 2008	2,371,982
4 Projected unamortized balance approved in G-5 Sub 481 (Acct. 1823408) as of 10/31/08	<u>1,212,651</u>
5 Projected Balance for Amortization	<u><u>3,584,633</u></u>
6 Amortization period in years	3
7 Annual Amortization	1,194,878
8 Amortization in test year	<u>1,212,651</u>
9 Adjustment to MGP Amortization	<u><u>(17,773)</u></u>

NOTE: This adjustment is to reflect the increase in the amount of manufactured gas plant costs to be amortized that have accumulated since June 30, 2006

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED
ESTIMATED RATE CASE CHARGES
FOR THE YEAR ENDED
December 31, 2007

Consultants	Estimated PSNC Cost \$	Comments
Cost of Witnesses	150,000	Contracted Rate
Outside Legal Counsel	210,000	Estimated based on past experience
Misc. Expenses (Meals, Mileage, Printing)	15,000	Estimated based on past experience
Newspaper Announcements	35,000	Estimated based on past experience
	<u>410,000</u>	
Balance in Deferred Account for 2006 rate case approved in G-5, Sub 481 (acct. 1823481) AT 11/1/08	<u>114,427</u>	
Rate Case Charges to Amortize	820,000	
Amortize Over 3 Years	<u>3</u>	
Yearly Amortization Amount	\$ 273,333	
Amortization in Test Year	<u>\$ 228,854</u>	
Adjustment to Rate Case Amortization	<u><u>\$ 44,479</u></u>	

**Public Service Company of North Carolina
Pipeline Integrity Expense Adjustment
Twelve Months Ended December 31, 2007**

Line No.

1 Balance in Deferred Account 1823025 at December 31, 2007	1,728,440
2 Projected additions through June 30, 2008	100,000
3 Projected Balance at June 30, 2008	<u>1,828,440</u>
4 Projected unamortized balance approved in G-5 Sub 481 (Acct. 1823045)	<u>474,968</u>
5 Projected Balance for Amortization	<u><u>2,303,408</u></u>
6 Amortization period in years	3
7 Annual Amortization	767,803
8 Amortization in the test year	<u>474,968</u>
9 Increase to Pipeline Integrity Management Amortization	<u><u>292,835</u></u>

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
INFLATION ADJUSTMENT TO NON-ADJUSTED O&M EXPENSES
TEST YEAR ENDED DECEMBER 31, 2007

		Workpaper Reference
1 Test Year Operation & Maintenance Expenses	\$83,879,701	Item 1
2 Less Items Accounted for in Other O&M Adjustments:		
3 Compensation Expense - PSNC (RC 101, 102, 106, 107)	25,161,920	Page 2
4 Compensation Expense - SCANA Services	12,720,963	3-A
5 Regulatory Fee	691,450	3-C
6 Customer Accounts Expense	4,440,952	3-H
7 Pension Expense	1,275,733	3-D
8 OPEB	2,452,306	3-E
9 401-K Match and other benefits	5,800,687	Item 9 less OPEB & Pens
10 Uncollectibles	389,472	3-G
11 MGP amortization	1,212,651	3-I
12 Rate case amortization	228,854	3-J
13 Pipeline Integrity management amortization	474,968	3-K
14 Meter reading expenses	2,936,976	3-O
15 Fuel costs	1,441,958	3-P
16 Postage	1,842,301	3-Q
17 Workers compensation	102,020	3-R
18 Bonus adjustment	2,275,323	3-S
19 Total	63,448,533	
20 Non-Adjusted O&M Expenses	20,431,168	
21 Inflation index (Page 3)	2.13%	
22 Inflation adjustment	<u>\$ 435,184</u>	

Note: This adjustment reflects the inflation adjustment for O&M expense accounts that are not adjusted or annualized individually. The 2008 CPI inflation index of 2.13% was used.

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
COMPENSATION CHARGED TO O&M
TEST YEAR ENDED DECEMBER 31, 2005

1 <i>Employee compensation normal time (RC 101, 102, 106, 107)</i>	\$25,161,920	3A - 5
--	--------------	--------

SERIE	TYPE	UNIT	FREQUE	LAST UPDATE	2006	2007	2008	2009	2010
Consumer Price Index, All-Urban									
U.S. Macro - 10 Year Baseline		Index	ANNUAL	2/7/2008	2.02	2.07	2.13	2.16	2.20

2008 annual forecast of the CPI all urban consumer index (source Joe Stricklin)

Public Service Company of North Carolina
Docket No. G-5, Sub 495
AMORTIZATION OF EXCESS DIT AMOUNTS TO BE REFUNDED
For The Test Year Ended December 31, 2007

Line No.	ITEM	AMOUNT	REFERENCE
1	Balance of account 2540208 @ 12/31/07	\$ (2,769,354)	
2	Estimated amortization 1/1/08 through 10/31/08	\$539,462	Item 4a, wp 3_M, pg 2 of 3
3	Excess DIT subject to refund - estimated balance 11/1/08	<u>(2,229,892)</u>	
4	Remaining amortization period in years	<u>3</u>	
5	Decrease O&M expenses for flowback of excess DIT	<u>\$ (743,297)</u>	

Footnote:

Methodology for this adjustment was approved in Docket No. G-5, Sub 481

Public Service Company of North Carolina
Docket No. G-5, Sub 495
NONUTILITY EXPENSE ADJUSTMENT
For the Test Year ended December 31, 2007

<u>Line No.</u>	<u>Account No.</u>	<u>Resource Code</u>	<u>Description</u>	<u>Merchandising, Jobbing (a)</u>	<u>Nonutility Equity Investments (b)</u>	<u>Total (c)</u>
<u>Expenses subject to allocation:</u>						
1.	920000		Admin & General Salaries		3,412,979	
2.	9210000	211	Office Supplies	78,853		
3.	9210000	212	Copier Paper & Supplies	14,928		
4.	8860000		Building Services	411,312		
5.	9210000	501	Admin & General Office- other outside services	177,019		
6.	9230000	501	Outside services - tax & acctg	502,692	502,692	
7.	9230000	528	Outside services -legal	935,930	935,930	
8.	9230000	526	Physical Guard Services	203,476		
9.	9240000		Property Insurance	0	392,629	
10.	9302000		Miscellaneous General Expenses	875,308	875,308	
11.			Total (Sum of L1 thru L17)	<u>\$3,199,518</u>	<u>\$6,119,538</u>	
12.			Allocation factors	2.24%	1.34%	
			Adjustment	<u>\$71,669</u>	<u>\$82,002</u>	<u>\$153,671</u>

1. Page 2
2. Page 3
3. Page 4
4. Item 2 Trial Balance, account 8860000
5. Page 5
6. Page 8
7. Page 9
8. Page 10
9. Item 2 Trial Balance, account 9240000
10. Item 2 Trial Balance, account 9302000
11. calculation (SUM)
12. Workpaper 4B

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
DOCKET NO. G-5, SUB 495
SALARIES TO ALLOCATE TO NONUTILITY OPERATIONS
FOR THE TEST YEAR ENDED DECEMBER 31, 2007

SCANA Senior Staff	\$ 1,059,916
PSNC Senior Staff	\$ 595,142
SCANA Services Financial and Regulatory	\$ 1,757,920
	<u>\$ 3,412,979</u>

