Michigan Public Service Commission
DTE Gas Company
Projected Net Operating Income
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C1
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Description	(b) Source	(c) Adjusted Historical Net Oper. Income For the Year Ended 12/31/2024	(d) Projection Adjustments	(e) Projected Net Oper. Income For the Year Ending 9/30/2027
	Operating Revenues				
1	Distribution Revenues	Exh. A-13, Sch. C3	1,060,822	(716)	1,060,105
2	Third Party Transportation & Storage	Exh. A-13, Sch. C3	123,486	11,604	135,090
3	Other Operating Revenues	Exh. A-13, Sch. C3	157,566	(7,736)	149,830
4	Total Operating Revenues		1,341,873	3,152	1,345,025
5	**Operating Expenses**				
6	Cost of Gas Sold		(0)	0	-
7	Company Use & Lost Gas	Exh. A-15, Sch. E8	24,404	3,434	27,838
8	Operation & Maintenance	Exh. A-13, Sch. C5	433,076	110,718	543,793
9	Gas Uncollectibles	Exh. A-13, Sch. C5.4	22,550	989	23,540
10	Depreciation and Amortization	Exh. A-13, Sch. C6	217,530	32,908	250,438
11	Property Taxes	Exh. A-13, Sch. C7	101,693	30,773	132,466
12	Other General Taxes	Exh. A-13, Sch. C7	15,906	1,456	17,362
13	State and Local Income Taxes	Exh. A-13, Sch. C9	29,832	(15,664)	14,168
14	Federal Income Taxes	Exh. A-13, Sch. C8	68,359	(42,682)	25,677
15	Other Income/(Ded.)-Customer Deposit Interest		449	86	535
16	Total Operating Expenses		913,799	122,018	1,035,817
17	**Net Operating Income**		428,074	(118,866)	309,208
18	**Operating Income Adjustments**				
19	Allowance for Funds Used During Construction	Exh. A-13, Sch. C11	2,706	10,282	12,988
20	Loss on Reacquired Securities	Exh. A-13, Sch. C14	(1,350)	0	(1,350)
21	Total Operating Income Adjustments		1,356	10,282	11,638
22	**Total Net Operating Income**		429,430	(108,584)	320,846

Michigan Public Service Commission
DTE Gas Company
Projected Net Operating Income Adjustments
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C1.1
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Description	(b) Source	(c) Operating Revenue	(d) Cost of Gas Sold	(e) Company Use and Lost Gas	(f) O&M	(g) Gas Uncollecti-bles	(h) Deprec. & Amort.	(i) Property Taxes	(j) Other Taxes	(k) State & Local Income Taxes	(l) Federal Income Taxes	(m) Other Inc./(Ded.)	(n) Adjusted NOI
	Historical Year Ended December 31, 2024													
1	Adjusted Normalized Historical Net Operating Income	A-3 C1	1,341,873	-	24,404	433,076	22,550	217,530	101,693	15,906	29,832	68,360	907	429,430
2	**Projection Adjustments**													
3	Operating Revenue	A-13 C3	3,152								207	619		2,327
4	Cost of Gas Sold			0							(0)	(0)		(0)
5	Company Use and Lost Gas	A-15 E8			3,434						(225)	(674)		(2,535)
6	O&M	A-13 C5				110,718					(7,263)	(21,725)		(81,729)
7	Gas Uncollectibles	A-13 C5.4					989				(65)	(194)		(730)
8	Depreciation and Amortization	A-13 C6						32,908			(2,159)	(6,457)		(24,292)
9	Property Taxes	A-13 C7							30,773		(2,019)	(6,038)		(22,716)
10	Other Taxes	A-13 C7								1,456	(95)	(286)		(1,075)
11	State & Local Income Taxes	A-13 C9, C10									(4,535)			4,535
12	Federal Income Taxes	A-13 C8										(9,394)		9,394
13	Allowance for Funds Used During Construction	A-13 C11									674	2,018	10,282	7,590
14	Loss on Reaquired Securities	A-13 C14									0	0	0	0
15	Other Deductions										(6)	(17)	(86)	(64)
16	Income Tax Effect of Interest	A-13 C15									(178)	(533)		711
17	Synchronization Adjustment	A-13 C16									-	-		-
18	Total Projection Adjustments		3,152	0	3,434	110,718	989	32,908	30,773	1,456	(15,664)	(42,682)	10,195	(108,584)
19	**Net Operating Income**	Line 1 + Line 18	1,345,025	0	27,838	543,793	23,540	250,438	132,466	17,362	14,168	25,677	11,103	320,846

Michigan Public Service Commission
DTE Gas Company
Projected Revenue Conversion Factor
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C2
Witness: K. M. Vangilder
Page: 1 of 1

Line No.	(a) Description	(b) Calc. Logic/Source	(c) Amount
1	Income Before Income Taxes		100.00
2	Michigan Corporate Income Tax		6.00%
3	Municipal Tax		0.56%
4	Total State and Local Tax Rates	Line 2 + Line 3	6.56%
5	Federal Tax Base	Line 1 - (Line 4 x 100)	93.44
6	Federal Income Tax Rate		21.00%
7	Federal Income Tax	Line 5 x Line 6	19.62
8	Income after Federal, Michigan and Municipal Taxes	Line 5 - Line 7	73.82
9	Revenue Conversion Factor	Line 1 ÷ Line 8	1.3547

Michigan Public Service Commission
DTE Gas Company
Projected Sales and Other Operating Revenue
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C3
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Description	(b) Adjusted Historical Oper. Revenue For the Year Ended 12/31/2024	(c) Projection Adjustments	(d) Projected Oper. Revenue For the Year Ending 9/30/2027	(e) Source
				Col. (b) + Col. (c)	
1	Gas Sales	847,432	72,058	919,490	Exh. A-13, Sch.C3.1
2	End-User Transportation	120,487	5,345	125,832	Exh. A-13, Sch. C3.2 (Huffman)
3	Exelon	12,322	2,462	14,784	
4	Infrastructure Recovery Mechanism (IRM)	80,581	(80,581)	-	
5	Subtotal Distribution Revenue	1,060,822	(716)	1,060,105	
6	Off-System Transportation & Storage	123,486	11,604	135,090	Exh. A-13, Sch. C3.3 (Huffman)
7	Other Operating Revenue	157,566	(7,736)	149,830	See Note 1/
8	Total Operating Revenue	1,341,873	3,152	1,345,025	
9	1/ Other Operating Revenue Detail:				
10	Late Payment/NSF Charges	7,803	-	7,803	
11	Appliance Service Programs	108,546	-	108,546	Witness Huffman
12	Miscellaneous Service Revenue	4,470	-	4,470	
13	Gas Choice Supplier Revenues	1,229	-	1,229	Witness Huffman
14	Rent from Gas Property	9	-	9	
15	Interdepartment Rent	114	-	114	
16	Other Gas Revenues	950	-	950	Witness Huffman
17	Gas in Kind	27,674	(5,906)	21,767	Exh A-15, Sch E8, Col (e) line 3
18	Blue Lake Investment Income	1,222	(217)	1,005	Witness Huffman
19	Vector Lease Interest	2,938	(210)	2,727	
20	Grantor Trust Income	2,613	(1,402)	1,211	Exh. A-13, Sch. C3.4
21	Total Other Operating Revenue	157,566	(7,736)	149,830	

Michigan Public Service Commission
DTE Gas Company
Projected Distribution Revenue by Rate Schedule
Projected 12 Month Period Ending September 30, 2027

Case No.: U-21973
Exhibit: A-13
Schedule: C3.1
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Rate Schedule	(b) Total Gas Sales Revenue ($000)	(c) Sales Volumes (MMcf) 1/	(d) Distribution Rate	(e) Distribution Revenue ($000)	(f) Average Customers 1/	(g) Monthly Service Charge	(h) Service Charge Revenue ($000)	(i) Eligible Customers	(j) Monthly RIA Credit	(k) RIA Credit ($000)	(l) Eligible Customers	(m) Monthly LIA Credit	(n) LIA Credit ($000)
		(e)+(h)+(k)+(n)			*(c) x (d)*			*(f) x (g)x 12 mo.*			*(i) x (j)x 12 mo.*			*(l) x (m)x 12 mo.*
1	Residential A	$ 683,744	109,843,293	$ 4.4732	$ 491,351	1,266,741	$ 14.50	$ 220,413	70,000	$ (14.50)	$ (12,180)	33,000	$ (40.00)	$ (15,840)
2	Residential 2A (Meter I)	1,544	290,898	$ 4.4732	1,301	1,393	$ 14.50	242	-		-	-		-
3	Residential 2A (Meter II)	17,976	3,407,217	$ 4.4732	15,241	4,557	$ 50.00	2,734	-		-	-		-
4	Non-Residential GS-1	210,171	38,406,189	$ 4.0481	155,472	91,165	$ 50.00	54,699	-		-	-		-
5	Large Volume GS-2	3,165	752,021	$ 3.2981	2,480	62	$ 925.00	685	-		-	-		-
6	School S	4,683	1,532,824	$ 2.6026	3,989	214	$ 270.00	694	-		-	-		-
7	LIA / RIA Amortization	(1,255)	-		(1,255)	-		-	-		-	-		-
8	PSP Amortization	(537)	-		(537)	-		-	-		-	-		-
9	Total	$ 919,490	$ 154,232,442		$ 668,043	$ 1,364,133		$ 279,467	$ 70,000		$ (12,180)	$ 33,000		$ (15,840)

1/ Sales Volumes and Customers provided by Witness Chapel

Michigan Public Service Commission
DTE Gas Company
Projected EUT Revenue
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C3.2
Witness: J. L. Huffman
Page: 1 of 1

Line No.	(a) Rate Class	(b) 2024 Actual 12-Month Ended Revenue (1)	(c) 12 Months Ended September 2027 Projected Revenue (2)
	Distribution Revenue		
1	ST (1)	$ 23,329	$ 23,435
2	LT (1)	17,784	20,188
3	XLT (1)	20,502	24,721
4	XLT Optional Rate (1)	4,439	-
5	XXLT (1)	4,817	21,757
6	XXLT Optional Rate (1)	4,777	-
7	SC (3)	3,397	-
8	Total - Distribution Revenue	$ 79,044	$ 90,101
	Customer Charges		
9	ST (1)	$ 14,542	$ 14,445
10	LT (1)	6,355	4,781
11	XLT (3)	3,918	3,297
12	XLT Optional Rate (1) (7)	407	-
13	XXLT (1)	6,146	10,683
14	XXLT Optional Rate (1)(3)(8)	2,049	-
15	SC (3)	203	-
16	Total - Customer Charges	$ 33,620	$ 33,206
17	Minimum Revenue Commitment (1)	$ 460	$ 461
18	Standby Charges (2)	5,701	1,966
19	Other Revenue (2)	(123)	91
20	Weather Normalization (4)	1,776	-
21	Subtotal	$ 7,815	$ 2,517
22			
23	Total - EUT Revenue (5)	$ 120,479	$ 125,824
24	Standby Charges (Non EUT) (6)	$ 8	$ 7

(1) Workpaper JLH-1.
(2) Workpapers JLH--2, JLH--3, and JLH--5.
(3) One Special Contract has been classified in the applicable rate based on break-even point for both the Year Ended 2024 and the 12 Months Ended September 2027.
(4) Weather Normalization Adjustment per Exh. A-3, Sch. C18 sponsored by Witness Uzenski.
(5) Total EUT Revenue is carried to Witness Uzenski's Exhibit A-13 Schedule C3.
(6) Standby charges for GS2 customers see Workpapers HJD-3.
(7) Historical period Includes 2 customers in the XLT Optional rate class.
(8) Historical period Includes 1 customer in the XXLT Optional rate class.

Michigan Public Service Commission
DTE Gas Company
Projected Off-System Storage and Transportation Revenue
Years Ended December 31, 2024 and 12 Mos Ended September 2027
(000)

Case No.: U-21973
Exhibit: A-13
Schedule: C3.3
Witness: J. L. Huffman
Page: 1 of 1

Line No.	(a) Description	(b) Revenues For the Year Ended 2024	(c) Adjustments to Revenues	(d) Revenues 12 Mos Ended September 2027
1	Contract Storage	**$ 34,151**	$ 16,963	**$ 51,114**
2	Park & Loan	**7,482**	$ (1,996)	**5,487**
3	Total Midstream Storage Revenue	**$ 41,633**	$ 14,967	**$ 56,601**
4				
5				
6	Off-System Transportation	**$ 63,230**	$ (1,802)	**$ 61,428**
7	Exchange	**18,623**	$ (1,562)	**17,061**
8	Total Transportation Revenue	**$ 81,853**	$ (3,364)	**$ 78,489**
9				
10	Total Midstream Revenues	**$ 123,486**	$ 11,604	**$ 135,090**

Michigan Public Service Commission
DTE Gas Company
Historical Midstream Park & Loan Exchange Revenue
(000)

Case No.: U-21973
Exhibit: A-13
Schedule: C3.3.1
Witness: J. L. Huffman
Page: 1 of 1

Line No.	(a) Description	(b) For the Year Ended 2022	(c) For the Year Ended 2023	(d) For the Year Ended 2024	(e) Average before Adjustments	(f) Adjustment for BWEC	(g) U-21973
1	Park & Loan	**$ 3,880**	**$ 5,100**	**$ 7,480**	**$ 5,487**		**$ 5,487**
2	Exchange	**$ 16,094**	**$ 18,084**	**$ 18,623**	**$ 17,600**	**$ (539)**	**$ 17,061**

Michigan Public Service Commission
DTE Gas Company
Projected Other Operating Revenue
Grantor Trust Income - Historical 5 Year Average
Projected 12 Month Period Ending September 30, 2027

Case No.: U-21973
Exhibit: A-13
Schedule: C3.4
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Description	(b) P-522 Reference	(c) 2020	(d) 2021	(e) 2022	(f) 2023	(g) 2024
1	Interest & Dividend Income (419) - Interest on Grantor Trust 1/	p. 341	40,504	573,816	2,025,642	558,154	-
2	Miscellaneous Non-Operating Income (421) - Grantor Trust Income	p. 341A	6,243,834	3,169,240	1,046,565	5,541,838	3,594,816
3	Misc Income Ded (426.5) - Grantor Trust-Investment Loss/Admin Cost	p. 340	(4,066,947)	(992,690)	(9,043,059)	(1,655,548)	(981,755)
4	Grantor Trust Income		$ 2,217,391	$ 2,750,366	$ (5,970,852)	$ 4,444,444	$ 2,613,061
5						Five Year Average	$ 1,210,882
6						Rounded ($000)	$ 1,211

1/ Starting in 2024, DTE Gas is reporting what used to be classified in interest & dividend income (acct. 419) related to Grantor Trust to Miscellaneous Non-Operating Income (acct. 421)

Michigan Public Service Commission
DTE Gas Company
Projected Cost of Gas
Test Year Ending 09/30/2027
($000)

Case No: U-21973
Exhibit: A-13
Schedule: C4
Witness: H. J. Maroun
Page No. 1 of 1

Line No.	(a) Description	(b) Amount	(c) Source
1	Projected Cost of Gas Sold (1)	565,375	Ex. A-16, Sch. F2, Page 1, Line 15

(1) Based on projected cost of gas of $3.6657 per Mcf

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses - Summary
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5
Witness: T. M. Uzenski
Page: 1 of 1

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
							Projected Adjustments					
Line No.	Description	Exhibit Source A-13	1/1/2024 12/31/2024 Historical Test Period	Rate Case Adjustments	Normalization Adjustments	Adjusted Historical Test Period	1/1/25 - 12/31/25 Inflation	1/1/26 - 12/31/26 Inflation	1/1/27 - 9/30/27 Inflation	Other Adjustments	Total Projected Adjustments	Projected Test Period
						sum (c) thru (e)					sum (g) thru (j)	(f) + (k)
1	Natural Gas Storage	C5.1	18,571	(7,825)	-	10,747	322	321	248	-	891	11,638
2	Transmission	C5.2	62,926	(6,992)	-	55,934	1,623	1,616	1,247	55,313	59,799	115,733
3	Distribution	C5.3	117,275	(1,122)	-	116,153	3,485	3,470	2,678	26,050	35,681	151,835
4	Customer Service	C5.4	102,343	(49,800)	1,132	53,674	1,396	1,390	1,073	(7,137)	(3,278)	50,397
5	Marketing	C5.5	52,902	(1,773)	-	51,128	1,531	1,524	1,176	3,768	7,999	59,128
6	Administrative and General	C5.6	119,574	(4,129)	(603)	114,841	1,574	1,568	1,210	6,834	11,186	126,027
7	Pension and Benefits	C5.9	30,016	(379)	960	30,597	-	-	-	(1,562)	(1,562)	29,036
8	**Total Operation and Maintenance**		**503,607**	**(72,020)**	**1,489**	**433,076**	**9,932**	**9,889**	**7,631**	**83,266**	**110,717**	**543,793**

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses - Natural Gas Storage
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.1
Witness: S. N. Kehoe
Page: 1 of 1