3/18/2008

Business Unit	Account	Operating Unit	Resource Code	Month Number	Amount Type	Quantity	Amount
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200702	Actuals	15.00	\$11,205.66
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200703	Actuals	8.00	\$3,366.29
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200704	Actuals	10.00	\$9,334.44
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200705	Actuals	8.00	\$7,374.87
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200706	Actuals	516.00	\$5,005.54
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200707	Actuals	4.00	\$3,768.67
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200708	Actuals	7.00	\$4,707.53
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200709	Actuals	8.00	\$1,374.53
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200710	Actuals	9.00	\$2,676.15
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200711	Actuals	13.00	\$7,674.59
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200712	Actuals	5.00	\$26,304.59
PSNC	9210000	PSNC	211 - OFFICE SUPPLIES	200701	Actuals	8.00	(\$3,939.73)
						611.00	\$78,853.13

3/18/2008

Business Unit	Account	Operating Unit	Resource Code	Month Number	Amount Type	Quantity	Amount
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200703	Actuals	0.00	\$1,592.67
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200704	Actuals	0.00	\$1,763.77
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200705	Actuals	0.00	\$1,465.90
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200706	Actuals	0.00	\$1,296.40
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200707	Actuals	0.00	\$1,247.84
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200708	Actuals	0.00	\$677.57
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200709	Actuals	0.00	\$1,091.60
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200710	Actuals	0.00	\$1,573.95
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200711	Actuals	0.00	\$951.36
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200712	Actuals	0.00	\$1,794.83
PSNC	9210000	PSNC	212 - COPIER PAPER AND SUPPLIES	200702	Actuals	0.00	\$1,472.48
						0.00	\$14,928.37

3/18/2008

Business Unit	Account	Operating Unit	Resource Code	Month Number	Amount Type	Quantity	Amount
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200702	Actuals	499.00	\$16,407.87
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200703	Actuals	565.00	\$10,042.94
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200704	Actuals	495.00	\$24,546.17
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200705	Actuals	567.00	\$6,065.64
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200706	Actuals	70.00	\$23,680.56
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200707	Actuals	1,581.00	\$2,842.26
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200708	Actuals	495.00	\$4,663.00
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200709	Actuals	768.00	\$18,804.89
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200710	Actuals	1,210.00	\$21,345.28
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200711	Actuals	907.00	\$14,608.76
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200712	Actuals	3,202.00	\$18,355.99
PSNC	9210000	PSNC	501 - OTHER OUTSIDE SERVICES	200701	Actuals	1,064.00	\$15,655.39
						11,423.00	\$177,018.75

2/21/2008

Account	Operating Unit	Department Id	Resource Code	Amount	Month Number	Amount Type	Quantity
9230000	PSNC	0015 - PSNC OFFSET	501	\$0.00	200701	Actuals	0.00
9230000	PSNC	0118 - GAS ENVIRONMENTAL SUPP	501	\$0.00	200701	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$985.36	200701	Actuals	1,116.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	① \$24,999.02	200701	Actuals	0.00
9230000	PSNC	3061 - GIS SERVICES	501	(\$3,300.00)	200701	Actuals	0.00
9230000	PSNC	3539 - MMS SERVICES	501	\$3,166.59	200701	Actuals	0.00
9230000	PSNC	0015 - PSNC OFFSET	501	\$0.00	200702	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$1,610.97	200702	Actuals	1,906.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	① \$118,858.46	200702	Actuals	0.00
9230000	PSNC	0820 - SECRETARIAL SERVICES	501	\$79.40	200702	Actuals	0.00
9230000	PSNC	3523 - PSNC TELECOMMUNICATIONS	501	\$159.27	200702	Actuals	0.00
9230000	PSNC	3539 - MMS SERVICES	501	\$7,324.40	200702	Actuals	1,794.00
9230000	PSNC	0015 - PSNC OFFSET	501	\$0.00	200703	Actuals	0.00
9230000	PSNC	0228 - CONTROLLER SCANA	501	① \$8,348.00	200703	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$3,917.71	200703	Actuals	4,261.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	① \$17,012.07	200703	Actuals	0.00
9230000	PSNC	3523 - PSNC TELECOMMUNICATIONS	501	\$397.06	200703	Actuals	1.00
9230000	PSNC	3539 - MMS SERVICES	501	\$15,193.09	200703	Actuals	8,894.00
9230000	PSNC	0015 - PSNC OFFSET	501	\$0.00	200704	Actuals	0.00
9230000	PSNC	0228 - CONTROLLER SCANA	501	① \$1,674.40	200704	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$2,417.04	200704	Actuals	2,607.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	① \$23,407.33	200704	Actuals	0.00
9230000	PSNC	0820 - SECRETARIAL SERVICES	501	\$209.94	200704	Actuals	209.00
9230000	PSNC	3539 - MMS SERVICES	501	\$10,075.23	200704	Actuals	0.00
9230000	PSNC	0015 - PSNC OFFSET	501	\$815.97	200705	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$5,666.76	200705	Actuals	5,535.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	① \$47,996.00	200705	Actuals	0.00
9230000	PSNC	3090 - INTEGRITY MANAGEMENT	501	\$12,000.00	200705	Actuals	0.00
9230000	PSNC	3539 - MMS SERVICES	501	\$6,389.69	200705	Actuals	0.00
9230000	PSNC	0015 - PSNC OFFSET	501	\$0.00	200706	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$5,903.99	200706	Actuals	7,859.00
9230000	PSNC	0402 - INTEGRATED MARKETING	501	\$2,561.68	200706	Actuals	0.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	① \$26,534.34	200706	Actuals	0.00
9230000	PSNC	0820 - SECRETARIAL SERVICES	501	\$5,438.84	200706	Actuals	0.00
9230000	PSNC	3090 - INTEGRITY MANAGEMENT	501	(\$12,000.00)	200706	Actuals	0.00
9230000	PSNC	3539 - MMS SERVICES	501	\$1,350.58	200706	Actuals	0.00

2/21/2008

Account	Operating Unit	Department Id	Resource Code	Amount	Month Number	Amount Type	Quantity
9230000	PSNC	0015 - PSNC OFFSET	501	\$144.04	200707	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$1,106.64	200707	Actuals	881.00
9230000	PSNC	0402 - INTEGRATED MARKETING	501	\$2,416.68	200707	Actuals	0.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	\$59,301.40	200707	Actuals	0.00
9230000	PSNC	3523 - PSNC TELECOMMUNICATIONS	501	\$347.59	200707	Actuals	0.00
9230000	PSNC	3539 - MMS SERVICES	501	\$10,090.53	200707	Actuals	1,774.00
9230000	PSNC	0015 - PSNC OFFSET	501	\$2,944.04	200708	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$8,812.33	200708	Actuals	0.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	\$47,325.34	200708	Actuals	0.00
9230000	PSNC	3523 - PSNC TELECOMMUNICATIONS	501	\$2,422.81	200708	Actuals	2,128.00
9230000	PSNC	3539 - MMS SERVICES	501	\$8,871.19	200708	Actuals	1,775.00
9230000	PSNC	0015 - PSNC OFFSET	501	\$0.00	200709	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$4,926.37	200709	Actuals	4,495.00
9230000	PSNC	0402 - INTEGRATED MARKETING	501	\$2,416.68	200709	Actuals	0.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	\$29,787.82	200709	Actuals	0.00
9230000	PSNC	3539 - MMS SERVICES	501	\$5,216.74	200709	Actuals	0.00
9230000	PSNC	0015 - PSNC OFFSET	501	(\$1,690.41)	200710	Actuals	0.00
9230000	PSNC	0302 - ADVERTISING	501	\$25,000.00	200710	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$997.25	200710	Actuals	722.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	\$25,401.85	200710	Actuals	0.00
9230000	PSNC	3062 - PROJECTS ENGR	501	\$23.30	200710	Actuals	0.00
9230000	PSNC	3523 - PSNC TELECOMMUNICATIONS	501	\$150.00	200710	Actuals	0.00
9230000	PSNC	3539 - MMS SERVICES	501	\$9,067.00	200710	Actuals	3,582.00
9230000	PSNC	0015 - PSNC OFFSET	501	(\$1,253.63)	200711	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$7,122.33	200711	Actuals	7,379.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	\$44,346.57	200711	Actuals	0.00
9230000	PSNC	3523 - PSNC TELECOMMUNICATIONS	501	\$160.78	200711	Actuals	0.00
9230000	PSNC	3539 - MMS SERVICES	501	\$3,596.30	200711	Actuals	1,798.00
9230000	PSNC	0015 - PSNC OFFSET	501	\$0.00	200712	Actuals	0.00
9230000	PSNC	0368 - TECHNICAL SYSTEMS	501	\$361.40	200712	Actuals	337.00
9230000	PSNC	0402 - INTEGRATED MARKETING	501	\$2,416.66	200712	Actuals	0.00
9230000	PSNC	0816 - SCANA TREASURY SERVICES	501	\$27,701.10	200712	Actuals	0.00
9230000	PSNC	0819 - SCANA COMMUNITY AFFAIRS	501	\$0.00	200712	Actuals	0.00
9230000	PSNC	0984 - SCANA ADMINISTRATION	501	\$4,666.66	200712	Actuals	0.00
9230000	PSNC	3523 - PSNC TELECOMMUNICATIONS	501	\$4,573.25	200712	Actuals	0.00

2/21/2008

Account	Operating Unit	Department Id	Resource Code	Amount	Month Number	Amount Type	Quantity
9230000	PSNC	3539 - MMS SERVICES	501	\$12,121.83	200712	Actuals	2,925.00
				\$690,085.43			61,978.00

Σ① = 502,692 /

2/21/2008

Account	Operating Unit	Department Id	Resource Code	Month Number	Amount Type	Quantity	Amount
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200701	Actuals	0.00	\$16,124.81
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200701	Actuals	0.00	(\$6,968.76)
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200702	Actuals	0.00	\$82,635.28
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200702	Actuals	0.00	\$36,960.67
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200703	Actuals	0.00	(\$28,323.47)
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200703	Actuals	0.00	\$98,264.19
9230000	PSNC	3999 - PSNC ADMIN	528	200703	Actuals	0.00	(\$8,100.00)
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200704	Actuals	0.00	\$24,465.10
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200704	Actuals	0.00	\$82,554.56
9230000	PSNC	3999 - PSNC ADMIN	528	200704	Actuals	0.00	\$8,100.00
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200705	Actuals	0.00	\$38,992.35
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200705	Actuals	0.00	\$32,232.25
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200706	Actuals	0.00	\$20,733.73
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200706	Actuals	0.00	\$48,395.25
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200707	Actuals	0.00	\$10,013.14
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200707	Actuals	0.00	\$42,576.56
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200708	Actuals	0.00	\$19,884.18
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200708	Actuals	0.00	\$20,052.54
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200709	Actuals	0.00	(\$1,550.02)
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200709	Actuals	0.00	\$44,797.37
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200710	Actuals	0.00	\$20,848.17
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200710	Actuals	0.00	\$59,376.55
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200711	Actuals	0.00	(\$266,364.97)
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200711	Actuals	0.00	\$48,225.21
9230000	PSNC	0351 - LEGAL DEPARTMENT	528	200712	Actuals	0.00	\$397,991.92
9230000	PSNC	0806 - SCANA LEGAL REGULATORY	528	200712	Actuals	0.00	\$95,001.61
9230000	PSNC	3999 - PSNC ADMIN	528	200712	Actuals	0.00	(\$987.86)
						0.00	\$935,930.36

2/21/2008

Account	Operating Unit	Department Id	Resource Code	Month Number	Amount Type	Quantity	Amount
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200701	Actuals	31,744.00	\$382.56
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200703	Actuals	15,279.00	\$28,506.88
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200704	Actuals	13,227.00	\$12,293.37
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200705	Actuals	0.00	\$0.00
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200706	Actuals	12,293.00	\$0.00
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200707	Actuals	31,643.00	\$66,863.86
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200708	Actuals	31,549.00	\$0.00
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200710	Actuals	31,812.00	\$48,013.71
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200711	Actuals	16,200.00	\$16,048.43
9230000	PSNC	0386 - PHYSICAL SECURITY	526	200712	Actuals	16,048.00	\$31,367.32
						199,795.00	\$203,476.13

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment for Meter Reading
For the Test Year Ended December 31, 2007

<u>Description</u>	<u>Amount</u>
2008 Estimated Meter Reading Costs	\$1,819,820
2007 Actual Meter Reading Costs	\$2,936,976
Reduction in Meter Reading Costs	<u>(\$1,117,156)</u>

Meter Reading Expense Projections for Tru-Check 2008

Item 4a
Workpaper 3 O
Page 2 of 3

		Meters			
Month	Bus Unit	2007 Projected Meter	Bus Unit	2007 Projected Meter	(1) 2008 Projection \$
Jan				460,098	476,450
					\$181,011.29
			Res.	338,291	149,158
			Mid/cy 20	886	850
			AMR	120,921	326,442
			Last Day		0.00
Feb				462,587	477,880
					\$172,012.09
			Res.	339,310	130,638
			Mid/cy 20	898	1,050
			AMR	121,433	346,192
			Last Day		0.00
Mar				463,474	479,313
					\$164,377.16
			Res.	333,508	119,021
			Mid/cy 20	634	850
			AMR	121,007	359,442
			Last Day	534	0.00
Apr				463,777	480,751
					\$157,347.49
			Res.	323,373	106,209
			Mid/cy 20	1,158	850
			AMR	138,692	373,692
			Last Day		0.00
May				465,168	482,193
					\$158,712.17
			Res.	315,126	98,333
			Mid/cy 20	850	634
			AMR	149,192	382,692
			Last Day		534
Jun				466,564	483,640
					\$149,283.01
			Res.	306,022	91,098
			Mid/cy 20	850	850
			AMR	159,692	391,692
			Last Day		0.00
Jul				467,964	485,091
					\$145,825.71
			Res.	289,922	84,549
			Mid/cy 20	850	850
			AMR	177,192	399,692
			Last Day		0.00
Aug				469,367	486,546
					\$148,449.71
			Res.	269,625	80,654
			Mid/cy 20	850	850
			AMR	198,892	404,692
			Last Day		350
Sep				470,776	488,006
					\$140,631.04
			Res.	245,016	74,464
			Mid/cy 20	634	850
			AMR	224,592	412,692
			Last Day	534	0.00
Oct				472,188	489,470
					\$136,613.69
			Res.	221,046	66,928
			Mid/cy 20	850	850
			AMR	250,292	421,692
			Last Day		0.00
Nov				473,604	490,938
					\$136,967.69
			Res.	196,762	59,046
			Mid/cy 20	850	850
			AMR	275,992	430,692
			Last Day		350
Dec				475,025	492,411
					\$128,589.02
			Res.	173,165	51,869
			Mid/cy 20	634	850
			AMR	300,692	439,692
			Last Day	534	0.00
TOTALS					\$1,819,820.08

(1) Includes average route growth of .3% per month.