Line No.	(a) Description	(b) FERC/ MPSC Account	(c) 1/1/2024 12/31/2024 Historical Test Period	(d) Rate Case Adjustments	(e) Normalization Adjustments	(f) Adjusted Historical Test Period	Projected Adjustments (g) 1/1/25 - 12/31/25 Inflation 1/	(h) 1/1/26 - 12/31/26 Inflation 1/	(i) 1/1/27 - 9/30/27 Inflation 1/	(j) Other Adjustments 2/	(k) Total Projected Adjustments	(l) Projected Test Period
						sum (c) thru (e)					sum (g) thru (j)	(f) + (k)
1	**Natural Gas Storage**											
2	**Operation**											
3	Operation Supervision and Engineering	814	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Wells Expense	816	386	-	-	386	12	12	9	-	32	417
5	Lines Expense	817	36	-	-	36	1	1	1	-	3	39
6	Compressor Station Expenses	818	3,375	-	-	3,375	101	101	78	-	280	3,655
7	Compressor Station Fuel and Power	819	6,725	-	-	6,725	202	201	155	-	558	7,283
8	Measuring and Regulating Station Expense	820	-	-	-	-	-	-	-	-	-	-
9	Gas Losses	823	1,410	-	-	1,410	42	42	33	-	117	1,527
10	Other Expenses	824	357	-	-	357	11	11	8	-	30	386
11	Storage Well Royalties	825	34	-	-	34	1	1	1	-	3	36
12	Total Operation Expense		$ 12,322	$ -	$ -	$ 12,322	$ 370	$ 368	$ 284	$ -	$ 1,022	$ 13,344
13	**Maintenance**											
14	Maintenance Supervision and Engineering	830	$ 1,410	$ -	$ -	$ 1,410	$ 42	$ 42	$ 33	$ -	$ 117	$ 1,527
15	Maintenance of Structures	831	-	-	-	-	-	-	-	-	-	-
16	Maintenance of Reservoirs and Wells	832	548	-	-	548	16	16	13	-	45	593
17	Maintenance of Lines	833	31	-	-	31	1	1	1	-	3	34
18	Maintenance of Compressor Station Equipment	834	4,260	-	-	4,260	128	127	98	-	353	4,613
19	Maintenance of Other Equipment	837	-	-	-	-	-	-	-	-	-	-
20	Total Maintenance Expense		$ 6,249	$ -	$ -	$ 6,249	$ 187	$ 187	$ 144	$ -	$ 518	$ 6,767
21	Company Use Reclass, Storage		$ -	$ (7,825)	$ -	$ (7,825)	$ (235)	$ (234)	$ (180)	$ -	$ (649)	$ (8,473)
22	**Total Natural Gas Storage**		**$ 18,571**	**$ (7,825)**	**$ -**	**$ 10,747**	**$ 322**	**$ 321**	**$ 248**	**$ -**	**$ 891**	**$ 11,638**

1/ Annual Inflation Adjustment Factors per Exhibit A-13, Sch. C12

	1/1/25 - 12/31/25	1/1/26 - 12/31/26	1/1/27 - 9/30/27
Annual Inflation Adjustment Factors	3.0%	2.9%	2.9%
No. of Months in Period	12	12	9
Pro-rated Inflation Rate	3.0%	2.9%	2.2%

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses - Transmission
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.2
Witness: S. N. Kehoe
Page: 1 of 1

Line No.	(a) Description	(b) FERC/ MPSC Account	(c) 1/1/2024 12/31/2024 Historical Test Period	(d) Rate Case Adjustments	(e) Normalization Adjustments	(f) Adjusted Historical Test Period	Projected Adjustments (g) 1/1/25 - 12/31/25 Inflation 1/	(h) 1/1/26 - 12/31/26 Inflation 1/	(i) 1/1/27 - 9/30/27 Inflation 1/	(j) Other Adjustments 2/	(k) Total Projected Adjustments	(l) Projected Test Period
						sum (c) thru (e)					sum (g) thru (j)	(f) + (k)
1	**Transmission Expenses**											
2	**Operation**											
3	Operation Supervision and Engineering	850	$ 21,742	$ -	-	$ 21,742	$ 652	$ 649	$ 501	$ 26,564	$ 28,367	$ 50,109
4	Load Dispatching	851	4,301	-	-	4,301	129	128	99	-	357	4,657
5	Compressor Station Labor and Expenses	853	1,074	-	-	1,074	32	32	25	-	89	1,163
6	Gas for Compressor Station Fuel	854	6,098	-	-	6,098	183	182	141	-	506	6,604
7	Mains Expense	856	1,263	-	-	1,263	38	38	29	-	105	1,368
8	Measuring and Regulating Station Expenses	857	1,877	-	-	1,877	56	56	43	12,402	12,557	14,434
9	Transmission and Compression of Gas by Others	858	11,640	-	-	11,640	349	348	268	0	965	12,605
10	TCARP Transmission Fees	858	1,202	-	-	1,202				10,301	10,301	11,503
11	TCARP Amortization	858	632	-	-	632	-	-	-	5,574	5,574	6,206
12	TCARP Demand Charge Amortization	858	-	-	-	-	-	-	-	322	322	322
13	Other Expenses	859	2,790	-	-	2,790	84	83	64	150	381	3,171
14	Total Operation Expense		$ 52,619	$ -	$ -	$ 52,619	$ 1,524	$ 1,517	$ 1,171	$ 55,313	$ 59,524	$ 112,142
15	**Maintenance**											
16	Maintenance Supervision and Engineering	861	$ -	$ -	$ -	-	$ -	$ -	$ -	$ -	$ -	$ -
17	Maintenance of Structures	862	-	-	-	-	-	-	-	-	-	-
18	Maintenance of Mains	863	1,818	-	-	1,818	55	54	42	-	151	1,968
19	Maintenance of Compressor Station Equipme	864	1,710	-	-	1,710	51	51	39	-	142	1,851
20	Maintenance of Measuring & Reg Station Eq	865	32	-	-	32	1	1	1	-	3	35
21	Maintenance of Communication Equip	866	6,748	-	-	6,748	202	202	156	-	560	7,308
22	Maintenance of Other Equip	867	-	-	-	-	-	-	-	-	-	-
23	Total Maintenance Expense		$ 10,308	$ -	$ -	$ 10,308	$ 309	$ 308	$ 238	$ -	$ 855	$ 11,163
24	Company Use Reclass, Transmission		$ -	$ (6,992)	$ -	$ (6,992)	$ (210)	$ (209)	$ (161)	$ -	$ (580)	$ (7,572)
25	**Total Transmission**		**$ 62,926**	**$ (6,992)**	**$ -**	**$ 55,934**	**$ 1,623**	**$ 1,616**	**$ 1,247**	**$ 55,313**	**$ 59,799**	**$ 115,733**

1/ Annual Inflation Adjustment Factors per Exhibit A-13, Sch. C12

	3.0%	2.9%	2.9%
No. of Months in Period	12	12	9
Pro-rated Inflation Rate	3.0%	2.9%	2.2%

2/ Other Projected Adjustments

	Account	Amount
TCARP Transmission Fees & AEP Reservation Charge	858	10,301
TCARP Regulatory Asset Amortization	858	5,574
TCARP Regulatory Asset Demand Charge Amortization	858	322
Pipeline Integrity	850	23,300
Cathodic Protection - shorting casings and missing vents	850	1,000
Corrossion - Annual survey and bridge inspections/repairs	850	335
Internal Corrosion Program	850	1,000
Codes - Pipeline User Fee	850	90
Codes - Material Standards - transmission	850	75
Pipeline Safety Management System (PSMS)	850	300
ISO Certification	850	140
Quality Assurance	850	324
Operational Technology (OT) Cybersecurity Program	857	702
Transmission right of way (ROW)	857	5,000
Turbine bundle exchange	857	200
Replace pipeline markers	857	1,500
Transmission System Maintenance Painting Program	857	4,000
Building Maintenance Painting	857	1,000
Data Integrity	859	150
Total Projection Adjustments		55,313

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Michigan Public Service Commission
DTE Gas Company
Traverse City Alpena Reinforcement Project (TCARP) Deferral
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.2.2
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Description	(b) Actual 2023	(c) Actual 2024	(d) Projected 2025	(e) Projected Jan-Sept 2026	(f) Projected Oct-Dec 2026	(g) Projected Jan-Sept 2027	(h) Projected Test Period	(i) Total	(j) Reference
1	**TCARP Deferral**									
2	TCARP Payments Deferred 1/	9,034	8,037	-	-	-	-	-	17,071	Supported by Witness S. Kehoe
3	Layer revisions not reflected in U-21291 3/	76	1,469	-	-	-	-	-	1,546	Supported by Witness S. Kehoe
4	Amount Deferred to Regulatory Asset	9,111	9,506						18,617	

Line No.	TCARP Amortization	Deferral							Test Period Amortization		Case No.	Amortization Period Beginning	Amortization Period Ending
5	**TCARP Amortization**	**Deferral**							**Test Period Amortization**			Beginning	Ending
6	Amortization approved in U-21291 2/	17,071	-	632	5,690	4,268	1,423	4,268	**5,690**	Line 2 Col (b) + (c) / 3 Years	U-21291	11/20/2024	10/31/2027
7	Layer revisions not reflected in U-21291 3/	1,546	-	-	-	-	129	386	**472**	Line 2 Col (b) + (c) / 3 Years		10/1/2026	9/30/2029
8	Total Amortization Expense		-	632	5,690	4,268	1,551	4,654	**6,163**				

1/ Per order in No. U-21102, the company is authorized to defer expenses associated with TCARP through no later than the date the company implents new rates in its next general rate case (U-21291).
2/ Per Case No U-21102, amortization will be a period of 3 years upon inclusion in base rates.
3/ The Company is seeking amortization of the remaining TCARP project costs (September - December 2024)

Michigan Public Service Commission
DTE Gas Company
Traverse City Alpena Reinforcement Project (TCARP) Demand Charges Deferral
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.2.3
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Description		(b) Projected 2025	(c) Projected Jan-Sept 2026	(d) Projected Oct-Dec 2026	(e) Projected Jan-Sept 2027	(f) Projected Test Period	(g) Total	(h) Reference	Case No.	Amortization Period Beginning	Amortization Period Ending
1	**TCARP Demand Charge Deferral**											
2	TCARP Demand Charge Payments Deferred 1/		377	589				966	Supported by witness S. Kehoe			
3	**TCARP Demand Charge Amortization**	**Deferral**										
4	Amortization 2/	966	-	-	80	241	322		Line 2 Col (b) + (c) / 3 Years		10/1/2026	9/30/2029

1/ Per order in No. U-21917, the Company is authorized to defer incremental TCARP costs from July 10, 2025 through the implentation of new rates in its next general rate case.

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses - Distribution
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.3
Witness: S. N. Kehoe
Page: 1 of 1

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
							Projected Adjustments					
Line No.	Description	FERC/ MPSC Account	1/1/2024 12/31/2024 Historical Test Period	Rate Case Adjustments 1/	Normalization Adjustments	Adjusted Historical Test Period	1/1/25 - 12/31/25 Inflation 2/	1/1/26 - 12/31/26 Inflation 2/	1/1/27 - 9/30/27 Inflation 2/	Other Adjustments	Total Projected Adjustments	Projected Test Period
						sum (c) thru (e)					sum (g) thru (j)	(f) + (k)
1	**Distribution Expenses**											
2	**Operation**											
3	Operation Supervision and Engineering	870	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Compressor Station Labor and Expenses	872	-	-	-	-	-	-	-	-	-	-
5	Mains & Services Expenses	874	27,159	-	-	27,159	815	811	626	14,316	16,568	43,728
6	Measuring & Reg Station - General	875	1,196	-	-	1,196	36	36	28	-	99	1,295
7	Measuring & Reg Station - City Gate	877	2,718	-	-	2,718	82	81	63	-	225	2,944
8	Measuring & House Regulator Exp	878	12,333	-	-	12,333	370	368	284	-	1,023	13,356
9	Customer Installations Expenses	879	28,178	-	-	28,178	845	842	650	-	2,337	30,514
10	Other Expenses	880	20,562	(35)	-	20,527	616	613	473	(533)	1,169	21,696
11	Total Operation Expense		$ 92,147	$ (35)	$ -	$ 92,112	$ 2,763	$ 2,751	$ 2,123	$ 13,783	$ 21,421	$ 113,533
12	**Maintenance**											
13	Maintenance of Structures	886	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
14	Maintenance of Mains	887	11,484	-	-	11,484	345	343	265	7,767	8,719	20,203
15	Measuring & Reg Station - General	889	5,471	-	-	5,471	164	163	126	3,060	3,514	8,985
16	Measuring & Reg Station - City Gate	891	1,445	-	-	1,445	43	43	33	-	120	1,565
17	Maintenance of Services	892	2,918	-	-	2,918	88	87	67	-	242	3,160
18	Regulator	893	2,666	-	-	2,666	80	80	61	1,440	1,661	4,327
19	Maintenance of other Equipment	894	1,144	-	-	1,144	34	34	26	-	95	1,239
20	Total Maintenance Expense		$ 25,128	$ -	$ -	$ 25,128	$ 754	$ 751	$ 579	$ 12,267	$ 14,350	$ 39,479
21	Company Use Reclass, Distribution		$ -	$ (1,087)	$ -	$ (1,087)	$ (33)	$ (32)	$ (25)	$ -	$ (90)	$ (1,177)
22	**Total Distribution**		**$ 117,275**	**$ (1,122)**	**$ -**	**$ 116,153**	**$ 3,485**	**$ 3,470**	**$ 2,678**	**$ 26,050**	2/ **$ 35,681**	**$ 151,835**

		Account	Historical Adjustment
1/	Rate Case Adjustments		
	Disallowed Corporate Memberships	880	(35)

2/	Annual Inflation Adjustment Factors per Exhibit A-13, Sch. C12	3.0%	2.9%	2.9%
	No. of Months in Period	12	12	9
	Pro-rated Inflation Rate	3.0%	2.9%	2.2%

		Account	Amount
3/	Other Projected Adjustments		
	VSIP Savings	880	(533)
	Regulator Station Replacement Program (RSRP) – Enhance	889	3,060
	Labor Negotiations	887	2,000
	Increased MISS DIG Fees	874	446
	MISS DIG Ticket Volume	874	1,513
	High performance painting program	893	1,440
	Gas Refresher Training	887	1,896
	Training for leak survey (KloudGin) and Gas (IFS)	887	3,265
	New Meter technology training	887	398
	Operator Qualifications Management System	887	132
	Damage Prevention	874	2,678
	Improved Staking leader program	874	664
	Advanced Leak Detection	874	9,015
	Material Standards - Distribution	887	75
	Total Projection Adjustments		26,050

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses - Customer Service
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.4
Witness: J. Sparks
Page: 1 of 1

Line No.	(a) Description	(b) FERC/ MPSC Account	(c) 1/1/2024 12/31/2024 Historical Test Period	(d) Eliminate Energy Waste Reduction Program	(e) Other Adjustments 1/	(f) Normalization Adjustments 2/	(g) Adjusted Historical Test Period sum (c) thru (e)	(h) Projected Adjustments 1/1/25 - 12/31/25 Inflation 3/	(i) 1/1/26 - 12/31/26 Inflation 3/	(j) 1/1/27 - 9/30/27 Inflation 3/	(k) Other Adjustments		(l) Total Projected Adjustments sum (g) thru (j)	(m) Projected Test Period (f) + (k)
1	**Customer Accounts Expenses**													
2	**Operation**													
3	Supervision	901	$ 1,353	$ -	$ -	$ -	$ 1,353	$ 41	$ 40	$ 31	$ -		$ 112	$ 1,466
4	Meter Reading Expenses	902	4,750	-	-	-	4,750	143	142	110	-		394	5,144
5	Customer Records and Collection Expenses	903	33,785	-	-	821	34,606	1,038	1,034	798	(1,445)	4/ 5/	1,424	36,030
6	Customer 360 Amortization	903	1,445	-	-	-	1,445	-	-	-	-		-	1,445
7	Customer Collection-Merchant Fees	903	5,692	-	-	-	5,692	-	-	-	(5,692)	6/	(5,692)	-
8	Miscellaneous Customer Accounts Expenses	905	30,323	(29,385)	-	-	938	28	28	22	-		78	1,015
9	Total Customer Accounts Expense		$ 77,348	$ (29,385)	$ -	$ 821	$ 48,784	$ 1,249	$ 1,244	$ 960	$ (7,137)		$ (3,683)	$ 45,100
10	**Customer Service and Informational Expenses**													
11	**Operation**													
12	Supervision	907	$ 353	$ (353)	$ -	$ -	$ 0	$ 0	$ 0	$ 0	$ -		$ 0	$ 0
13	Customer Assistance Expenses	908	21,204	(18,500)	(44)	-	2,660	80	79	61	-		221	2,880
14	Informational and Instructional Expenses	909	1,519	(1,519)	-	-	0	0	0	0	-		0	0
15	Misc Customer Service and Informational Exp.	910	1,920	-	-	311	2,231	67	67	51	-		185	2,416
16	Total Customer Service and Informational Expense		$ 24,995	$ (20,372)	$ (44)	$ 311	$ 4,891	$ 147	$ 146	$ 113	$ -		$ 406	$ 5,296
17	**Total Customer Accounts, Customer Service and Informational Expenses**		**$ 102,343**	**$ (49,757)**	**$ (44)**	**$ 1,132**	**$ 53,674**	**$ 1,396**	**$ 1,390**	**$ 1,073**	**$ (7,137)**		**$ (3,278)**	**$ 50,397**
18	**Uncollectibles Accounts Expense**	904	**$ 22,550**	**$ -**	**$ -**	**$ -**	**$ 22,550**	**$ -**	**$ -**	**$ -**	**$ 989**	7/	**$ 989**	**$ 23,540**

1/ Rate Case Adjustments

	Account	Amount
Disallowed Corporate Memberships	908	(44)

2/ Normalization Adjustments

	Account	Amount
Outside Services - Call Vendor costs in 2024 did not return to pre-2023 levels. We expect further recovery in 2025.	903	231
Contract Labor - costs in 2024 did not return to pre-2023 levels. We expect further recovery in 2025.	903	167
Customer Outreach - costs in 2024 did not return to pre-2023	910	311
Travel/Training/Engagement costs in 2024 did not return to pre-2023 levels. We expect further recovery in 2025.	903	33
Deferred hiring	903	389
Total Normalization Adjustments		**1,132**

3/ Annual Inflation Adjustment Factors per Exhibit A-13, Sch. C12

No. of Months in Period	12	12	9
Pro-rated Inflation Rate	3.0%	2.9%	2.2%

		Account	Amount
4/	Digital Investment - Call center savings	903	(1,284)
5/	VSIP Savings	903	(161)
6/	Merchant Fees (sponsored by Witness Huffman)	903	(5,692)
7/	Adjusted to 3 Year Historical Average of net write-offs as a % of revenue plus direct expense (see Exhibit A-13, C5.7)	904	989

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses - Marketing
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.5
Witness: J. Huffman
Page: 1 of 1

Line No.	(a) Description	(b) FERC/ MPSC Account	(c) 1/1/2024 12/31/2024 Historical Test Period	(d) Rate Case Adjustments 1/	(e) Normalization Adjustments	(f) Adjusted Historical Test Period	Projected Adjustments (g) 1/1/25 - 12/31/25 Inflation 2/	(h) 1/1/26 - 12/31/26 Inflation 2/	(i) 1/1/27 - 9/30/27 Inflation 2/	(j) Other Adjustments 3/	(k) Total Projected Adjustments	(l) Projected Test Period
						sum (c) thru (e)					sum (g) thru (j)	(f) + (k)
1	**Sales Expenses**											
2	**Operation**											
3	Supervision	911	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
4	Demonstrating and Selling Expenses	912	52,806	(1,773)	-	51,033	1,531	1,524	1,176	3,000	7,232	58,264
5	Demand Response Pilot Amortization Expense	912	96	-	-	96	-	-	-	768	768	864
6	Advertising Expenses	913	-	-	-	-	-	-	-	-	-	-
7	Miscellaneous Sales Expenses	916	-	-	-	-	-	-	-	-	-	-
8	**Total Sales Expense**		**$ 52,902**	**$ (1,773)**	**$ -**	**$ 51,128**	**$ 1,531**	**$ 1,524**	**$ 1,176**	**$ 3,768**	**$ 7,999**	**$ 59,128**

		Account	Amount
1/	Rate Case Adjustments		
	Gas Voluntary Renewables Program	912	$ (1,495)
	Excluded Gas Sponsorships	912	(176)
	Excluded Corporate Memberships	912	(103)
			$ (1,773)

		(g)	(h)	(i)
2/	Annual Inflation Adjustment Factors per Exhibit A-13, Sch. C12	3.0%	2.9%	2.9%
	No. of Months in Period	12	12	9
	Pro-rated Inflation Rate	3.0%	2.9%	2.2%

		Account	Amount
3/	Other Projected Adjustments		
	Demand Response Amortization	912	768
	Safety & Reliability for PublicTraining	912	2,000
	Forestry Program	912	1,000

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses - Administrative and General
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.6
Witness: T. M. Uzenski
Page: 1 of 5

Line No.	Description	FERC/ MPSC Account	1/1/2024 12/31/2024 Historical Test Period	Rate Case Adjustments 1/	Normalization Adjustments 2/	Adjusted Historical Test Period	Projected Adjustments: 1/1/25 - 12/31/25 Inflation 3/	1/1/26 - 12/31/26 Inflation 3/	1/1/27 - 9/30/27 Inflation 3/	Other Adjustments 4/	Total Projected Adjustments	Projected Test Period
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)
						sum (c) thru (e)					sum (g) thru (j)	(f) + (k)
1	**Administrative and General Expenses**											
2	**Operation**											
3	Administrative and General Salaries	920	$ 46,609	$ (3,755)	$ (5,349)	$ 37,505	$ 1,125	$ 1,120	$ 865	$ (621)	$ 2,489	$ 39,994
4	Incentive Deferral Amortization 5/	920	$ 185			$ 185				2,812	$ 2,812	$ 2,997
5	Office Supplies and Expenses	921	17,452	(55)	-	17,397	522	520	401		1,443	18,840
6	(Less) Administrative Expenses Transferred-Cr.	922	(16,940)	-	-	(16,940)	(508)	(506)	(390)	-	(1,405)	(18,344)
7	Outside Services Employed	923	8,857	(4)	-	8,853	266	264	204	-	734	9,587
8	Property Insurance	924	1,036	-	-	1,036	31	31	24	-	86	1,122
9	Injuries and Damages	925	6,988	-	(607)	6,382	-	-	-	-	-	6,382
10	Franchise Requirements	927	-	-	-	-	-	-	-	-	-	-
11	Regulatory Commission Expenses	928	20	-	-	20	1	1	0	-	2	22
12	(Less) Duplicate Charges-Cr.	929	-	-	-	-	-	-	-	-	-	-
13	General Advertising Expenses	930.1	1,087	(204)	-	883	27	26	20	-	73	957
14	MGP Amortization and Expenses	930.2	4,717	-	-	4,717	-	-	-	(1,041)	(1,041)	3,677
15	Miscellaneous General Expenses	930.2	2,631	(111)	-	2,520	76	75	58	-	209	2,729
16	Rents - Shared Assets	931	44,196	-	5,353	49,549	-	-	-	2,648	2,648	52,197
17	Rents - Shared Asset Amortization	931	353	-	-	353	-	-	-	3,203	3,203	3,556
18	Rents - Other	931	1,176	-	-	1,176	-	-	-	(167)	(167)	1,009
19	Total Operation Expense		$ 118,369	$ (4,129)	$ (603)	$ 113,637	$ 1,538	$ 1,532	$ 1,182	$ 6,834	$ 11,086	$ 124,723
20	**Maintenance**											
21	Maintenance of General Plant	935	$ 1,205	$ -	$ -	$ 1,205	$ 36	$ 36	$ 28	$ -	$ 100	$ 1,305
22	Total Maintenance Expense		$ 1,205	$ -	$ -	$ 1,205	$ 36	$ 36	$ 28	$ -	$ 100	$ 1,305
23	**Total Administrative and General Expense**		**$ 119,574**	**$ (4,129)**	**$ (603)**	**$ 114,841**	**$ 1,574**	**$ 1,568**	**$ 1,210**	**$ 6,834**	**$ 11,186**	**$ 126,027**

1/ Rate Case Adjustments

	Account	Historical Adjustment
Eliminate Top 5 Executive Incentive Compensatior	920	(3,744)
Eliminate Advocacy Expense	920	(11)
Excluded Corporate Memberships	921	(55)
Eliminate Gas Voluntary Renewables Program	923	(4)
Excluded Advertising Expenses	930.1	(204)
Excluded Corporate Memberships	930.2	(96)
Eliminate Gas Voluntary Renewables Program	930.2	(15)
Total Rate Case Adjustments		(4,129)

2/ Normalization Adjustments:

Employee Incentive Plan Adjustment	920	(604)
Incentive Compensation deferral above base amount	920	1,632
VSIP cost to achieve	920	(8,181)
Lag hiring	920	1,804
Injuries & damages normalized to five year historical average (page 2 Line 8, Col. (b))	925	(607)
Shared Asset Deferral Mechanism - reset base	931	5,353
Total Normalization Adjustments		(603)

3/ Annual Inflation Factors

	1/1/25 - 12/31/25	1/1/26 - 12/31/26	1/1/27 - 9/30/27	
	3.0%	2.9%	2.9%	per Exhibit A-13, Sch. C12
No. of Months in Period	12	12	9	
Pro-rated Inflation Rate	3.0%	2.9%	2.2%	

4/ Other Projected Adjustments:

	Account	Amount	
VSIP savings	920	(621)	
Incentive Deferral Mechanism Amortization	920	2,812	5/
MGP Amortization	930.2	(1,041)	
Increase in Shared Asset Charge from DTE Electric	931	2,648	Exh. A-13, C5.6 p4 Line 1 Col. (h)
Deferred Shared Asset Charge Amortization	931	3,203	Exh. A-13, C5.6 p4 Line 4 Col. (h)
Decrease in Other Intercompany Charges	931	(167)	Exh. A-13, C5.6 p4, Col (h), Line 6 + Line 7
Total Projection Adjustments		6,834	

5/ Incentive Deferral Mechanism Amort - Exhibit A-13, Schedule 5.6, page 5, line 7.

Historical	185
Projected	2,997
	2,812

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses - Administrative and General
Injuries and Damages Normalization Adjustment
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.6
Witness: T. M. Uzenski
Page: 2 of 5

Line No.	(a) FERC/ MPSC Account 925	(b) Amount
1	2020	4,692
2	2021	5,457
3	2022	5,592
4	2023	9,181
5	2024	6,988
6	5 Year Average	$ 6,382
7	Less: 2024	6,988
8	Normalization Adjustment	$ (607)

Michigan Public Service Commission
DTE Gas Company
Shared Asset Deferral Mechanism
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.6
Witness: T. M. Uzenski
Page: 3 of 5

Line No.	(a) Description	(b) Actual 2022	(c) Actual 2023	(d) Actual Jan-Sep 2024	(e) Actual Oct-Dec 2024	(f) Projected 2025	(g) Projected Jan-Sept 2026	(h) Projected Oct-Dec 2026	(i) Projected Jan-Sept 2027	(j) Projected Period	(k) Reference
1	**Shared Asset Deferral**									**(h) + (i)**	
2	Shared Asset Charge from DTE Electric	49,772	49,309	36,698	12,850	47,036	39,148	13,049	39,148	52,197	January 2025 forward = Revenue at DTE Electric U-21860
3	Shared Asset Charge O&M Base 1/ 3/	43,604	43,604	32,703	11,493	48,931	36,698	13,049	39,148	52,197	Base $48.9M / 12 * 9 months = $36.7M in column (g)
4	Amount Deferred to Regulatory Asset	6,168	5,705	3,995	1,357	(1,895)	2,449	-	-	-	Line 2 - Line 3

	Shared Asset Deferral Amortization 2/	**Deferral**							**Test Period Amortization**	Case No.	Amortization Period Beginning	Ending
5	2022 Layer	6,168			137.1	1,234	925	308	925	**1,234**	U-21291	11/20/2024	11/30/2029
6	2023 Layer	5,705			126.8	1,141	856	285	856	**1,141**	U-21291	11/20/2024	11/30/2029
7	2024 Layer (Jan-Sept)	3,995			88.8	799	599	200	599	**799**	U-21291	11/20/2024	11/30/2029
8	2024 Layer (Oct-Dec)	1,357				-	-	68	204	**271**		10/1/2026	9/30/2031
9	2025 Layer	(1,895)				-	-	(95)	(284)	**(379)**		10/1/2026	9/30/2031
10	2026 Layer (Jan.-Sep. 2026)	2,449			-	-	-	122	367	**490**		10/1/2026	9/30/2031
11	Total Amortization Expense				353	3,174	2,380	889	2,667	3,556			

1/ Per Case No. U-20940, The Shared Asset Deferral Mechanism allows for deferral of O&M charges for shared assets above or below the base shared asset charge. U-20940 approved a base of $43.6 million. U-21291 approved a base of $48.9 million.
2/ Per Case No U-20940, amortization will be a period of 5 years upon inclusion in base rates.
3/ Oct-Dec 2024 base reflects the prior base through Nov 19, and the new base effective Nov 20.

Michigan Public Service Commission
DTE Gas Company
Rent Expense
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.6
Witness: T. M. Uzenski
Page: 4 of 5

Line No.	(a) Description	(b) Historical 2024	(c) Projected 2025	(d) Projected Jan-Sept 2026	(e) Projected Oct-Dec 2026	(f) Projected Jan-Sept 2027	(g) Projected Period (e) + (f)	(h) Change Historical to Projected (g) - (b)	Reference
1	Shared Asset Charge from DTE Electric	49,549	47,036	39,148	13,049	39,148	52,197	2,648	Exh A-13, C5.6 p3 Line 2
2	Shared Asset Deferral (Above) / Below Base	(5,353)	1,895	(2,449)	-	-	-	5,353	Exh A-13, C5.6 p3 Line 4
3	Shared Asset Base	44,196	48,931	36,698	13,049	39,148	52,197	8,001	
4	Deferred Shared Asset Amortization	353	3,174	2,380	889	2,667	3,556	3,203	Exh A-13, C5.6 p3 Line 11, Col.(j)
5	Total Shared Asset Expense (incl. Amort)	44,549	52,105	39,078	13,938	41,815	55,753	11,204	
6	Customer 360 Return On Capital	835	721	467	156	394	550	(286)	
7	Intercompany Rents 1/	341	351	271	90	369	459	118	Historical + Inflation
8	Total Rent Expense (Account 931)	45,724	53,177	39,817	14,184	42,577	56,761	11,037	

	1/1/25 - 12/31/25	1/1/26 - 12/31/26	1/1/27 - 9/30/27	
1/ Annual Inflation Factors	3.0%	2.9%	2.9%	per Exhibit A-13, Sch. C12
No. of Months in Period	12	12	9	
Pro-rated Inflation Rate	3.0%	2.9%	2.2%	

Michigan Public Service Commission
DTE Gas Company
Incentives Deferral Mechanism
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.6
Witness: T. M. Uzenski
Page: 5 of 5

Line No.	(a) Description	(b) Actual 2022	(c) Actual 2023	(d) Actual 2024	(e) Projected 2025	(f) Projected Jan-Sept 2026	(g) Projected Oct-Dec 2026	(h) Projected Jan-Sept 2027	(i) Projected Period	(j) Reference
	Incentives Deferral									
1	Incentives related operational metrics	6,040	2,099	4,322					-	
2	Base Incentives 1/	1,057	1,057	1,358						see note 1 table below
3	Amount Deferred to Regulatory Asset	4,983	1,042	2,965	-	-			-	Line 2 + Line 3 - Line 4

			Amortization Expense								Case No.	Amortization Period	
	Incentives Deferral Amortization	**Deferral**	**Actual 2022**	**Actual 2023**	**Actual 2024**	**Projected 2025**	**Projected Jan-Sept 2026**	**Projected Oct-Dec 2026**	**Projected Jan-Sept 2027**	**Test Period Amortization**		Beginning	Ending
4	2022 Layer 2/	4,983	-	-	185	1,661	1,246	415	1,246	**1,661**	U-21291	11/20/2024	11/30/2027
5	2023 Layer	1,042	-	-	-	-	-	87	261	**347**		10/1/2026	9/30/2029
6	2024 Layer	2,965	-	-	-	-	-	247	741	**988**		10/1/2026	9/30/2029
7	Total Amortization Expense				185	1,661	1,246	749	2,247	2,997			
	Check	-											

1/ Per Case No. U-21291, the Commission allows recovery of 55% of O&M incentive compensation related to operational measures. Also authorizes DTE Gas to implement a two-way tracker mechanism which requires refunds to customers if 55% target level is not achieved or allow the Company to recover additional funds if it exceeds the 55% target level, up to a maximum of 100% target level.

New Incentive Base Calculation

	Base $	Ratio	Total Base x Ratio	
Order U-20943	$1.06	0.875	0.92	
Order U-21291	$3.46	0.125	0.43	
			1.358	*column (d), line 2*

2/ Per Case No. U-21291, the Comission authorizes DTE Gas to amortize the regulatory liability for 3 years.