(2) Includes Residential rate of .76 and Industrial of 6.62. Last day reads 13.24

(3) Belmont AMR meters being read at approx. .19 per meter through the MDC

LSH 051007

2007 Meter Reading Expenses for Tru-Check				
Business Unit	Department Id	Resource Code	Amount Type	Amount
PSNC	3092 - PSNC METER READING	501 - OTHER OUTSIDE SERVICES	Actuals	\$2,936,976.08
				\$2,936,976.08

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INCORPORATED
 INCREASE TO FUEL COSTS
 TEST YEAR ENDED DECEMBER 31, 2007

	Unleaded	Premium	Total Unleaded & Premium	Diesel	Total
Cost in test year	1,524,092	59,518	1,583,610	568,566	2,152,176
Gallons in test year	557,470	21,068	578,538	195,340	773,878
Avg price per gallon in test year	2.73	2.83	2.74	2.91	
Avg price per gallon 1/08			3.03	3.37	
Increase in avg price over test year			0.29	0.46	
Increase in fuel cost			<u>167,776</u>	<u>89,856</u>	<u>257,632</u>
67% allocated to O&M					<u>172,614</u>

Premium Fuel Gallons and Costs

National Fleet ID	Period	Product Group	Gallons	Dollars
88001096	JUN 2007	OTHER	0.000	\$414.67
88001096	JUL 2007	OTHER	0.000	\$25.05
88001096	AUG 2007	OTHER	0.000	\$31.01
88001096	SEP 2007	OTHER	0.000	\$65.38
88001096	OCT 2007	OTHER	0.000	\$36.56
88001096	NOV 2007	OTHER	0.000	\$236.14
88001096	DEC 2007	OTHER	0.000	\$20.63
88001096	JAN 2007	PREMIUM	1,938.184	\$4,465.55
88001096	FEB 2007	PREMIUM	1,073.495	\$2,461.81
88001096	MAR 2007	PREMIUM	1,373.844	\$3,508.01
88001096	APR 2007	PREMIUM	1,168.819	\$3,317.64
88001096	MAY 2007	PREMIUM	1,232.939	\$3,794.09
88001096	JUN 2007	PREMIUM	1,841.893	\$5,571.22
88001096	JUL 2007	PREMIUM	1,996.073	\$5,893.47
88001096	AUG 2007	PREMIUM	2,308.254	\$6,427.35
88001096	SEP 2007	PREMIUM	1,831.582	\$5,124.62
88001096	OCT 2007	PREMIUM	1,738.708	\$4,953.04
88001096	NOV 2007	PREMIUM	2,439.395	\$7,551.66
88001096	DEC 2007	PREMIUM	2,124.590	\$6,449.89
			<u>21,067.776</u>	<u>\$59,518.35</u>
88001096	JAN 2007	UNLEADED	45,567.411	\$100,199.27
88001096	FEB 2007	UNLEADED	43,597.934	\$95,479.69
88001096	MAR 2007	UNLEADED	47,053.433	\$116,796.52
88001096	APR 2007	UNLEADED	42,635.988	\$118,066.54
88001096	MAY 2007	UNLEADED	47,212.539	\$141,968.50
88001096	JUN 2007	UNLEADED	46,449.077	\$138,795.35
88001096	JUL 2007	UNLEADED	45,724.258	\$132,652.12
88001096	AUG 2007	UNLEADED	51,278.246	\$139,917.70
88001096	SEP 2007	UNLEADED	42,115.094	\$115,867.80
88001096	OCT 2007	UNLEADED	52,064.888	\$144,660.85
88001096	NOV 2007	UNLEADED	46,214.981	\$139,723.53
88001096	DEC 2007	UNLEADED	41,654.099	\$123,798.61
88001096	JAN 2007	FUEL OTHER	702.990	\$1,801.69

Unleaded Gallons and Costs

National Fleet ID	Period	Product Group	Gallons	Dollars
88001096	FEB 2007	FUEL OTHER	758.072	\$1,880.89
88001096	MAR 2007	FUEL OTHER	853.492	\$2,219.17
88001096	APR 2007	FUEL OTHER	615.436	\$1,750.57
88001096	MAY 2007	FUEL OTHER	602.436	\$1,740.56
88001096	JUN 2007	FUEL OTHER	607.345	\$1,734.98
88001096	JUL 2007	FUEL OTHER	114.372	\$321.93
88001096	AUG 2007	FUEL OTHER	163.930	\$447.23
88001096	SEP 2007	FUEL OTHER	191.131	\$549.36
88001096	OCT 2007	FUEL OTHER	183.233	\$510.48
88001096	NOV 2007	FUEL OTHER	275.159	\$858.42
88001096	DEC 2007	FUEL OTHER	136.627	\$451.99
88001096	JAN 2007	JET FUEL	155.330	\$370.51
88001096	MAR 2007	JET FUEL	144.980	\$376.44
88001096	APR 2007	JET FUEL	76.560	\$212.27
88001096	MAY 2007	JET FUEL	34.160	\$92.21
88001096	JUL 2007	JET FUEL	26.650	\$75.13
88001096	AUG 2007	JET FUEL	66.960	\$187.44
88001096	SEP 2007	JET FUEL	33.590	\$96.05
88001096	OCT 2007	JET FUEL	129.290	\$387.82
88001096	DEC 2007	JET FUEL	30.400	\$100.00
			557,470.091	\$1,524,091.62

Diesel Cost and Gallons

National Fleet ID	Period	Product Group	Gallons	Dollars
88001096	JAN 2007	DIESEL	15,546.150	\$39,946.80
88001096	FEB 2007	DIESEL	15,719.407	\$39,733.03
88001096	MAR 2007	DIESEL	15,543.870	\$41,713.59
88001096	APR 2007	DIESEL	15,013.275	\$43,368.75
88001096	MAY 2007	DIESEL	17,192.509	\$49,636.91
88001096	JUN 2007	DIESEL	15,953.019	\$45,822.04
88001096	JUL 2007	DIESEL	16,599.016	\$47,984.87
88001096	AUG 2007	DIESEL	19,300.149	\$55,708.28
88001096	SEP 2007	DIESEL	15,251.130	\$45,201.35
88001096	OCT 2007	DIESEL	19,401.995	\$59,359.35
88001096	NOV 2007	DIESEL	15,916.297	\$53,149.76
88001096	DEC 2007	DIESEL	13,903.406	\$46,941.20
			195,340.223	\$568,565.93
88001096	MAR 2007	DISCOUNT	0.000	-\$1.00
88001096	JUN 2007	DISCOUNT	0.000	-\$1.02
88001096	SEP 2007	DISCOUNT	0.000	-\$0.73
88001096	NOV 2007	DISCOUNT	0.000	-\$1.33
88001096	DEC 2007	DISCOUNT	0.000	-\$1.13
88001096	JAN 2007	NON FUEL	0.000	\$185.74
88001096	FEB 2007	NON FUEL	0.000	\$24.00
88001096	MAR 2007	NON FUEL	0.000	\$36.43
88001096	APR 2007	NON FUEL	0.000	\$6.00
88001096	MAY 2007	NON FUEL	0.000	\$54.45
88001096	JUN 2007	NON FUEL	0.000	\$25.17
88001096	JUL 2007	NON FUEL	0.000	\$82.69
88001096	AUG 2007	NON FUEL	0.000	\$119.09
88001096	SEP 2007	NON FUEL	0.000	\$61.09
88001096	OCT 2007	NON FUEL	0.000	\$125.84
88001096	NOV 2007	NON FUEL	0.000	\$162.80
88001096	DEC 2007	NON FUEL	0.000	\$59.00
88001096	JAN 2007	OTHER	0.000	\$72.22
88001096	FEB 2007	OTHER	0.000	\$115.72
88001096	MAR 2007	OTHER	0.000	\$14.12
88001096	APR 2007	OTHER	0.000	\$48.50
88001096	MAY 2007	OTHER	0.000	\$46.11

1/30/2008	UNLEADED	29.590	88.74	2/1/2008
12/31/2007	UNLEADED	32.253	99.95	1/2/2008
1/2/2008	UNLEADED	31.454	95.90	1/4/2008
1/4/2008	UNLEADED	33.221	102.62	1/8/2008
1/8/2008	UNLEADED	30.947	99.00	1/10/2008
1/11/2008	UNLEADED	31.750	100.00	1/15/2008
1/11/2008	UNLEADED	1.880	5.92	1/15/2008
1/14/2008	UNLEADED	28.946	88.84	1/16/2008
1/16/2008	UNLEADED	31.151	96.23	1/18/2008
1/21/2008	UNLEADED	33.340	100.00	1/23/2008
1/23/2008	UNLEADED	30.203	93.60	1/25/2008
1/29/2008	UNLEADED	32.270	96.78	1/31/2008
1/3/2008	UNLEADED	29.130	93.19	1/8/2008
1/8/2008	UNLEADED	29.650	91.29	1/10/2008
1/10/2008	UNLEADED	30.830	95.56	1/14/2008
1/15/2008	UNLEADED	14.813	45.91	1/17/2008
1/17/2008	UNLEADED	29.001	87.84	1/22/2008
1/22/2008	UNLEADED	29.970	92.00	1/24/2008
1/28/2008	UNLEADED	33.340	100.00	1/30/2008
1/29/2008	UNLEADED	25.378	75.09	1/31/2008
1/7/2008	UNLEADED	8.360	25.76	1/9/2008
1/12/2008	UNLEADED	5.922	18.17	1/15/2008
1/18/2008	UNLEADED	3.126	9.50	1/22/2008
1/7/2008	UNLEADED	2.008	6.20	1/9/2008
1/14/2008	UNLEADED	4.980	15.63	1/16/2008
1/12/2008	UNLEADED	5.210	15.63	1/15/2008
1/15/2008	UNLEADED	4.951	15.00	1/17/2008
1/25/2008	UNLEADED	8.109	24.32	1/29/2008
1/24/2008 S	UNLEADED	4.175	12.77	1/29/2008
1/23/2008	UNLEADED	4.835	14.79	1/25/2008
1/16/2008	UNLEADED	2.124	6.37	1/17/2008
1/18/2008	UNLEADED	4.502	13.50	1/21/2008
1/18/2008	UNLEADED	2.927	8.78	1/21/2008
1/4/2008	UNLEADED	4.138	12.37	1/8/2008
1/23/2008	UNLEADED	6.711	20.26	1/25/2008
1/28/2008	UNLEADED	2.031	6.09	1/30/2008
1/10/2008	UNLEADED	1.033	3.20	1/15/2008
1/21/2008	UNLEADED	5.544	16.57	1/23/2008
1/15/2008	UNLEADED	10.046	31.13	1/17/2008
1/24/2008	UNLEADED	8.247	24.65	1/28/2008
1/7/2008	UNLEADED	2.007	6.22	1/9/2008
		54,158.380	164,219.75	

Unleaded and Prem Avg Price per gallon for Jan 08 3.03

1/3/2008	DIESEL	5.980	20.34	1/7/2008
1/17/2008	DIESEL	5.070	17.25	1/21/2008
1/3/2008	DIESEL	10.256	34.45	1/4/2008
1/18/2008	DIESEL	8.806	29.58	1/21/2008
1/28/2008	DIESEL	8.039	27.00	1/30/2008
1/2/2008	DIESEL	2.280	7.66	1/3/2008
1/9/2008	DIESEL	2.730	9.29	1/11/2008
1/24/2008	DIESEL	6.600	22.46	1/28/2008
1/30/2008	DIESEL	4.574	15.55	2/1/2008
1/15/2008	DIESEL	33.512	112.57	1/16/2008
1/22/2008	DIESEL	4.546	15.00	1/24/2008
1/29/2008	DIESEL	24.440	81.85	1/30/2008
1/12/2008	PREM DSL	5.519	18.76	1/15/2008
1/3/2008	DIESEL	21.682	75.00	1/7/2008
1/7/2008	PREM DSL	31.910	108.46	1/9/2008
1/15/2008	DIESEL	42.872	150.01	1/17/2008
1/18/2008	PREM DSL	35.322	120.06	1/22/2008
1/4/2008	DIESEL	12.650	43.00	1/8/2008
1/30/2008	DIESEL	15.760	52.00	2/1/2008
1/29/2008	DIESEL	12.580	42.00	1/31/2008
1/7/2008	DIESEL	25.432	85.17	1/9/2008
1/22/2008	DIESEL	3.334	11.20	1/24/2008
1/22/2008	DIESEL	8.038	27.00	1/24/2008
1/28/2008	DIESEL	7.443	25.00	1/30/2008
1/7/2008	DIESEL	18.590	63.00	1/9/2008
1/14/2008	DIESEL	11.803	40.00	1/16/2008
1/3/2008	DIESEL	9.144	30.99	1/7/2008
1/17/2008	DIESEL	9.062	30.71	1/21/2008
1/28/2008	DIESEL	13.785	43.00	1/30/2008
1/15/2008	DIESEL	24.360	82.80	1/17/2008
1/7/2008	DIESEL	9.920	34.05	1/9/2008
1/11/2008	DIESEL	6.769	23.01	1/15/2008
1/4/2008	DIESEL	6.533	22.21	1/8/2008
1/15/2008	DIESEL	77.380	263.01	1/17/2008
1/29/2008	PREM DSL	89.068	286.71	1/31/2008
1/14/2008 C	DIESEL	20.194	68.64	1/16/2008
1/14/2008	DIESEL	9.531	32.40	1/16/2008
1/4/2008	DIESEL	6.356	22.24	1/8/2008
1/24/2008	PREM DSL	8.505	27.72	1/28/2008
1/14/2008	DIESEL	5.002	17.50	1/17/2008
1/14/2008	DIESEL	90.740	308.44	1/16/2008
1/21/2008	DIESEL	44.130	150.00	1/23/2008
		17,949.600	60,459.32	