Michigan Public Service Commission
DTE Gas Company
Projected Uncollectible Accounts Expense

($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.7
Witness: J. Sparks
Page: 1 of 1

Line No.	Description	(a)	(b) 2024	(c) 2023	(d) 2022	
1	Accounts Written-Off		$ 37,538	$ 38,095	$ 35,921	
2	(less) Collection of Accounts Written-Off		$ (14,816)	$ (16,051)	$ (16,724)	
3	Net Write-Offs		$ 22,722	$ 22,044	$ 19,197	
4	Billed Revenue		$ 1,685,011	$ 1,803,800	$ 1,875,170	
5	Net Write-Offs to Revenue Percentage		1.3485%	1.2221%	1.0237%	
6	Charges to Direct Expense		$ 0	$ 762	$ 2,368	
	Projected Billed Revenue					
6	12 month's ending 9/30/27				$ 1,877,679	*Exhibit A-16, F2, pg. 5, col. G, row 15*
7	3-Year Average Net Write-Offs to Revenue				1.20%	
8	Projected Net Write-Offs (ln 6 x ln 7)				$ 22,496	
9	Historical 3 Year Average Charges to Direct Expense (ln 6)				$ 1,043	
12	Projected Uncollectible Accounts Expense (ln 8+ ln 9)				$ 23,540	

Reconcile Historical to Projected

Historical 2024	22,550
Projection Adjustment 2/	989
Adjusted Projected	$ 23,540

2/ Carried to Exhibit A-13, Schedule C5.4, Line 18, Column (j)

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses
Customer Service - Credit/Debit Card Merchant Fees
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.8
Witness: J. Huffman
Page: 1 of 2

Line No.	Description	Account	1/1/2024 12/31/2024 Historical Test Period	Historical Adjustment	Adjusted Historical Test Period	Other Adjustments	Projected Test Period
	(a)	(b)	(c)	(d)	(e)	(f)	(g)
1	**Customer Accounts Expenses**				(c) + (d)		(e) + (f)
2	**Operation**						
3	Customer Collection-Merchant Fees Residential	903	3,652	-	3,652	(3,652)	-
4	Customer Collection-Merchant Fees Non-Residential	903	2,039	-	2,039	(2,039)	-
5	Total Customer Collection-Merchant Fees 1/	903	5,692	-	5,692	(5,692)	-

1/ Carried to Exhibit A-13 C5.4 line 7, sponsored by Witness Sparks

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses
Customer Service - Credit/Debit Card Merchant Fees
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.8
Witness: J. Huffman
Page: 2 of 2

Line No.	(a) Description	(b) 2019	(c) 2020	(d) 2021	(e) 2022	(f) 2023	(g) 2024	(h) 2 Year Growth	(h) 4 Year CAGR	(i) 2025	(j) 2026	2027	(k) Projected Test Period
		Historic Actuals								Forecast			
1	**Merchant Fees**												
2	Merchant Fees Residential	$ 3,745	$ 4,822	$ 5,071	$ 3,845	$ 3,519	$ 3,652						$ -
3	Merchant Fees Non-Residential	2,942	2,133	$ 1,994	$ 2,163	$ 2,067	$ 2,039						-
4	**Total Merchant Fees with Approved Mitigation**	$ 6,687	$ 6,955	$ 7,066	$ 6,008	$ 5,586	$ 5,692			$ -	$ -	$ -	$ -

Assumptions:

1) DTE Gas is excluding Merchant Fees in both Residential and Non-Residential for the Projected Test Year.

Michigan Public Service Commission | Case No.: U-21973
DTE Gas Company | Exhibit: A-13
Projected Operation and Maintenance Expenses | Schedule: C5.9
Employee Pensions and Benefits | Witness: M. S. Cooper
Projected 12 Month Period Ending September 30, 2027 | Page: 1 of 2
($000)

Line No.	(a) Description	(b) Employee Pensions and Benefits Expense: Historical Period Ending 12/31/24	(c) Adjustments	(d) Projected Period Ending 9/30/27
1	**Post-Retirement Benefits**			
2	Pension	-	-	-
3	Post Empl Health Care (OPEB)	(1,082)	(8,650)	(9,732)
4	New Hire Retiree VEBA	2,223	975	3,198
5	Employee Savings Plan	10,235	3,031	13,266
6	Subtotal Post-Retirement	11,376	(4,644)	6,732
7	**Active Healthcare**			
8	Medical Expenses	15,470	4,032	19,502
9	Dental Expenses	1,067	92	1,159
10	Vision Expenses	89	8	97
11	Subtotal Active Healthcare	16,626	4,132	20,759
12	**Other**			
13	Accrued Vacation Expense	(444)	153	(291)
14	Executive & Supplemental Retirement Plan	1,385	(1,385)	-
15	Supplemental Severance Plan Exp	159	(80)	79
16	Supplemental Savings Plan	992	(187)	805
17	Deferred Compensation Plan	24	(6)	19
18	Wellness Program Expenses	1,305	1,076	2,382
19	Life Insurance	191	42	233
20	Disability Expenses	325	30	355
21	General Benefit Expenses	419	421	840
22	Affordable Care Act	7	2	9
23	Benefit Plan Administration Fees	1,913	146	2,059
24	Retirement Administration Fees	100	8	107
25	Subtotal Other	6,376	220	6,596
26	Total before Other Allocations	34,379	(292)	34,087
27	A&G Capitalization	(3,395)	(241)	(3,637)
28	Other Transfers & Allocations	(967)	(69)	(1,036)
29	Eliminate EWR Surcharge Program	-	(350)	(350)
30	Eliminate Gas Voluntary Renewable Program	-	(29)	(29)
31	Total Benefit Expense (Account 926)	30,016	(981)	29,036

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses
Employee Pension and Benefits ($000)
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.9
Witness: M. S. Cooper
Page: 2 of 2

Line No.	(a) Description	(b) Historical Period Ending 12/31/24	(c) Known and Measurable Adjustments: Temporary Items	(d) Known and Measurable Adjustments: Normalization Adjustments	(e) Known and Measurable Adjustments: VSIP Savings 11/	(f) Known and Measurable Adjustments: Lag Hiring 12/	(g) Total Known and Measurable Adjustments	(h) Adjusted Historical Test Period	(i) Projected Adjustments: 1/1/25 - 12/31/25 Inflation 1/	(j) Projected Adjustments: 1/1/26 - 12/31/26 Inflation 1/	(k) Projected Adjustments: 1/1/27 - 9/30/27 Inflation 1/	(l) Other Adjustments	(m) Total Projected Adjustments	(n) Projected Period Ending 9/30/27
							Cols (c)+(d)+(e)+(f)	Col. (b) + Col. (g)					Sum (i) thru (l)	Col. (h) + Col. (m)
1	**Post-Retirement Benefits**													
2	Pension	-	-	-	-	-	-	-	-	-	-	-	-	- 1/
3	Post Empl Health Care (OPEB)	(1,082)	-	-	-	-	-	(1,082)	-	-	-	(8,650)	(8,650)	(9,732)
4	New Hire Retiree VEBA	2,223	-	312 5/	(20)	33	325	2,548	-	-	-	651	651	3,198
5	Employee Savings Plan /13	10,235	-	225 6/	(92)	151	285	10,519	-	-	-	2,746	2,746	13,266
6	Subtotal Post-Retirement	11,376	-	536	(111)	184	609	11,986	-	-	-	(5,254)	(5,254)	6,732
7	**Active Healthcare**													
8	Medical Expenses	15,470	210 2/	198 7/	(138)	229	499	15,969	1,424	1,197	912	-	3,533	19,502
9	Dental Expenses	1,067	-	10 7/	(10)	16	16	1,083	30	27	20	-	76	1,159
10	Vision Expenses	89	-	1 7/	(1)	1	2	91	2	2	2	-	6	97
11	Subtotal Active Healthcare	16,626	210	209	(149)	246	517	17,143	1,457	1,226	933	-	3,615	20,759
12	**Other**													
13	Accrued Vacation Expense	(444)	-	176 8/	-	-	176	(269)	(8)	(8)	(6)	-	(23)	(291)
14	Executive & Supplemental Retirement Plan /13	1,385	-	(1,385) 9/	-	-	(1,385)	-	-	-	-	-	-	-
15	Supplemental Severance Plan Exp /13	159	-	-	(1)	2	1	159	-	-	-	(80)	(80)	79
16	Supplemental Savings Plan /13	992	-	(317) 10/	(9)	15	(311)	681	-	-	-	124	124	805
17	Deferred Compensation Plan /13	24	-	(5) 10/	(0)	0	(5)	20	-	-	-	(1)	(1)	19
18	Wellness Program Expenses	1,305	637 3/	-	(12)	19	645	1,950	174	146	111	-	431	2,382
19	Life Insurance	191	-	23 7/	(2)	3	24	214	6	7	5	-	18	233
20	Disability Expenses	325	-	-	(3)	5	2	327	10	10	8	-	28	355
21	General Benefit Expenses	419	364 4/	-	(4)	6	366	785	22	19	14	-	55	840
22	Affordable Care Act	7	-	-	(0)	0	0	7	1	1	0	-	2	9
23	Benefit Plan Administration Fees	1,913	-	-	(17)	28	11	1,924	53	48	35	-	135	2,059
24	Retirement Administration Fees /13	100	-	-	(1)	1	1	100	3	2	2	-	7	107
25	Subtotal Other	6,376	1,001	(1,508)	(49)	80	(476)	5,901	260	225	169	42	695	6,596
26	Total before Other Allocations	34,379	1,211	(763)	(309)	511	651	35,030	1,716	1,450	1,102	(5,212)	(943)	34,087
27	A&G Capitalization	(3,395)	-	-	-	-	-	(3,395)	(93)	(84)	(64)	-	(241)	(3,637)
28	Other Transfers & Allocations	(967)	-	-	-	-	-	(967)	(26)	(24)	(19)	-	(69)	(1,036)
29	Eliminate EWR Surcharge Program	-	-	(350) 1/	-	-	(350)	(350)	-	-	-	-	-	(350)
30	Eliminate Gas Voluntary Renewable Program	-	-	(29) 1/	-	-	(29)	(29)	-	-	-	-	-	(29)
31	Total Benefit Expense (Account 926)	30,016	1,211	(1,141)	(309)	511	272	30,288	1,597	1,342	1,019	(5,212)	(1,253)	29,036

1/ Elimination of Benefits recovered through separate surcharge (sponsored by Witness Uzenski)
2/ Elimination of out of period prescription drug rebate
3/ Elimination of temporary reduction in Wellness Program
4/ Elimination of temporary reductions in Tuition Reimbursement and Service Awards
5/ Normalization to adjust 2024 true-up to five-year average
6/ Normalization of out of period forfeitures
7/ Normalization of excess accrual of employee contributions in 2024
8/ Normalization adjustment to reflect five year historical average
9/ Eliminate Executive & Supplemental Retirement Plan based on Commission's past practice
10/ Based on expected return on assets
11/ Benefits related to VSIP savings as sponsored by Witness Shpargel
12/ Benefits related to Lag hiring as sponsored by Witness Uzenski
13/ Sponsored by Witness Fix

Annual Inflation Rates applied to benefits:

	Annual 2025	Annual 2026	Annual 2027
Medical Expenses	8.92%	6.88%	6.54%
Dental Expenses	2.74%	2.40%	2.30%
Vision Expenses	2.74%	2.40%	2.30%
Accrued Vacation	3.00%	3.00%	3.00%
Wellness Program	8.92%	6.88%	6.54%
Life Insurance	3.00%	3.00%	3.00%
Disability Expense	3.00%	3.00%	3.00%

	Annual 2025	Annual 2026	Annual 2027
Affordable Care Act	8.92%	6.88%	6.54%
General Benefit Expenses	2.74%	2.40%	2.30%
Benefit Plan Administration Fee	2.74%	2.40%	2.30%
Retirement Administration Fees	2.74%	2.40%	2.30%
A&G Capitalization	2.74%	2.40%	2.30%
Other Transfers & Allocations	2.74%	2.40%	2.30%

Trend Considerations for 2026 Plan Year *(Active/Pre-Medicare Self-Funded Plans)*

DTE Energy

April 2025

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Executive Summary

- WTW recommends a composite 2025 to 2026 trend assumption of **7.9%** for medical and prescription drug claim costs
  - Trend recommendation is for plan trend, which includes allowed trend plus trend leveraging on fixed-level cost sharing provisions
  - Plan trend is appropriate for underwriting, cost forecasting and reserve development
  - This recommendation applies to active and pre-65 medical and pharmacy self-funded claims
  - The current trend recommendation is 0.5% higher than last year's trend recommendation
    - Increase in trend assumption is driven primarily by expected increases in pharmacy costs, some of which is attributable to GLP-1 drugs
      - Growth in pharmacy spend as a percentage of the overall claim cost is also a contributing factor
    - However, external economic factors are continuing to drive trend as well
      - General inflation is declining, but incremental health inflation is on the rise

Component	2024 Plan Trend	% of Claim Cost[1]	2025 Plan Trend	% of Claim Cost[2]
Medical	6.5%	75%	6.5%	70%
Prescription Drugs	10.0%	25%	11.0%	30%
Composite	**7.4%**	**100%**	**7.9%**	**100%**

1. *Average claim distribution for DTE Energy based on DTE's experience for calendar year 2023.*
2. *Average claim distribution for DTE Energy based on DTE's experience for calendar year 2024.*

Methodology for Trend Assumption Development

Common Trend Measures

Allowed Cost Trend	Measures changes in unit cost, utilization and service mix
Plan Cost Trend[1]	Measures allowed trend, plus the impact of trend leveraging against fixed cost sharing designs (i.e., deductibles, copays, and out-of-pocket maximums)

1. Plan Trend is used for DTE Energy's forecasting

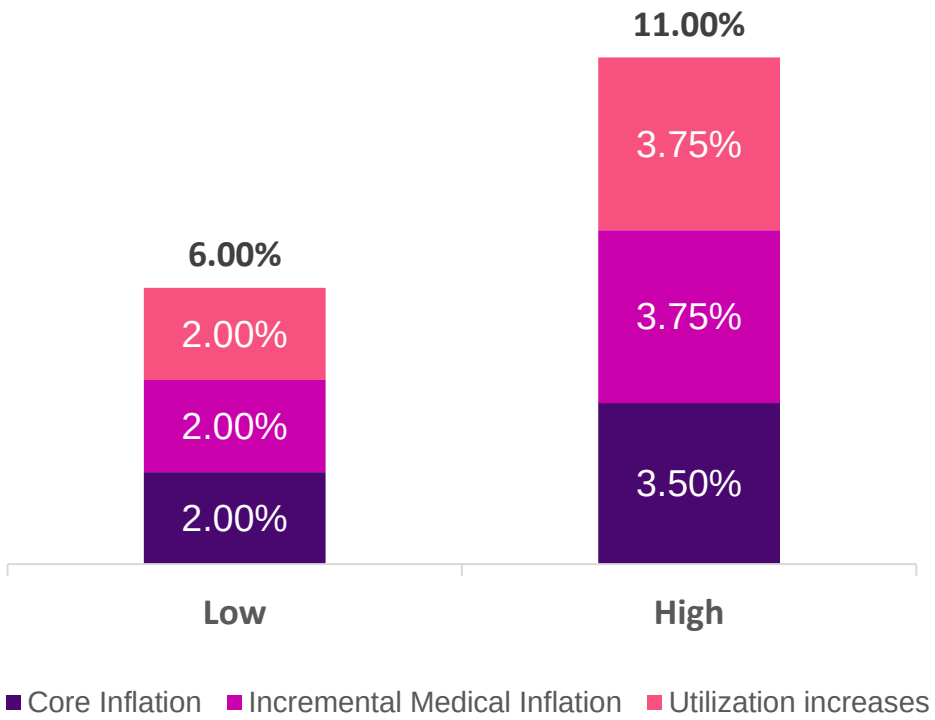
- WTW's 2025 to 2026 **allowed cost trend** recommendation is based on:
  - WTW's book of business and national surveys (Financial Benchmarks Survey)
  - United States government offices and agencies (CMS, CBO, BLS)
  - Third-party data sources (IBM Watson's MarketScan, Health Care Cost Institute, Kaiser Family Foundation)

- WTW's recommended **plan cost trend** consider national allowed trends and DTE Energy-specific plan design leveraging, rather than historical DTE Energy trend experience
  - Historical trends are not the best predictor of future trends and are not appropriate without a full analysis of the drivers of past trends and a consideration of potential future changes that may affect both the unit cost and utilization components in trend
  - It is typically difficult to collect credible data on future expectations of unit cost and utilization for individual companies and plans

Trend building block approach illustration

Medical/Rx combined (2024 to 2026)

Allowed cost trends for 2025 are expected to be **6.0% for medical** and **10.5% for prescription drugs** for **composite trend of 7.4%.**



Sources:
https://www.bls.gov/news.release/cpi.nr0.htm.
https://www.federalreserve.gov/economy-at-a-glance-inflation-pce.htm
https://www.healthaffairs.org/doi/full/10.1377/hlthaff.2024.00469

General Inflation

- 2.6% is the Federal Reserve's December 2024 forecast
- 2.9% is from the Bureau of Labor Statistics' December 2024 forecast
- Major externalities outside of the Fed's influence include geopolitical conflicts such as the war in Ukraine, tariffs on imports and natural disasters

Incremental Health Care Inflation

- Health care inflation is likely to revert to the historical pattern of exceeding general inflation
- Labor shortages are becoming more acute
- Expectations of future inflation written into recent three- to five-year contracts between carriers and health care providers likely to mitigate the rate of decrease once inflation begins to abate

Utilization/Service Mix

- Historically, utilization has been about 1.75% of trend
- Recent popularity of GLP-1 coverage for weight loss may continue to drive additional future utilization
- Economic downturns tend to reduce health care expenditures as incomes decline

Plan Trend

Medical and Prescription Drugs (2024 to 2026)

Plan cost trends for 2025 are expected to be **6.5% for medical** and **11.0% for prescription drugs for composite trend of 7.9%.**

- Fixed-level provisions (i.e., deductibles, copays, and out-of-pocket maximums) cause member cost sharing to increase at a lower rate than allowed costs
  - Trend leveraging was estimated based on DTE Energy's actual claims experience for self-funded plans in 2022, 2023 and 2024
  - WTW estimates the impact of trend leveraging against fixed-level cost sharing provisions to be approximately 0.5% for medical and prescription drugs across all plans

Component	Allowed Trend	Estimated Effect of Leveraging	Plan Trend	% of Claim Cost[1]
Medical	6.0%	+0.5%	6.5%	70%
Prescription Drugs	10.5%	+0.5%	11.0%	30%
Composite	**7.4%**	**+0.5%**	**7.9%**	**100%**

1. *Average claim distribution for DTE Energy based on DTE's experience for calendar year 2024.*

Future Plan Trend Expectation

Medical and Prescription Drugs

- Medical cost trends are expected to remain relatively stable in the short term, barring any significant industry or regulatory changes.
- Employers are experiencing inflationary pressure from the rising median price of new drugs, as well as the increasing price of existing drugs. Combined with the accelerated approvals of new cell and gene therapies, pharmacy trends are not expected to slow down in the next 3 to 5 years. Utilization of GLP-1s for weight loss is expected to grow as well in the next 3 to 5 years given the positive efficacy data.
- General inflation is declining, however, incremental health inflation is on the rise. Inflation continues to directly impact the healthcare sector along with other factors, such as physician/hospital supply shortages and contract negotiations.
- Medical and prescription drug plan trends will be used by WTW to project historical experience to the projection period for rate setting, before plan design and other program changes are considered.
- WTW will review and update prospective trend assumptions annually.