Diesel & Diesel Prem Avg Price per gallon for Jan 08 3.37

QUERY3

AUTO_CLEARING_DISTRIBUTION			
YTD December 2007			
Unit	Account	Oper Unit	Sum Amount
PSNC	1180270	PFLT	2,927.50
PSNC	1180270	PSNC	1,141,494.69
PSNC	1190210	PSNC	152,442.05
		Capital	1,296,864.24 24%
PSNC	1630000	PSNC	247,341.78
PSNC	1840210	PFLT	7,480.84
PSNC	1840210	PSNC	24,618.81
PSNC	1860516	PSNC	2.01
		Deferred	279,443.44 5%
PSNC	4160122	PSNC	134,529.77
PSNC	4160131	PSNC	20,626.03
PSNC	4160135	PSNC	3,195.61
PSNC	4160136	PSNC	2,601.50
PSNC	4160140	PSNC	8,724.22
PSNC	4160152	PSNC	117.69
PSNC	4160223	PSNC	54,915.37
PSNC	4160231	PSNC	8,564.98
PSNC	4160240	PSNC	5,704.95
		M&J	238,980.12 4%
PSNC	8400000	PSNC	3,257.74
PSNC	8410000	PSNC	15,612.04
PSNC	8500000	PSNC	18,744.33
PSNC	8510000	PSNC	6,452.25
PSNC	8560000	PSNC	120,885.18
PSNC	8570000	PSNC	5,535.45
PSNC	8590000	PSNC	117,951.90
PSNC	8610000	PSNC	16,905.14
PSNC	8620000	PSNC	20,639.58
PSNC	8630000	PSNC	22,236.66
PSNC	8640000	PSNC	4,543.57
PSNC	8650000	PSNC	56,296.90
PSNC	8660000	PSNC	5,482.50
PSNC	8700000	PSNC	89,036.27
PSNC	8740000	PSNC	891,155.25
PSNC	8750000	PSNC	33,723.22
PSNC	8760000	PSNC	3,919.04
PSNC	8780000	PSNC	490,615.00
PSNC	8780020	PSNC	19.07
PSNC	8790000	PSNC	464,324.92
PSNC	8800000	PSNC	334,289.94
PSNC	8850000	PSNC	69,961.49
PSNC	8860000	PSNC	64,428.89
PSNC	8870000	PSNC	172,743.12
PSNC	8890000	PSNC	1,992.58
PSNC	8900000	PSNC	71,944.23
PSNC	8920000	PSNC	210,209.20
PSNC	8930000	PSNC	52,772.13
PSNC	9010000	PSNC	20,499.21
PSNC	9020000	PSNC	1,970.53
PSNC	9030001	PSNC	22,638.87
PSNC	9030002	PSNC	97,958.91
PSNC	9030003	REGA	12.00
PSNC	9080000	PSNC	201.78
PSNC	9210000	PSNC	95,330.73
PSNC	9350000	PSNC	15,683.39
		O&M	3,619,973.01 67%
		Total	5,435,260.81 100%

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment to Postage Expense
For the Test Year Ended December 31, 2007

Line No.	Item	Amount
1	Test Year Postage Expenses	1,842,301 Item 26
2	Growth Rate	3.93% Item 4a, Workpaper 1.1
3	Postage expenses after applying growth rate	1,914,704
4	% Increase in postage rate effective 5/08	2.44% (1)
5	Postage expenses after growth rate and rate increase	1,961,423
6	Postage increase	<u>119,122</u>

(1) The \$.01 postage increase to \$.42 from \$.41, equates to a 2.44% increase.

PUBLIC SERVICE COMPANY OF NORTH CAROLINA, INC.
Adjustment for Workers Compensation Amortization
For the Test Year Ended December 31, 2007

Projected unamortized balance in account 1823040 as of 10/31/08*	102,020.00
Amortization period in years	3
Annual Amortization	34,006.67
Amortization in test year	102,020.00
Adjustment to Workers Compensation Amortization	(68,013.33)

*Amount to amortize for workers compensation was approved in Docket G-5, Sub 481

Public Service Company of North Carolina
Docket No. G-5, Sub 495
ADJUSTMENT TO BONUS ACCRUALS
For The Test Year Ended December 31, 2007

<u>Line No.</u>	<u>Item</u>	<u>2008 bonus Accrual</u> [1]
1	PSNC 3-5-7	\$1,559,597
2	PSNC officer's short-term	\$213,526
	PSNC officer's long-term	\$292,911
3	Service Company 3-5-7	\$695,635
4	Service Company officer's short-term	\$693,638
	Service Company officer's long-term	<u>\$1,200,734</u>
8	Total Bonus accrual	<u><u>\$4,656,041</u></u>
	Test year bonus accrual	\$ 3,330,878 [2]
	Increase	\$1,325,163
	O & M %	68.31% [3]
	Adjustment	\$ 905,219

[1] 2008 current accrual level

[2] Item 8

[3] Workpaper 3-A

PSNC Energy
Computation of Depreciation on End of Period
31-Dec-07
Sources: Report Asset 951 and Reserve Statement
Checked to GL