Plan Years	Medical	Rx	Composite
2025	6.5%	11.0%	7.9%
2026	6.5%	11.0%	7.9%
2027	6.3%	11.0%	7.7%
2028	6.0%	10.0%	7.4%
2029	5.8%	10.0%	7.3%

Appendix

Illustrative Leveraged Trend Example

Medical and Prescription Drug

- The following example illustrates leveraged trend for a plan with a $2,000 fixed deductible and assumes a $12,000 allowed cost with 6.0% annual allowed cost trend
  - Since the member cost does not grow proportionally with the allowed cost, the plan cost must increase at a rate greater than the allowed cost
  - Similar effects can be observed with other fixed cost sharing provisions, like copays and out-of-pocket maximums

Allowed Cost
12,720 / 12,000 – 1 = 6.0%

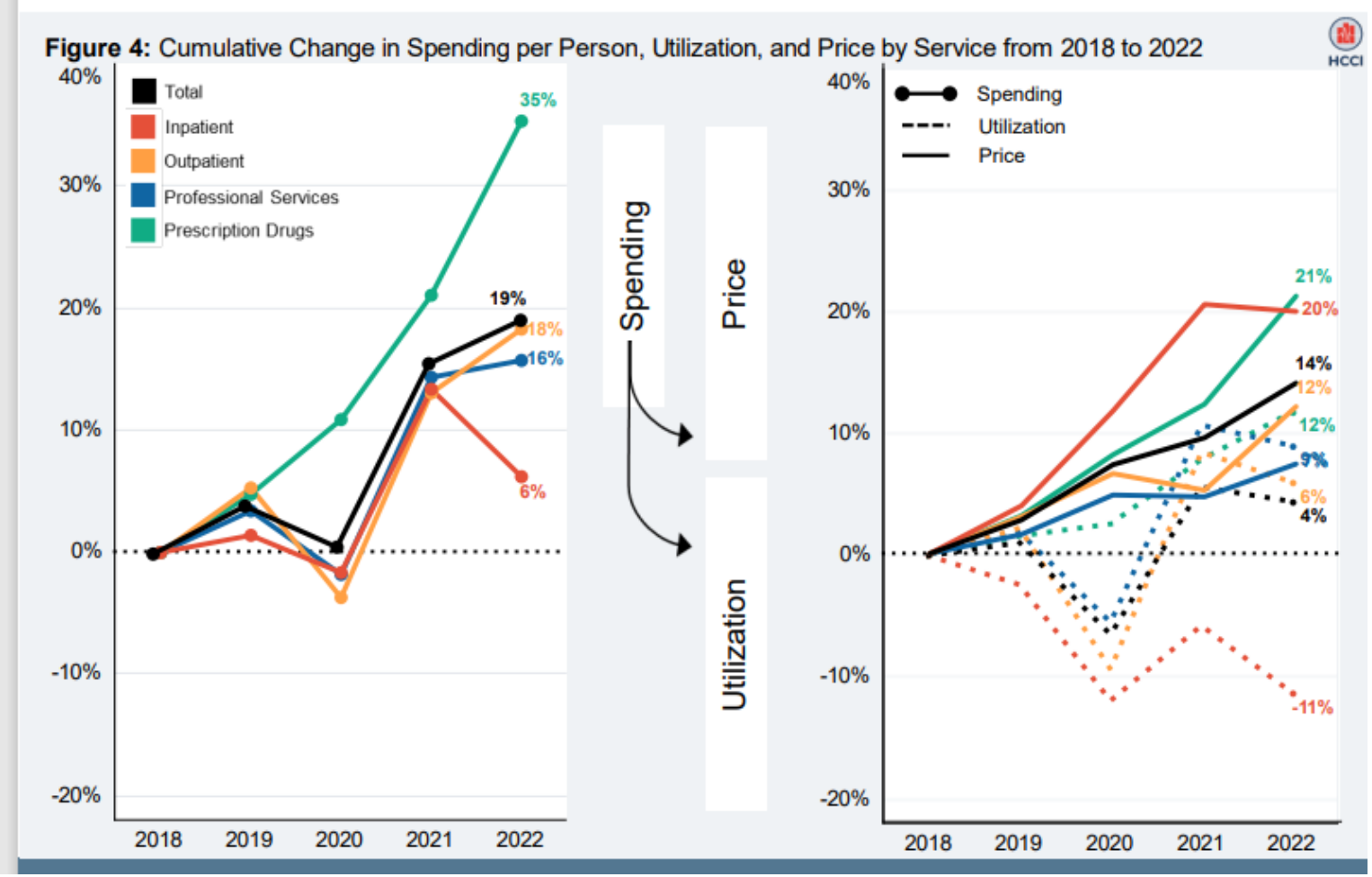
Deductible
2,000 / 2,000 – 1 = 0.0%

Plan Cost
10,720 / 10,000 – 1 = 7.2%

In this example, fixed plan design leveraging accounts for **1.2 points** of plan trend

Historical National Trend

Health Care Cost Institute (HCCI) 2022 Health Care Cost and Utilization Report



Source: https://healthcostinstitute.org/images/pdfs/HCCI_2022_Health_Care_Cost_and_Utilization_Report.pdf

No let up in sight: 2026 medical cost trend set to grow at 8.5%

Is your playbook ready?

Medical cost trend: Behind the numbers 2026

Heart of the matter

The US healthcare system is heading into another year of powerful inflationary forces exerting pressure with few deflationary forces in sight. Commercial payers in 2026 will be asked to continue paying the ballooning bill for medical services and prescription drugs. Meanwhile, federal policy decisions and legislation are likely to reduce federal funding for medical care, particularly spending on Medicaid and Affordable Care Act subsidies over the next 10 years, with an expected impact on medical cost trend in the future.

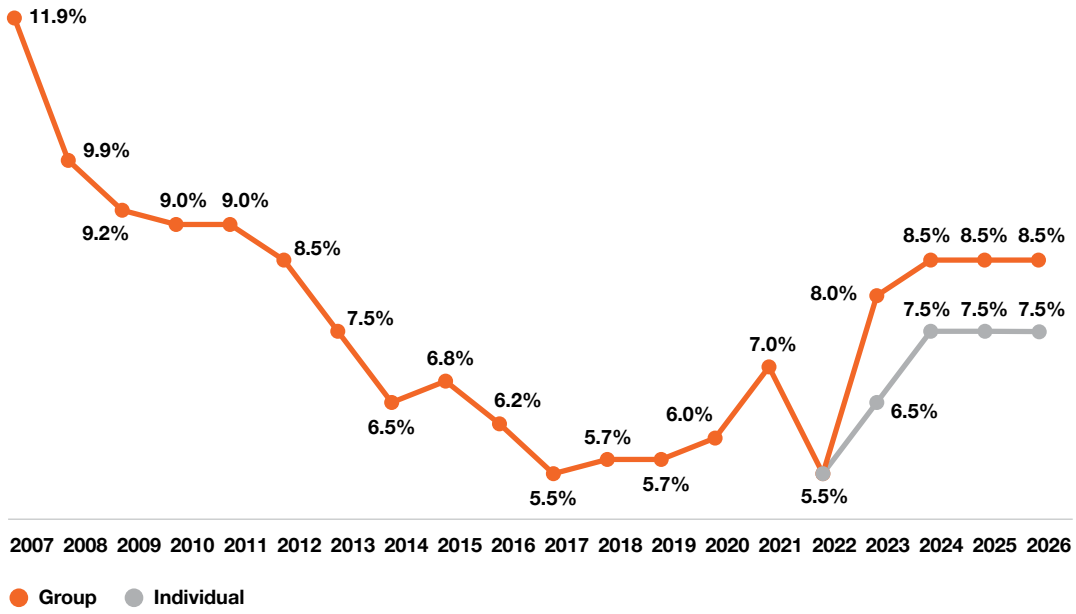
PwC's health researchers surveyed and interviewed actuaries at 24 US health plans to generate an estimate of medical cost trend for the coming year. These plans cover more than 125 million employer-sponsored members and 12 million Affordable Care Act (ACA) marketplace members.

For the fourth year, health plan actuaries told us they anticipate medical cost trends for the Group and Individual markets to remain elevated. Based on their input, we're projecting the Group medical cost trend to remain at 8.5% in 2026 (the same level as 2025) and for the Individual market to remain at 7.5% (the same level as 2025). The pharmacy cost trend was 2.5 points higher than the medical trend, reinforcing the urgency of managing pharma care. We're also restating Group and Individual trends for 2024 and 2025, as all are higher than previously projected.

> Rising costs are one of the driving forces that make healthcare transformation inevitable.

Figure 1: PwC medical cost trends, 2007-2026

PwC projects medical cost trend to be 8.5% for Group and 7.5% for Individual in 2026, in line with 8.5% and 7.5% in 2025



Source: PwC analysis

This trend is without the expiration of the American Rescue Plan; more details appear in the regulatory section below.

The 2024 and 2025 medical cost trends are also restated to be higher than previously reported based on the input of health plans we surveyed and their trend experience. This unfavorable development reflects higher than expected utilization of physician administered drugs—particularly for oncology, GLP-1 drugs, and behavioral health services since the second half of 2024, continuing into 2025.

Leaders should read the 2026 medical cost trend as a signal of the future, pointing to a need for deeper, structural changes in how healthcare is used and what it costs. We've outlined actions to take now under each cost inflator and deflator to help improve cost trend pressure in the short-term. Notably, health plans should pick up the pace in managing the cost of care to bring medical cost trend to a sustainable level.

Longer term, bold reinvention will mean the reallocation of healthcare spending to create a patient-centric ecosystem anchored by care that's preventive, personalized and predictive with flexible sites of care built around the patient. In the future, payers will become health architects—personalizing coverage, steering care and managing increasing provider costs in real time while providers focus on health outcomes, leveraging AI to improve efficiency and creating connections across the ecosystem.

The pressure's on

Claims costs continue to rise as hospitals and health systems shoulder heavier operating outlays and find innovative ways to collect additional revenue. Behavioral health spending is climbing dramatically. Spending on drugs is also increasing, in part due to the popularity of GLP-1s and launches of new drugs.

Countering the cost inflators are two deflators that could have modest effects next year. Biosimilars continue to nibble at the margins of the spending on biologics. Commercial plans are experiencing some success in managing the total cost of care. Still, in 2026, medical cost trend is once again hovering at rates reminiscent of 15 years ago.

Bracing for shrinking federal spending on healthcare

Medical cost trend pressures are playing out against a backdrop of changes in federal health policy and regulation that could lead to significant declines in federal spending. The Congressional Budget Office (CBO) estimates there will be 12 million fewer people insured in 2034 than would otherwise be covered under H.R.1, also known as the "One Big Beautiful Bill Act" (OBBBA) signed into law by President Trump in July 2025. While the impact of many of these policy changes likely won't be fully felt until after 2026, stakeholders from hospitals to drug companies may take action sooner to brace for shrinking federal spending on healthcare.

Act now and use your pressure relief valves

High costs aren't going away. What now? The use of AI, innovative health plans offering consumers greater choice and affordability, and more transparency in government health plans could become important deflators in coming years. In the meantime, to stay ahead of escalating medical costs, payers should tighten utilization management (UM) and payment integrity. Rising inpatient admissions and case severity are boosting provider revenue—but health plans are absorbing the cost. Stronger controls and smarter use of data, including claims analysis, rate benchmarking and scenario modeling are essential to inform provider negotiations and prevent budget overruns.

Drug spending is another pressure point—and it's only intensifying. Health plan executives should rethink their pharmacy benefit strategy. That means auditing existing pharmacy partners and exploring transparent, innovative models from Pharmacy Benefit Managers (PBMs) and Pharmacy Benefit Administrators (PBAs.)

Tighter oversight of GLP-1s—enhanced prior authorization, value-based contracts, and integrated wraparound services like nutrition counseling and digital coaching—can help plans manage both cost and outcomes. Agility is key: Health plan executives should monitor the drug pipeline, model impact scenarios and adapt policies to stay ahead of trends.

Emerging therapies like gene and cell treatments pose concentrated financial risk. Payers should be proactive—developing reimbursement models like outcomes-based rebates, milestone payments and carve-out partnerships to manage exposure.

At the same time, biosimilars represent a powerful lever to offset drug costs. Plans should remove barriers to adoption by streamlining approvals, enabling fair reimbursement and supporting changes in providers. Transparent rebate negotiations with PBMs will be crucial to realizing these savings.

Cost containment can't be just an initiative—it has to be an operating principle. Health plans should embed AI into UM, pre-payment audits and care coordination to boost efficiency and impact. It's time to cut underperforming care programs and prioritize digital-first interventions that engage members without bloating overhead. Foundational investments in data infrastructure can help sharpen analytics and power more effective fraud, waste and abuse detection.

Payers should partner with employers. Employers should be intentional about setting clear trend targets and holding vendors accountable—especially related to GLP-1 oversight, behavioral health integration and pharmacy cost controls. Larger employer groups, in particular, can push the envelope with benefit innovations like mental health out-of-network parity to improve outcomes and satisfaction.

The scope of this analysis includes small and large group (Group) and ACA marketplace (Individual) plans.

The Individual market has seen significant growth, from 12 million people enrolled in 2021 to 24.3 million in 2025.[1] In addition to Individual market-focused plans, major health plans in the Group market also offer plans in the Individual marketplace, where competition has intensified in recent years. The impact of major factors driving medical costs resonates across both markets.

This report does not focus on trends in Medicare and Medicaid.

What is medical cost trend?

Medical cost trend is defined as the projected percentage increase in the cost to treat patients from one year to the next, assuming benefits remain the same. While medical cost trends can be defined in several ways, this report estimates the projected increase in per capita costs of medical services and prescription medications that affect insurers' Group and Individual plans. Insurance companies use the cost trend projection to calculate health plan premiums for the coming year. For example, a 5.0% trend means that a plan that costs $10,000 per member this year would cost $10,500 next year. The medical cost trend, or growth rate, is influenced primarily by:

- Changes in the price of medical products and services and prescription medications, known as unit cost inflation.
- Changes in the number or intensity of services used or changes in per capita utilization.

> By leveraging predictive analytics, health plans can identify trends in claims data to address potential cost drivers early.

Regulatory changes

$1 trillion dollar turn in federal healthcare spending adds pressure on costs

President Trump and Congress are reducing federal spending on Medicaid and ACA marketplace plans, changes that could have long-term consequences for the US health industry. The CBO's analysis of H.R.1 tallied a $1 trillion reduction in federal healthcare spending between 2025 and 2034.[2] Many of the consequences of H.R.1 and other policy decisions loom on the horizon; in 2026, these policy shifts are likely to have modest inflationary effects on medical cost trend for Group and Individual plans (Figure 2).

Three policies, in particular, may impact commercial plans in 2026. In 2021, Congress made subsidies for ACA plans more generous and expanded cost-sharing assistance to Americans earning higher incomes. As affordability increased, so did plan enrollees; between 2021 and 2025, the number of Americans covered by the Individual market rose from 12 million to 24.3 million. Congress appears poised to allow those changes to expire at the end of 2025. For many Americans, plans that were affordable this year may be significantly less so next year. A second key policy change in H.R. 1 requires states to make work, community service, education or participation in a work program a condition of receiving Medicaid for some enrollees by the end of 2026. The CBO estimated these policies could reduce federal spending on Medicaid by more than $325 billion between 2025 and 2034, which could prompt providers to compensate by seeking higher rates from commercial payers. If enacted, the third change – proposed tariffs on pharmaceutical imports – could drive up drug prices and worsen shortages.[3] All of these shifts could add additional upward pressure on medical cost trend for Group and Individual plans in 2026.

Other changes, including additional and tighter requirements for Americans seeking to establish and maintain Medicaid coverage, are slated to go into effect in 2026 and beyond. Many of these policies likely will reduce federal and state funding of Medicaid. Hospitals and health systems, along with other stakeholders such as pharmaceutical companies, may try to compensate by seeking greater rates from commercial plans and other strategies.

Figure 2. Potential regulatory changes and impact on medical cost trend 2025-6

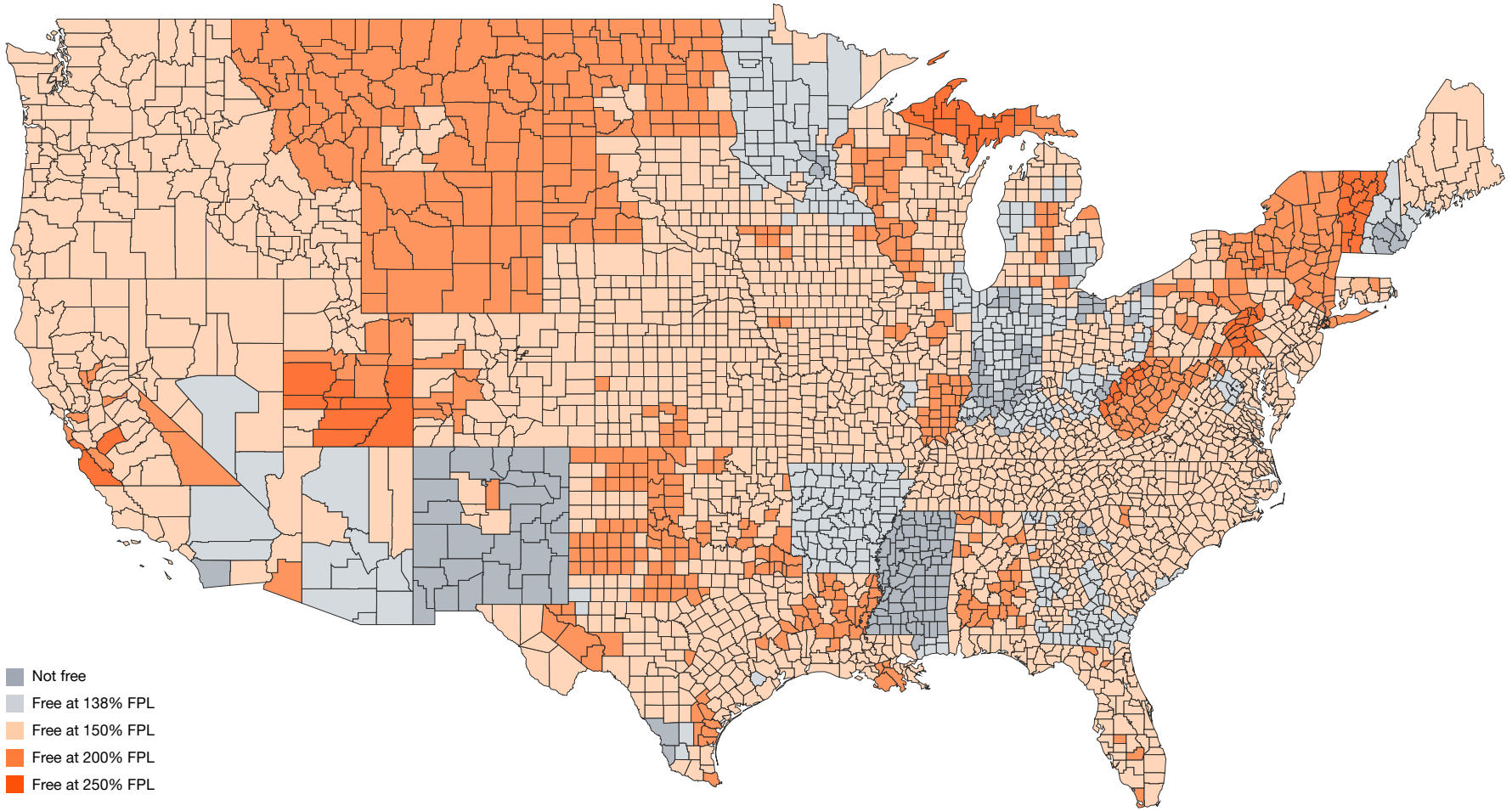
Regulatory change	Overview	Current status	Potential impact to medical cost trend	LOB	Impact & size
Expiration of ACA enhanced subsidies	In 2021, the American Rescue Plan ("ARP") provided an increased amount of ACA subsidy in the form of premium tax credits ("PTC") and expanded subsidy eligibility above 400 percent of the federal poverty level ("FPL"). Such enhanced subsidy was later extended to the end of 2025 by the Inflation Reduction Act ("IRA").[4]	With no intervention, the enhanced subsidies will expire at the end of 2025.	Enhanced subsidies have significantly reduced premiums for subsidized consumers, with price-sensitive consumers[5] earning 100–150% of the FPL eligible for $0 premium enhanced Silver plans due to full subsidies based on the benchmark second-lowest-cost Silver plan. The expiration of enhanced subsidies will lead to a material enrollment drop, reversing previous gains in Individual marketplace enrollment, especially for non-Medicaid-expansion states. Risk pools will deteriorate, consequently, as enrollees willing to pay that higher premium will be sicker. A preliminary analysis of 2026 rate filings combined with input from participants in our report indicates that health plans are adding 4% to 6% of rate action to specifically compensate for subsidy expiration in Medicaid expansion states, with non-expansion states incorporating additional morbidity trend as high as 8% to 12%.[6]	Individual	Inflator, High
Increased / new tariffs on imported pharmaceuticals	In 2025, the Trump administration implemented a broad set of new tariffs under the International Emergency Economic Powers Act (IEEPA). While the IEEPA tariffs applied to certain medical equipment, including devices, many pharmaceutical products and ingredients have been largely exempted. However, a Section 232 investigation on the pharmaceutical products and ingredients was initiated on April 1; the results of which are forthcoming and due no later than 270 days after initiation.	New tariffs on certain medical products are in effect but pharmaceuticals are largely unimpacted pending the outcome of the 232 investigation.	The value of US imports of pharmaceuticals and medical products has risen sharply over the past decade. Few drugs are made entirely in the US; the same is true of many medical equipment categories. New tariffs could drive up prices, squeezing industry stakeholders from consumers to providers to health plans to pharmaceutical and life sciences companies. Tariffs could also exacerbate shortages that plague the US health industry. For these reasons, tariffs are likely to be inflators of trend though the magnitude of their impact will depend on the rate of the new tariffs and the categories of products affected.	Individual & Group	Inflator, Medium
Medicaid community engagement requirements	H.R. 1 requires that able-bodied adults aged 19 to 64 without dependents must complete 80 hours per month of work, education, or volunteering to maintain Medicaid eligibility. Exemptions apply to seniors, pregnant individuals, caregivers, and those with disabilities.[7]	For the most part, states are required to enact the provisions by Dec. 31, 2026.	The number of individuals who lose Medicaid eligibility due to not meeting the new community engagement requirements provision and switch to Individual or Group plans is expected to be small: on the Individual side, individuals non-compliant with the work requirement provision are unlikely to have household income equal or above 100% FPL and thus would be ineligible for PTC (applicable to Medicaid expansion states only); on the Group side, these individuals by definition are not eligible for employer-sponsored health coverage. In addition, the new community engagement requirements are not expected to increase employment, based on both CBO projection and Arkansas experience.[8] Meanwhile, there may be a selection effect in which higher risk individuals who lose Medicaid coverage would be more likely to seek other forms of coverage. Aside from its impact on Medicaid enrollment, the new policy could lead to an increase in uncompensated care sought by the uninsured, thus pressuring hospitals to seek higher rates in contract negotiation and driving increases in medical cost trend.[9]	Individual & Group	Inflator, Low

How could consumers respond to the expiration of enhanced ACA subsidies?

If enhanced ACA subsidies expire, consumers earning 100-150% of the federal poverty level (FPL)—previously eligible for $0 premium Silver plans—could see annual premiums rise to between $312 and $935, depending on income. During the 2025 open enrollment period (OEP), consumers in the 100-150% FPL range account for nearly half of enrollment.[10] If enhanced subsidies expire, we could expect healthier and more engaged consumers in this lower-income cohort—who are not expecting material healthcare spending and who are familiar with shopping on the marketplace—to switch to Bronze plans as available. Meanwhile, those consumers in the lower-income cohort who do not have access to a free Bronze plan or who passively relied on auto-reenrollment and are unaware of the policy changes may do nothing again in the 2026 open enrollment period, thus missing payment and losing coverage. The map illustrates the availability of $0 premium Bronze plans based on 2025 market data (Figure 3).

We could expect that higher-risk consumers who anticipate incurring substantial healthcare costs would be more likely to pay increased premiums and stay in Silver plans for the cost-sharing reductions. The expiration of enhanced subsidies could lead to a shift in plans, and more importantly, overall market risk pool deterioration, as higher-risk consumers stay and healthier consumers leave, putting pressure on the Individual market medical cost trend.

Figure 3. Free Bronze availability by county and FPL level assuming no enhanced subsidy, and continued silver loading



Source: 2025 CMS Qualified Health Plan Landscape Files, PwC Analysis

Top 4 medical cost inflators

Hospital costs, hospital revenue cycle management, prescription drugs led by GLP-1 agonists, and spending on behavioral healthcare are driving medical cost trend in 2026 with little relief in sight.

Providers are shouldering elevated prices for most everything from wages to hospital gowns.

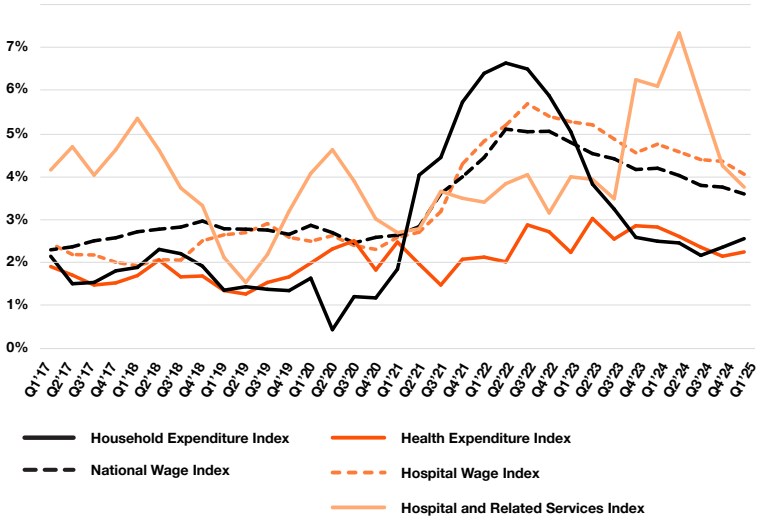
Seventy-three percent of health plan executives we interviewed identified inflationary impact on providers and/or provider consolidation as a top three driver of rising claim costs. Plans' ability to maintain competitive and deep networks while arguing modest increases on rate schedules will determine who carries the burden of consistent inflationary trends in the next contract cycle.

After surpassing household inflation in 3Q'23, the healthcare expenditure index continued to outpace household inflation in 2024 (Figure 4). The hospital index also exceeded household inflation in 2Q'23, peaking at 7.3% in 2Q'24 before declining. Similarly, the hospital wage index has outpaced the national wage index since 2021. While some stabilization occurred in late 2024, elevated healthcare and hospital expenditure and wage indices indicate that hospital systems remain burdened by rising operational costs due to ongoing labor shortages, wage increases and overall inflation in costs of supplies and goods. Inflation is expected to remain high due to labor, regulatory and supply chain pressures, offering little expected operational relief for hospitals in the foreseeable future.

Most recent hospital financials tell the same story. Systems are seeing margin relief relative to pandemic lows, yet earnings have not returned to pre-pandemic levels. As indicated in Figure 5, 2024 hospital system year-end operating margins landed at 2.10%, still well below the 7.00% margins seen in 2019. Early indicators signal 2025 may continue this downward trend with 1Q'25 margins ebbing further. While major hospital systems have reported increasing revenues in the wake of higher utilization and favorable shifts in payer mix, ongoing pressures from high inflation and escalating wage indices continue to challenge margin recovery.

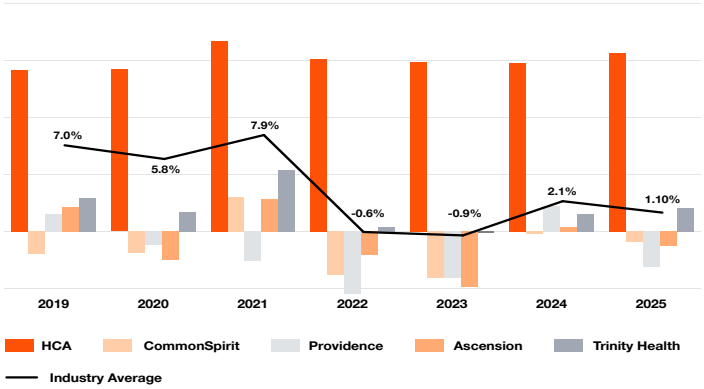
With constant inflationary pressure on expenses, providers are seeking rate schedule increases, specifically in private insurance contracts, in the coming contract negotiation cycles. The expiration of the temporary increase in Medicare payment rates for calendar year 2024 generated a 2.83% decrease[11] in the Medicare physician fee schedule. With Medicaid rate schedules following Medicare, dampened Medicare and Medicaid fees have produced additional financial strain for providers. A nearly 14% increase (based on 2024 payer mix[12]) in commercial rates is required to cover the 6-7% trend in operating expenses. Hospitals will need to make significant adjustments in their commercial contracts to match the rise in costs, especially as public reimbursement rates remain stagnant or even fall and the number of uninsured patients rises as the H.R. 1 policy changes go into effect.

Figure 4. Expenditure and wage indices year-over-year growth 2017 – Q1'2025



Source: Bureau of Economic Analysis Personal Consumption Expenditure, Bureau of Labor Statistics Consumer Price Index, PwC analysis

Figure 5. Hospital system operating margins 2019 – YTD-2025



Source: Publicly available hospital financials, Strata, PwC analysis
Note: Hospital systems are ranked by 2024 revenue

In the broader healthcare sector, health services deals are busier than at pre-pandemic levels, though the volume and value of deals have decreased since the highs observed in 2021. Certain provider-based deals, particularly those involving physician medical groups and hospitals, have seen an uptick in value. Figure 6 illustrates the fluctuations in deal volume and value across the industry, with a noticeable variation in activity. Consolidation among providers continues to fortify their negotiating power. Health plans can expect continued challenges in managing these cost increases in upcoming contract renewals.

Act now

In the coming years, health plans should revamp their contracting strategy and approach to combat rising unit cost pressure from provider contracts. Value-based contracting and alternative payment models can partially shift the impact of rising costs back to providers. Plans should consider incorporating more comprehensive and data-enabled analytics, such as claims analysis, to inform alternative payment models (APM) designs, reimbursement rate benchmarking and rate change impact analysis to support their provider negotiation and contracting processes.

Figure 6. Health services deal volume, value, and growth by target subsector (LTM 11/15/24)

Volume LTM 11/15/24	Value ($ billions) LTM 11/15/24		Growth (LTM 11/15/24 vs 2023)	
			Volume	Value
93	Pharma services*	$22.2	(12%)	75%
466	Physician medical groups	$11.7	(13%)	431%
67	Hospitals	$11.0	(13%)	34%
113	Labs, MRI & dialysis	$9.5	(10%)	(29%)
404	Other**	$6.1	2%	(70%)
25	Managed care	$4.8	(19%)	340%
97	Home health & hospice	$3.0	(2%)	(40%)
67	Behavioral care	$0.4	(19%)	324%
41	Rehabilitation	$0.2	(20%)	146%
1,373	$68.8		(9%)	10%

Source: LevinPro HC, Levin Associates, 2025, May, levinassociates.com

*Pharma services include contract development, manufacturing organizations, contract research organizations, and clinical trial sites. Value decline driven by Q1-24 Catalent acquisition by Novo Handlings ($16.5B).

**Other services include a broad range of companies such as ambulatory surgery centers, home infusion services companies, retail healthcare, and medical office buildings. Value increase driven by Q1-25 Walgreens Boots Alliance acquisition by Sycamore Partners ($17.9B).

Providers rev up revenue cycle management to bolster bottom line

In response to financial pressures following the pandemic, healthcare providers—particularly large hospital systems—have focused on enhancing revenue cycle management (RCM) to maximize revenue capture. RCM is essential for timely and accurate payments for services rendered, given the complexity of how money flows through the US healthcare system. The COVID-19 pandemic exacerbated RCM challenges by disrupting patient volumes, increasing care complexity, and placing financial strain on providers and patients. Hospitals faced rising operational costs, staffing shortages and delayed reimbursements, adding significant pressure to revenue cycle functions.

To address these issues, many healthcare organizations have turned to advanced automation technologies and analytics. These tools have streamlined processes such as insurance eligibility verification, diagnosis coding, claims scrubbing and proactive denial management. Hospitals also have outsourced billing operations and improved patient financial engagement to manage their revenue cycles more efficiently. These improvements have accelerated internal processes, reduced errors and maximized revenue capture. As a result, many systems have been able to treat more patients, capture revenue for newer high-cost procedures, and identify opportunities to further boost revenue.