Account Number and Description	12/31/2007	Present Rate	
	Plant Balance	Rate %	Amount E.O.P
	1180210+1180260		
	1	2	3 (1)*(2)
4020 - Gas Franchises and Consents	\$18,088.94	Individual	\$680.13
4030 - Miscellaneous Intangible Gas	\$137,003.40	2.50%	\$3,425.09
4032 - Midland Station	\$166,316.74	3.20%	\$5,322.14
4610 - Structures and Improvements	\$2,883,962.57	0.87%	\$25,090.47
4620 - Gas holders - Gas	\$6,240,736.38	1.55%	\$96,731.41
4630 - Purification Equipment - Gas	\$497,659.88	Fully Depr	\$0.00
4631 - Liquefaction Equipment - Gas	\$1,537,774.27	1.34%	\$20,606.18
4632 - Vaporizing Equipment - Gas	\$4,014,817.26	0.77%	\$30,914.09
4633 - Compressor Equipment - Gas	\$1,881,899.41	Fully Depr	\$0.00
4634 - Measuring/Reg Equip - Gas	\$107,998.85	0.48%	\$518.39
4635 - Other Equipment - Gas	\$379,292.65	0.98%	\$3,717.07
4652 - Gas Transmission Land Rights	\$3,068,129.06	0.98%	\$30,067.66
4663 - Stru & Imp Gas-Compress Stat	\$692,307.58	1.02%	\$7,061.54
4664 - Stru & Impr Gas- Take-Off St	\$165,696.07	1.67%	\$2,767.12
4665 - Stru & Impr Gas- M & R Stat	\$99,956.53	0.10%	\$99.96
4666 - Stru & Impr Gas- Reg Station	\$74,190.71	1.03%	\$764.16
4667 - Stru & Impr Gas- Main Line	\$10,479.76	0.25%	\$26.20
4668 - Stru & Impr Gas- Farm Taps	\$2,471.69	2.64%	\$65.25
4670 - Transmission Mains Gas	\$104,617,575.57	1.35%	\$1,412,337.27
4680 - Compressor Station Equip Gas	\$9,640,832.43	1.75%	\$168,714.57
4694 - Take-Off Station Equip Gas	\$1,271,037.91	4.32%	\$54,908.84
4695 - M & R Station Equip Gas	\$4,575,616.60	2.29%	\$104,781.62
4696 - Regulating Station Equip Gas	\$5,106,940.74	3.28%	\$167,507.66
4697 - Main Line Industrial Equip Gas	\$1,108,506.55	3.06%	\$33,920.30
4698 - Farm Tap Equipment Gas	\$6,164,615.22	6.47%	\$398,850.60
4700 - Communication Eq Gas Trans	\$1,350,639.47	5.17%	\$69,828.06
4742 - Land Rights	\$460,864.80	1.53%	\$7,051.23
4750 - Gas Distribution Str & Imprv - MAJOR	\$22,779,038.21	2.43%	\$553,530.63
4751 - Gas Distr Str & Imp OTHER	\$985,738.15	0.88%	\$8,674.50
4761 - Gas Plastic Distrib Main	\$317,045,614.01	2.68%	\$8,496,822.46
4762 - Gas Cast Iron Distrib Main	\$211,633.98	3.59%	\$7,597.66
4763 - Gas Steel Distribution Main	\$196,892,325.68	2.75%	\$5,414,538.96
4781 - District Regulating Equip Gas	\$4,684,526.48	8.92%	\$417,859.76
4801 - Gas Services - Plastic PSNC	\$227,728,143.10	3.97%	\$9,040,807.28
4802 - Gas Services - Steel PSNC	\$31,478,402.65	2.73%	\$859,360.39
4810 - Gas Meters Distribution	\$49,625,295.86	1.93%	\$957,768.21
4811 - ERTforPSNC	\$25,434,154.59	6.72%	\$1,709,175.19
4820 - Gas Meter InstallationsPSNC	\$29,387,019.81	1.65%	\$484,885.83
4850 - Industrial M&R Equip-GasPSNC	\$12,362,046.09	2.14%	\$264,547.79
4870 - Other Equipment	\$1,549,298.13	3.98%	\$61,662.07
4900 - Structures & Improvmts - Gas	\$6,145,804.37	2.18%	\$133,978.54
4911 - Office Furn & Equip, Gas	\$5,938,777.83	4.74%	\$281,498.07
4915 - Vintage Computer Equipment	\$4,247,553.43	13.84%	\$587,861.39
4916 - Vintage Remote Meter Reading	\$1,842,118.33	6.73%	\$123,974.56
4917 - PSNC Software - Balance 10/31/06	\$1,870,547.11	37.45%	\$700,519.89
4918 - PSNC Software - New Additions Eff 11/1/06	\$1,864,577.70	20.00%	\$372,915.54
4940 - Tools, Shop&Garage Eq - Gas	\$644,892.32	7.81%	\$50,366.09
4945 - CNG Refueling Stations - Gas	\$766,714.72	16.41%	\$125,817.89

Adjustment for Depreciation on End of Period Plant	
Depr. Expense	\$33,928,601.09
As Booked	\$35,513,340.64
	<u>(\$1,584,739.55)</u>
Add Depr. From Clearing	\$4,299.25
Adjustment	<u>(\$1,580,440.30)</u>
Depr Res. E.O.P.	\$34,405,528.09
As Booked	\$35,983,812.47
Adjustment	<u>(\$1,578,284.38)</u>
Adj. Res. Reconciling	
Add E.O.P. not including clearing	(\$1,584,739.55)
Add E.O.P. charged to clearing	\$6,455.17
	<u>(\$1,578,284.38)</u>

PSNC Energy
Computation of Depreciation on End of Period
31-Dec-07
Sources: Report Asset 951 and Reserve Statement
Checked to GL

Account Number and Description	12/31/2007	Present Rate	
	Plant Balance 1180210+1180260	Rate %	Amount E.O.P
4946 - NonSpec Tools/Shop/Gar - Gas	\$4,047,750.92	3.35%	\$135,599.66
4950 - Laboratory Equipment - Gas	\$21,050.83	5.40%	\$1,136.74
4970 - Communication Equipment, Gas	\$5,869,860.53	8.18%	\$480,154.59
4971 - Radio Towers - Gas	\$155,609.18	7.36%	\$11,452.84
4980 - Miscellaneous Equipment, Gas	\$105,485.50	0.32%	\$337.55
Subtotal	\$1,109,959,390.55		\$33,928,601.09
4921 - Automobiles, Gas	\$0.00	0.00%	\$0.00
4924 - Trucks	\$18,909,856.64	0.39%	\$73,748.44
4927 - Trailers, Gas	\$999,401.02	0.39%	\$3,897.66
4930 - Stores Equipment, Gas	\$386,758.55	4.09%	\$15,818.42
4960 - Power Operated Equipmnt, Gas	\$6,979,674.41	5.07%	\$353,869.49
4961 - NonSpecific Vintage POE-Gas	\$730,691.03	4.05%	\$29,592.99
Subtotal	\$28,006,381.65		\$476,927.00
Total Depreciable Plant	\$1,137,965,772.20		\$34,405,528.09
Total Non Depreciable Plant	\$9,534,503.41		\$0.00
Total Utility Plant in Service: 1180210+1180260	\$1,147,500,275.61		\$34,405,528.09

Adjustments For E.O.P Depreciation
To Expense Through Clearing Accounts

	Transp. Equip	Stores Equip	Power Operated Equip	Total Additional Expenses
Annual Depr. on E.O.P	\$77,646.10	\$15,818.42	\$383,462.48	<u>\$476,927.00</u>
Depr as Booked	\$75,513.80	\$15,818.42	\$379,139.61	<u>\$470,471.83</u>
Additional Depr on E.O.P	\$2,132.30	\$0.00	\$4,322.87	<u>\$6,455.17</u>
% to Clearing and Charged to Expenses	66.6016%	8.5282%	66.6016%	
Portion to E.O.P. Exp.	\$1,420.15	\$0.00	\$2,879.10	<u>\$4,299.25</u>

QUERY2

Auto Clearing-December YTD 2007			
Query:AUTO_CLEARING_DISTRIBUTION			
Unit	Account	Oper Unit	Sum Amount
PSNC	1180270	PFLT	2,927.50
PSNC	1180270	PSNC	1,141,494.69
PSNC	1190210	PSNC	152,442.05
		Capital	1,296,864.24
			23.8602%
PSNC	1630000	PSNC	247,341.78
PSNC	1840210	PFLT	7,480.84
PSNC	1840210	PSNC	24,618.81
PSNC	1860516	PSNC	2.01
		Deferred	279,443.44
			5.1413%
PSNC	4160122	PSNC	134,529.77
PSNC	4160131	PSNC	20,626.03
PSNC	4160135	PSNC	3,195.61
PSNC	4160136	PSNC	2,601.50
PSNC	4160140	PSNC	8,724.22
PSNC	4160152	PSNC	117.69
PSNC	4160223	PSNC	54,915.37
PSNC	4160231	PSNC	8,564.98
PSNC	4160240	PSNC	5,704.95
		M&J	238,980.12
			4.3968%
PSNC	8400000	PSNC	3,257.74
PSNC	8410000	PSNC	15,612.04
PSNC	8500000	PSNC	18,744.33
PSNC	8510000	PSNC	6,452.25
PSNC	8560000	PSNC	120,885.18
PSNC	8570000	PSNC	5,535.45
PSNC	8590000	PSNC	117,951.90
PSNC	8610000	PSNC	16,905.14
PSNC	8620000	PSNC	20,639.58
PSNC	8630000	PSNC	22,236.66
PSNC	8640000	PSNC	4,543.57
PSNC	8650000	PSNC	56,296.90
PSNC	8660000	PSNC	5,482.50
PSNC	8700000	PSNC	89,036.27
PSNC	8740000	PSNC	891,155.25
PSNC	8750000	PSNC	33,723.22
PSNC	8760000	PSNC	3,919.04
PSNC	8780000	PSNC	490,615.00
PSNC	8780020	PSNC	19.07
PSNC	8790000	PSNC	464,324.92
PSNC	8800000	PSNC	334,289.94
PSNC	8850000	PSNC	69,961.49
PSNC	8860000	PSNC	64,428.89
PSNC	8870000	PSNC	172,743.12
PSNC	8890000	PSNC	1,992.58