Recent financial results from major hospital systems highlight the impact of these enhanced RCM strategies. Inpatient admissions in the first quarter of 2025 are up over the prior year for several large systems. The same is true of revenue per admission (Figure 8). While revenue per admission is influenced by factors like payer mix and rate increases, hospital systems cited higher patient acuity and case mix severity as key drivers of recent revenue growth.[13] This shift is further evidenced by the rising proportion of emergency room admissions coded as level 4 or 5, which increased from 58% in January 2023 to 63% in April 2025.[14] While RCM improvements benefit providers financially, health plans face the burden of rising costs due to increased severity and utilization.

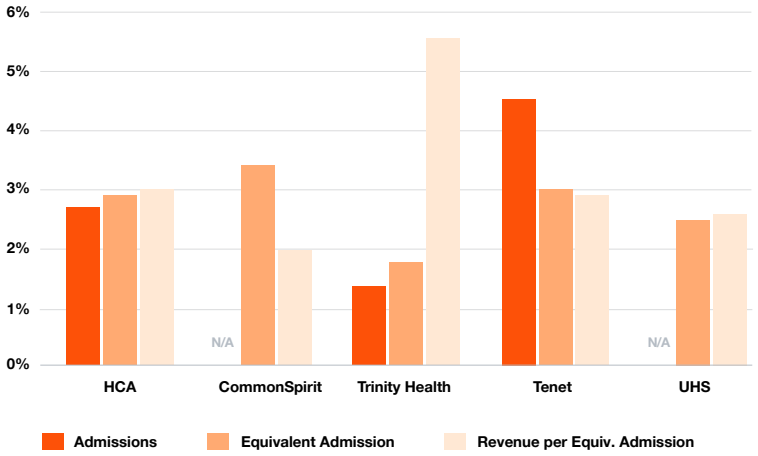
Act now

To mitigate the impact of rising medical costs due to enhanced RCM strategies, health plans should strengthen payment integrity and UM programs. By leveraging predictive analytics, health plans can identify trends in claims data, such as higher acuity cases or increased inpatient admissions, to address potential cost drivers early. Collaborating with providers on clear contract terms and employing fraud detection tools will help improve billing accuracy, preventing overpayments and upcoding. Additionally, focusing on robust UM can ensure that only medically necessary services are reimbursed, limiting unnecessary cost escalation.

Figure 7: The provider revenue cycle

Source: PwC analysis

Figure 8: 1Q'25 same-facility admissions and revenue versus prior period



*Definition of metrics:

Admissions: Count of actual admissions that take place at a given location without any adjustments.

Equivalent Admissions: Count of adjusted admissions, accounting for variations such as changes in admission type (inpatient versus outpatient) and length of stay

Revenue per Equivalent Admission: Average revenue generated per adjusted admission, accounting for variations such as changes in admission type (inpatient versus outpatient) and length of stay

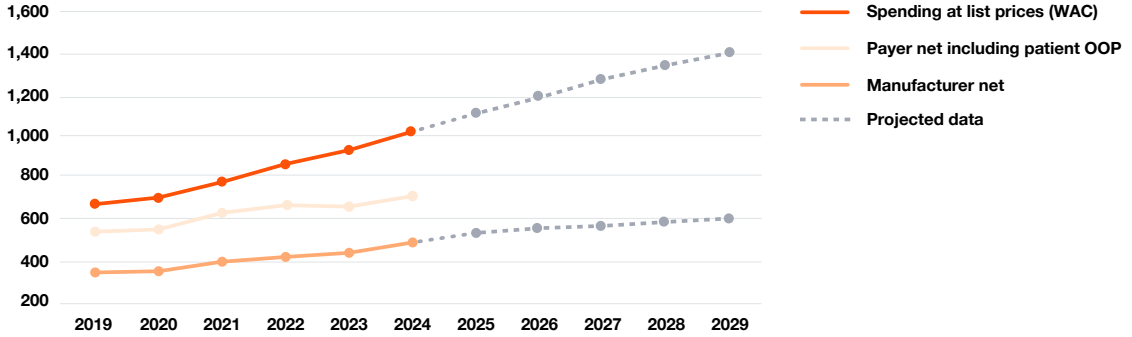
Source: Publicly available hospital financials

A wave of new therapeutics—not only GLP-1 agonists—are hitting the market

Investment in pharmaceutical research and development continues to grow dramatically.[15] These efforts are yielding a wave of breakthrough therapies that span prevalent chronic illnesses and rare genetic disorders. Many of these drugs, while significantly improving the quality of life and health of individuals, in some cases are also creating new classes of chronic and life-long disease treatment that will likely lead to persistent effects on medical cost inflation.

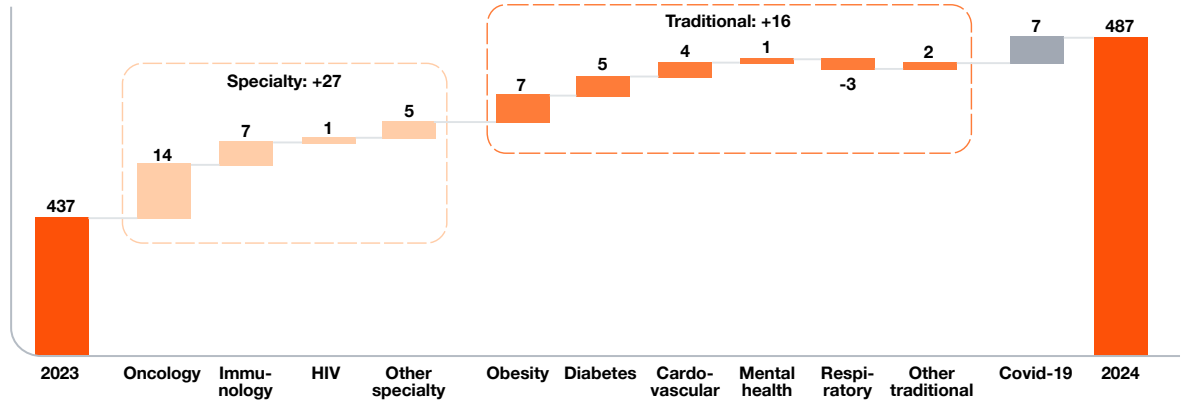
Drug spending in the US grew by $50 billion from $437 billion to $487 billion (11.4%) in 2024 at net manufacturer prices, up from $20 billion of growth (4.9%) in 2023 (Figure 9).[16] The 2024 increase was driven by a subset of 31 products, each with more than $500 million in growth, and which increased sales by $50 billion in aggregate, offset by the loss of exclusivity impact. From the therapeutic area perspective, oncology, immunology, obesity, diabetes and cardiovascular led the growth, totaling $37 billion. (Figure 10).

Figure 9. Prescription drug spending 2019-2029 ($ in billions)



Source: IQVIA Institute

Figure 10. Therapy area drivers of spending growth at estimated net manufacturer prices, 2024, $ in billions



Source: IQVIA Institute

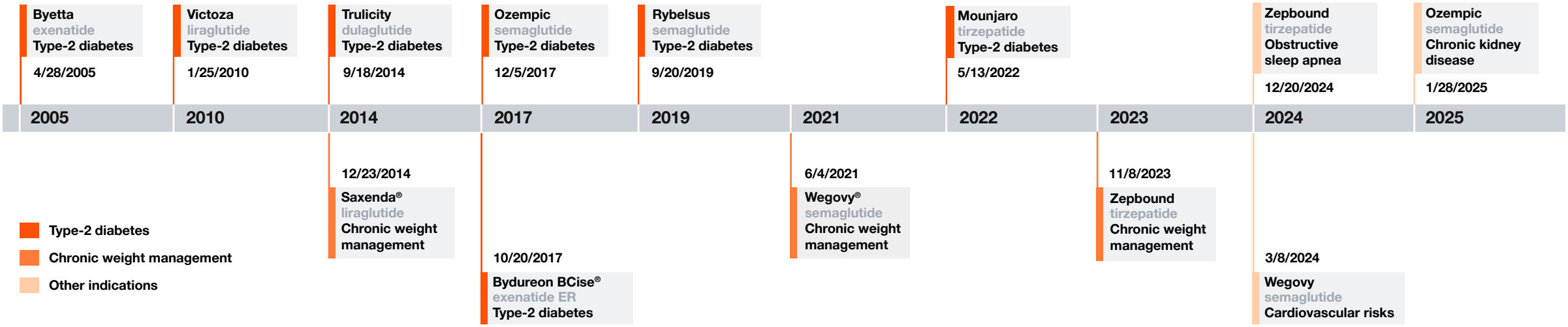
Impact of GLP-1s

GLP-1s are medications that mimic the effects of a hormone called glucagon-like peptide-1 (GLP-1), which helps to regulate blood sugar levels and can promote weight loss. The surge in interest and uptake of these therapies—particularly since 2023—shows no signs of slowing. For the third consecutive year, a coupling of increased utilization and persistently high unit costs has positioned GLP-1s as a major medical cost inflator. In fact, 41% of health plans surveyed identified GLP-1s as one of the top two cost drivers for 2025-6.

GLP-1s were initially approved for treating type 2 diabetes; recent innovations have brought greater efficacy, more convenient weekly and oral dosing options and expanded FDA approvals for conditions including chronic weight management and more (Figure 11). While unit cost is stabilizing as GLP-1 tirzepatide and semaglutide shortages were resolved by early 2025,[17] health plans we interviewed consistently reported double-digit utilization trends. To manage costs and achieve better treatment outcomes, many health plans are tightening restrictions such as clinical criteria and step therapies for GLP-1 weight management use starting in 2025.[18] Overall, health plans generally expect a half to one percent impact from GLP-1 utilization on their 2026 medical cost trend per our surveys and interviews.

Despite short-term medical cost inflation stemming from GLP-1 agonists, the hope is that savings await in the longer-term future as GLP-1s, along with other behavioral modification resources (e.g. exercise, diet/nutrition and other programs) make patients healthier and prevent costly medical events. There is little doubt about the clinical effectiveness of GLP-1s,[19] but their cost effectiveness hinges on effectively navigating several barriers. First, studies find that while tirzepatide and semaglutide offered substantial long-term health benefits, they are far from cost-effective at current net prices.[20] Meanwhile, adherence is poor. A recent study found that only 47.1% of commercially insured study members did not have a 60-day gap in therapy at 180 days, which is reduced to 28.9% at one year, and 14.8% at two years.[21] Addressing the affordability of GLP-1s (increased competition, supply chain improvements), promoting drug adherence (member support and engagement), and encouraging sustained lifestyle changes will be integral to realizing long-term health benefits without incurring a heavy financial burden on the healthcare system and society at large.

Figure 11. Timeline of GLP-1 agonist approvals by indication



Source: PwC analysis

Act now

Overall, health plans and employers should continue to evaluate strategies and partners to optimize their pharmacy benefits, with innovative and transparent models available both from PBMs and the growing PBA segment. A wide range of technologies and AI-enabled solutions are emerging to improve efficiency, reduce waste and improve costs.

Plans should closely consider their policies on covering GLP-1s for weight loss. Most survey participants indicated they are not covering GLP-1 medications for those purposes, except for administrative services only (ASO) customers who request coverage. Plans that continue to cover these medications, outside of states where coverage is mandated, may face selection issues. As demand remains high, health plans should remain vigilant on eligibility requirements, as well as fraud, waste and abuse, as members seeking access to these medications may pose further costs due to over-utilization. For plans offering weight loss coverage, it will be important to sustain the health benefits of these drugs through tighter integration of GLP-1 coverage with wraparound services like nutritional counseling, exercise, behavioral coaching and digital weight management tools for patients. Health plans should prepare for pipeline monitoring, scenario modeling and policy adaptability to anticipate utilization increases and budget impact.

Looking ahead, the therapeutic pipeline is robust with potential new therapies and expanded indications (Figure 12a and 12b).

Figure 12a. New GLP-1 indications in the pipeline with patient volumes

Proposed indications	US patients estimates
Non-alcoholic fatty liver disease (MASH)	22 million
Neurodegenerative diseases (e.g., Alzheimer's, Parkinson's)	600+ different disorders affecting 50 million
Polycystic ovary syndrome (PCOS)	5–6 million women with PCOS
Prevent onset of type 2 diabetes in high-risk individuals	97 million at high-risk
Gastrointestinal disorders (e.g., IBS and IBD)	60–70 million
Psychiatric disorders (e.g., mood disorders and cognitive function)	59 million
Reducing or eliminating drinking, smoking, and gambling	55 million
Obesity-associated cancers (13 types)	800,000/year

Source: OptumRx

> It will be important for health plans to integrate GLP-1s with nutritional counseling, exercise, behavioral counseling and digital tools.

Figure 12b. GLP-1 pipeline by indication and route of administration (non-exhaustive)

Route of administration	Drug name	Manufacturer	Proposed indication	Clinical trial phase
New oral GLP-1s				
Oral	Orforglipron	Eli Lilly	Obesity Type 2 Diabetes Osteoarthritis + Obesity	Phase 3 - results expected Jul 2027 Phase 3 - results expected Aug 2025 Phase 3 - results expected Dec 2026
	Semaglutide	Novo Nordisk	Obesity CVD and/or CKD + Obesity Alzheimer's disease	Phase 3 complete - Pending FDA review, expected Q42025 Phase 3 complete - Expected to file for regulatory approval in 2025 Phase 3 - results expected Oct 2026
	Aleniglipron	Structure Therapeutics	Obesity	Phase 2 - results expected Nov 2025
	VK2735	Viking Therapeutics	Obesity	Phase 2 - results expected Nov 2025
New Indications for existing GLP-1s				
Subcutaneous injection	Tirzepatide	Eli Lilly	Type 1 Diabetes + Obesity Psoriasis + Obesity Psoriatic Arthritis + Obesity	Phase 3 - results expected Apr 2027 Phase 4 - results expected Sep 2026 Phase 4 - results expected Dec 2026
	Semaglutide	Novo Nordisk	MASH (Metabolic steatohepatitis) Liver cirrhosis	Phase 3 complete - Pending FDA review, expected Q42025 Phase 2 - results expected Jan 2026
New subcutaneous injection GLP-1s with existing and new indications				
Subcutaneous injection	"MariTide (maridebart cafraglutide)"	Amgen	Obesity Type 2 Diabetes + Obesity	Phase 3 complete - Pending FDA review, expected Q42025 Phase 3 complete - Expected to file for regulatory approval in 2025 Phase 3 - results expected Oct 2026
	Retatrutide	Eli Lilly	Obesity Knee Osteoarthritis + Obesity CVD and/or CKD + Obesity Type 2 Diabetes	Phase 2 - results expected Nov 2025
	Survodutide	Zealand & Boehringer Ingelheim	Obesity Type 2 Diabetes + Obesity NASH (Non-Alcoholic Steatohepatitis) + Obesity NASH/MASH + Liver cirrhosis	Phase 3 - results expected Feb 2026 Phase 3 - results expected Apr 2026 Phase 3 - results expected Nov 2025 Phase 3 - results expected Jun 2029

Source: PwC analysis

Cellular, gene, RNA therapies and other drugs to watch

Cellular, gene, and RNA therapies (CGTs) are at the forefront of pharmaceutical innovations, delivering first-in-class treatments for a growing number of rare, genetic and previously untreatable diseases. While participants generally did not cite these therapies as a cost driver to date, there is concern that they will begin to exert inflationary pressure on medical cost trends as an increasing number of drugs enter the market and more members progress through the approval process.

In addition to their high list prices driven by complex and resource-intensive manufacturing processes (Figure 13), the total cost of cellular, gene, and RNA therapies is compounded by specialized administration requirements, such as cryopreserved handling and inpatient infusions, and long-term monitoring obligations. So far, providers are using these therapies sparingly due to safety concerns, uncertain long-term benefits, prescriber caution and payer hesitancy. But physicians and systems could adopt these therapies more widely as clinical evidence matures, real-world outcomes become more predictable and payment models evolve to better align cost with demonstrated value over time.