CCNY

QUERY2

PSNC	8900000	PSNC	71,944.23	
PSNC	8920000	PSNC	210,209.20	
PSNC	8930000	PSNC	52,772.13	
PSNC	9010000	PSNC	20,499.21	
PSNC	9020000	PSNC	1,970.53	
PSNC	9030001	PSNC	22,638.87	
PSNC	9030002	PSNC	97,958.91	
PSNC	9030003	REGA	12.00	
PSNC	9080000	PSNC	201.78	
PSNC	9210000	PSNC	95,330.73	
PSNC	9350000	PSNC	15,683.39	
		O&M	3,619,973.01	66.6016%
		Total	5,435,260.81	

Cost Repository Query: Inventory_Issues_Revised
YTD December 2007

account	amount_type	quantity	amount	
1180270	1	9415871	12,722,375.21	
1190210	1	2712	69,193.87	
			<u>12,791,569.08</u>	78.19%
4160121	1	2072	1,028,167.18	
4160122	1	315911	977,943.39	
4160135	1	452	10,698.27	
4160223	1	35298	156,605.79	
			<u>2,173,414.63</u>	13.28%
8432000	1	2	1,243.90	
8434000	1	10	1,275.47	
8435000	1	3	0.03	
8437001	1	122	77,230.00	
8437002	1	65	13,558.27	
8437005	1	13	902.27	
8437007	1	7	114.56	
8439000	1	24	712.59	
8560000	1	29	3,480.74	
8570000	1	335	2,831.99	
8630000	1	113	3,149.68	
8650000	1	105	1,042.93	
8740000	1	175921	285,036.64	
8750000	1	107	3,124.01	
8760000	1	5015	71,162.96	
8780000	1	399274	472,841.99	
8780020	1	3	574.30	
8790000	1	746	10,708.22	
8800000	1	88469	301,814.04	
8870000	1	1612	19,965.95	
8890000	1	36	1,479.84	
8900000	1	2	194.98	
8920000	1	10115	40,535.16	
8930000	1	180539	76,740.48	
9210000	1	688	5,515.74	
			<u>1,395,236.74</u>	8.53%
				16,360,220.45 · 100.00%

COPY

PSNC ENERGY
Item 4A Allocation of Plant Related Items to Nonutility
Test Year Ended December 31, 2007
Checked to Plant and Reserve Statements

		Balance at 6/30/2008			Allocable to Nonutility						
Line No.	Plant Account	Account Description	Estimated Utility Plant in Service (1180210+1180260) 1	Estimated Accumulated Depreciation 2	Deferred Taxes 3	% 4	Utility Plant in Service 5 (1) * (4)	Accumulated Depreciation 6 (2) * (4)	Deferred Taxes 7 (3) * (4)	Depreciation Expense	
										% 8	Amount 9 (5) * (8)
1.	4741	Land - Dist.	7,048,886	0	0	3.5785% A	252,244	0	0	0.00%	0
2.	4742	Land Rights - Dist.	560,608	13,349	80,165	3.5785% A	20,061	478	2,869	1.53%	307
3.	4750	Str & Imp - Dist	24,205,363	6,513,526	2,591,567	3.5785% A	866,189	233,087	92,739	2.43%	21,048
4.	4751	PSNC Other Str & Imp Nov 1 06	995,999	578,738	61,122	3.5785% A	35,642	20,710	2,187	0.88%	314
5.	4891	Land - General	233,440	0	0	3.5785% A	8,354	0	0	0.00%	0
6.	4900	Str & Imp - Building	6,154,326	941,860	763,542	3.5785% A	220,233	33,704	27,323	2.18%	4,801
7.	4903	Str & Imp - Energy Equip	0	0	0	3.5785% A	0	0	0	5.00%	0
8.	4911	Office Furn & Eq	5,977,123	3,165,007	411,929	3.5785% A	213,891	113,260	14,741	4.74%	10,138
9.	4912	Computer Equip	0	0	0	3.5785% A	0	0	0	0.00%	0
10.	4914	Computer Software-5 year life	0	0	0	3.5785% A	0	0	0	0.00%	0
11.	4915	Other Computer Equip	4,560,567	2,075,183	364,068	3.5785% A	163,200	74,260	13,028	13.84%	22,587
13.	4917	Computer Software-7 year life	1,870,547	639,551	180,321	3.5785% A	66,938	22,886	6,453	37.45%	25,068
14.	4918	PSNC Software - Eff Nov 1 06	2,282,028	413,948	273,643	3.5785% A	81,662	14,813	9,792	20.00%	16,332
15.	4921	Automobiles	0	0	0	3.5785% A	0	0	0	C	0
16.	4924	Trucks	20,743,067	11,964,126	1,285,972	4.3968% B	912,031	526,039	56,542	C	0
17.	4927	Trailers	1,052,641	441,102	89,581	4.3968% B	46,283	19,394	3,939	C	0
18.	4930	Stores Equip	386,759	224,346	23,791	13.2848% B	51,380	29,804	3,161	C	0
19.	4940	Spec Tools Shop & Garage Eq	672,117	(270,908)	138,138	3.5785% A	24,052	(9,694)	4,943	7.81%	1,878
20.	4945	CNG Refueling Stations	766,715	520,710	36,036	3.5785% A	27,437	18,634	1,290	16.41%	4,502
21.	4946	Other Tools Shop & Garage Eq	4,074,492	2,045,472	297,218	3.5785% A	145,806	73,197	10,636	3.35%	4,884
22.	4950	Laboratory Equip	21,051	14,168	1,008	3.5785% A	753	507	36	5.40%	41
23.	4960	Spec Power Operated Eq	7,356,589	3,229,636	604,532	4.3968% B	323,455	142,001	26,580	C	0
24.	4961	Other Power Operated Eq	742,186	331,288	60,190	4.3968% B	32,632	14,566	2,646	C	0
25.	4970	Communication Eq	5,888,011	3,914,006	289,160	3.5785% A	210,702	140,063	10,348	8.18%	17,235
26.	4971	Radio Towers	154,966	81,573	10,751	3.5785% A	5,545	2,919	385	7.36%	408
27.	4980	Miscellaneous Equipment	115,499	57,538	8,490	3.5785% A	4,133	2,059	304	0.32%	13
			95,862,980	36,894,219	7,571,224		3,712,623	1,472,686	289,941		129,559

- A Three-factor formula
B Percentage of associated clearing account charged to M&J Workpaper 4a Page 2 of 5
C Charged to clearing account which are allocated to nonutility operations