Figure 13. Drugs to watch in 2025-6 (non-exhaustive)

Drug name	Indication	Drug class	FDA approval date	Drug list price*	Implications for medical cost trend
CASGEVY LYFGENIA	Sickle cell disease (SCD) with recurrent vaso-occlusive crises (VOCs)	Gene therapy	Dec 2023[22]	$2.2/3.1 million (CASGEVY/LYFGENIA for a one-time infusion	Costly one-time treatment, but could free patients from severe VOCs with very high associated medical costs.[23] It is estimated that among 100,000 people in the US affected by SCD, around 16,000 patients may be eligible for the gene therapies.[24]
AMTAGVI	Unresectable or metastatic melanoma	Cellular therapy	Feb 2024[25]	$515,000 for a one-time infusion[26]	Around 6,300 patients per year in the US will require second-line therapy and be eligible for the cellular therapy.[27]
Lenmeldy	Children with Metachromatic leukodystrophy (MLD)	Gene therapy	March 2024[28]	$4.25 million for a one-time infusion	The most expensive drug approved by the FDA to date. It is estimated that 40 children are born with MLD each year.[29]
ELEVIDYS	Duchenne muscular dystrophy (DMD)	Gene therapy	Jun 2024 for expanded indication[30]	$3.2 million for a one-time infusion	The indication expansion increased the target population from 3% to 90% of DMD patients—around 13,000 in the US.[31] In 2025, a second death in a patient being treated with Elevidys prompted its maker to take actions to address the setback and questions around safety.
Qfitlia	Hemophilia A and B	RNA therapy	Mar 2025[32]	$642,000 annually for subcutaneous injections[33]	Costly but significantly reduces the need for clotting factor replacement therapy, which costs upward of $600,000.[34] More convenient dosing compared to competitor drugs. It is estimated that Qfitlia™ could benefit up to one million people around the world, 12 years of age and older.[35]
LEQEMBI	Alzheimer's Disease (AD)	Biologic	Originally approved in Jun 2023, new maintenance dosing regimen approved in Jan 2025[36]	$26,500 annually for biweekly intravenous infusions[37]	It is estimated that 1.4 million patients in the US are eligible for AD treatment that targets beta-amyloid.[38] A small portion of the eligible population could be under age 65, thus affecting the costs in the Individual and Group markets.
Kisunla			Jul 2024[39]	$32,000 annually for monthly intravenous infusions[40]	
ANDEMBRY	Hereditary angioedema (HAE)	Biologic	Jun 2025[41]	TBD (a competing drug, Orladeyo, is listed at approximately $500,000 per year)[42]	It is estimated that around 6,000 people in the US live with HAE.[43] The drug offers a first-in-class mechanism that works to prevent swelling attacks in advance of the existing treatments.[44]

*Drug list price does not include additional treatment costs such as chemotherapy, hospital stays, etc.

Source: PwC analysis

Other emerging drugs outside of CGTs—especially those for chronic conditions or rare diseases—also have the potential to significantly influence medical cost trend. Expensive orphan drugs can have an outsized financial impact, particularly for smaller employers, where even a single case may lead to substantial financial risk. In addition, newly approved and pipeline treatments for other chronic conditions—central nervous system (CNS) disorders for example—address broad patient populations and may drive high utilization. Innovation in oncology through new mechanisms of action (e.g. bispecific and trispecific antibodies, antibody drug conjugates) and improved delivery mechanisms is continuing to drive both clinical outcomes and health plan costs.

Act now

Many health plans we interviewed expressed concerns over the financial risk posed by coverage of CGTs. Traditional reinsurance for these claims is costly and may provide no relief as reinsurance carriers often exclude payments for CGT-eligible conditions. To manage the financial risk, health plans should explore innovative solutions like predictive models within the underwriting process to identify potential claimants and strategic reimbursement models including outcomes-based rebates, milestone-based payments and carve-out partnerships. Targeted care management confirming that members who need these treatments are receiving them at appropriate service locations at a reasonable cost can also mitigate cost impact.

Behavioral health claims are soaring

The rising cost of behavioral health (BH) services continues to be a significant inflator of overall medical expenses. Utilization of behavioral health services rose 44.6% from January 2023 to December 2024, (Figure 14), with a nearly 80% rise in behavioral health claims for inpatient services between January 2023 and December 2024. Utilization is trending upwards across most condition categories; developmental, anxiety and depressive disorders are seeing the largest increases (Figure 15). Health plan executives also cited the popularity of telehealth visits and virtual care for mental health as a driver of utilization.

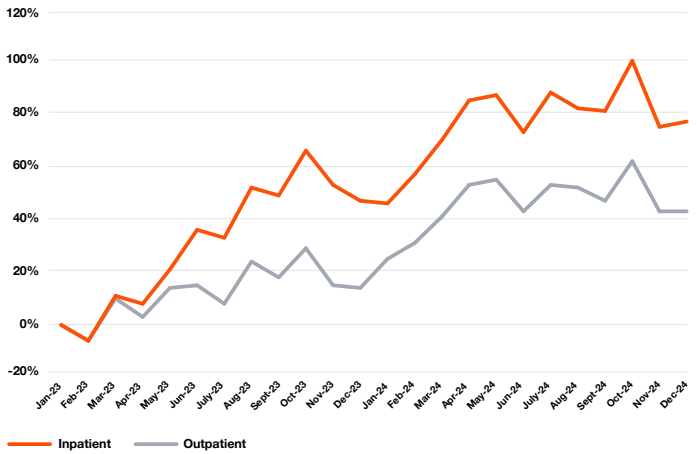
This increasing demand is straining the industry, which suffers from an imbalance in the supply of providers and expanding demand. A recent survey reported that 58%[45] of executives claim payer rate reductions and minimal rate increases have become significant financial pressures. Third-party aggregators and provider consolidation are further driving up negotiated rates. Reimbursement issues are compounded by staffing shortages, with 31% of executives citing workforce constraints as a major challenge. Low reimbursement rates, especially for specialized services, make it difficult for providers to offer competitive salaries, exacerbating the workforce shortage. The system is under considerable strain as rising costs and workforce gaps create barriers to sustaining service quality and access.

Looking ahead, health plans can expect continued utilization and unit cost pressure, with a third of respondents listing behavioral health as a top three cost driver, and plans anticipating an increasing 10–20% trend on behavioral health in the coming year. With demand continuing to grow and financial pressures mounting, the behavioral health sector faces an uphill battle to maintain access and quality of care in the years to come.

Act now

The rising cost of behavioral health will place continued pressure on health plans to balance appropriate and holistic coverage of mental health-related conditions while also incorporating new strategies to maintain cost trends. Collaborating with providers to develop strategic models including condition-based alternative payment models, such as a capitation model, or collaborative care models, can help plans control the cost burden. Plans can also partner with third-party solutions like employee assistance programs to offer customers holistic coverage while limiting their share of the cost trend.

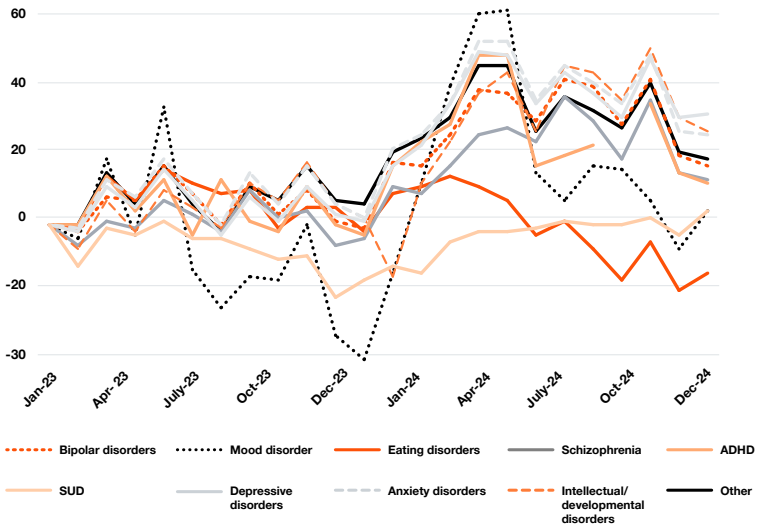
Figure 14: Percent change in total behavioral health claims (vs. January 2023)



Source: PurpleLab Claims Data *Based on claims count

**Methodology: Dataset contains claims by HCPCS codes; BH specific codes were identified using a join of multiple BH HCPCS mappings found in our research, with ihs.gov contributing most of the codes.

Figure 15: Percent change in outpatient behavioral health claims by condition (vs. January 2023)



Source: PurpleLab Claims Data *Based on claims count

**Methodology: Dataset contains claims with HCPCS and ICD-10 diagnosis codes; BH claims were identified using a join of multiple BH HCPCS mappings found in our research, with ihs.gov contributing most of the codes. Resulting BH claims mapped to condition type based on primary diagnosis code.

Top 2 medical cost deflators

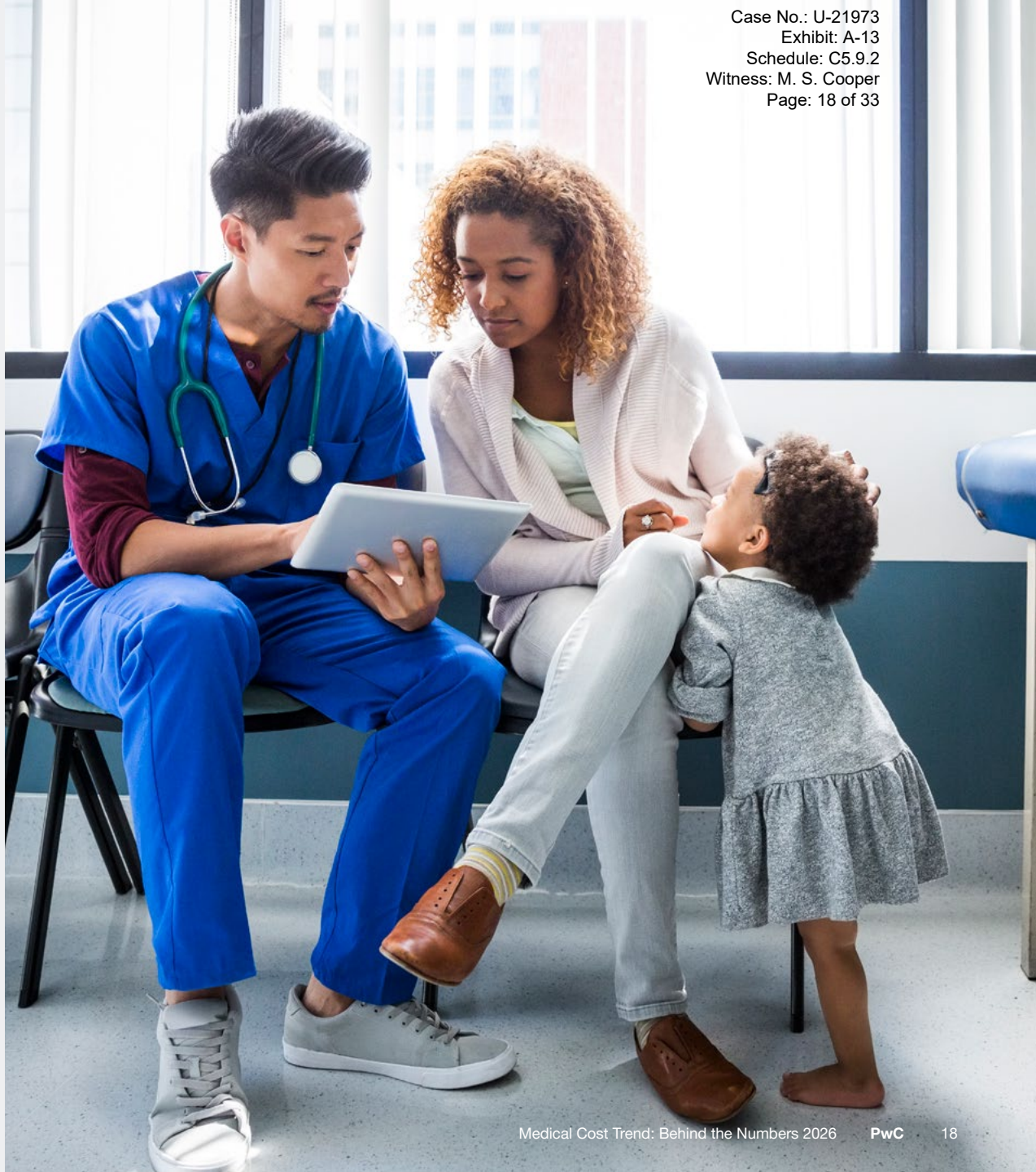
Biosimilars and cost containment tools are making progress, but not fast enough.

Biosimilars gain some ground

The shift toward biologic drugs is one of the biggest contributors to higher drug spending. In 2023, biologics accounted for nearly half of all national prescription drug spending.[46] The accelerating launch and adoption of biosimilars in recent years continue to keep trend in check, and for the third year, is regarded by health plans as the top deflator for the upcoming year.

The launch of private-label strategies marked a pivotal moment in biosimilar adoption in 2024, as we reported in this report last year. Data shows that the adoption rate of Humira biosimilars went up from 3% to 28% from January to November 2024 (Figure 16). Starting in 2025, the three largest PBMs are all moving away from Humira and including only biosimilars (at least one private-label) in their standard formulary.[47] The reality for many health plans that do not work with these three PBMs is more nuanced. Our interviews found that the economic value of biosimilars varies widely across the market, with some plans staying with biologics, which come with rebates that match or beat biosimilar pricing, and others switching to biosimilars, which generate savings. Portfolio rebate arrangement, ASO rebate sharing, and regulatory restrictions (e.g., ACA formulary change restriction) are examples of other factors that influence a health plan's choice.

In 2025, the launch of biosimilars for Stelara, another blockbuster biologic treating autoimmune conditions, is much anticipated anticipated as more biosimilars come to market. Stelara generated $6 billion in US sales in 2024—making it the second highest-selling biologic, behind only Humira, among all biologics with biosimilars launched or expected through 2029 (Figure 17). To date, seven Stelara biosimilars have received FDA approval, launching with Wholesale Acquisition Cost (WAC) list prices more than 80% lower than the reference product.[48] A similar private-label dynamic seen with Humira biosimilars is emerging as well, with two of the three largest pharmacy benefit managers (PBMs) having either launched or announced plans to launch private-labeled versions.[49] These developments are expected to exert meaningful downward pressure on specialty drug spending and help moderate medical cost trend in the near term.

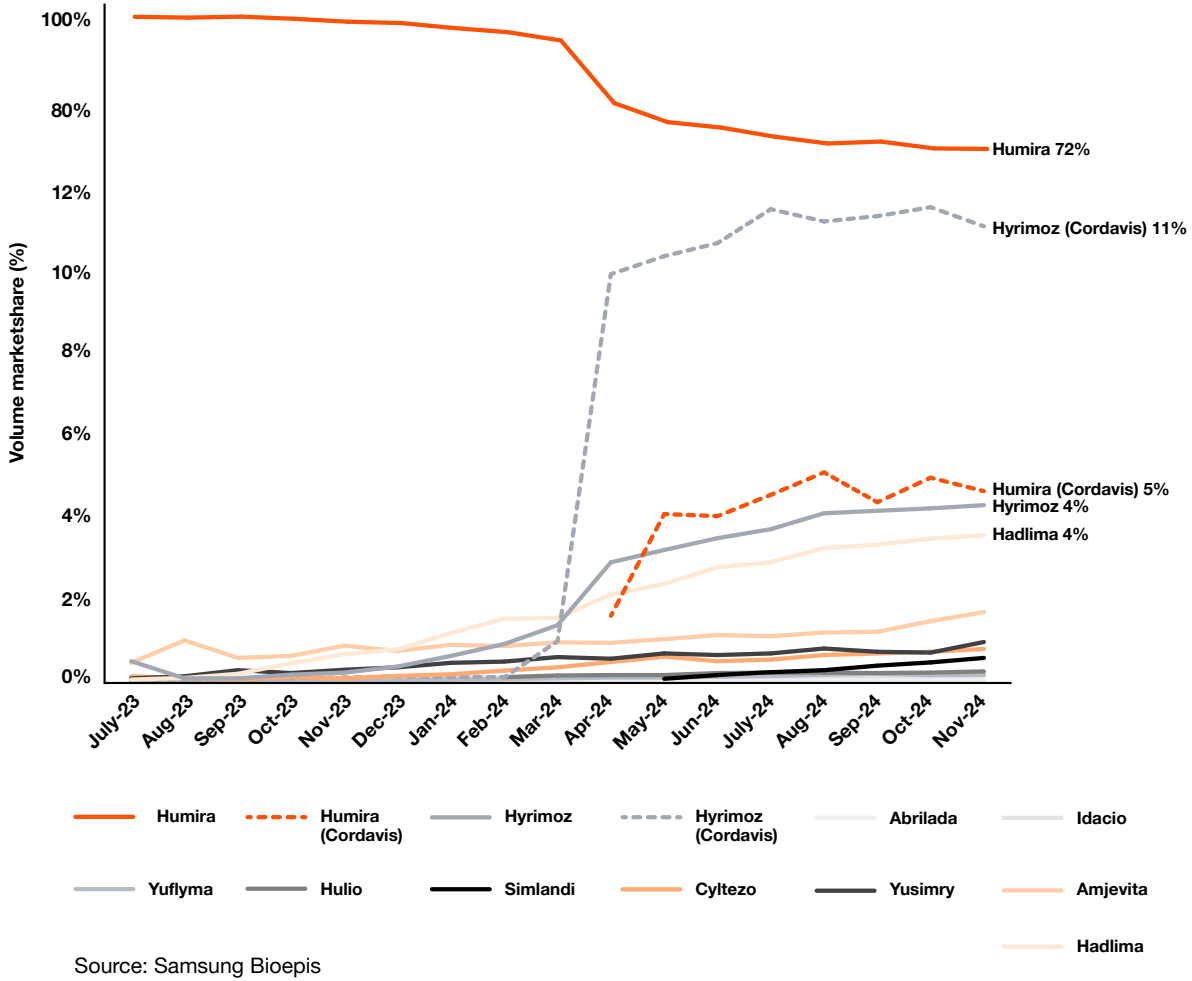


There is still a long road ahead. Over the next decade (2025-34), 118 biologics are expected to lose patent protection, but only 12 of them have biosimilars in development as of September 2024.[50] Biosimilar development has been concentrated on high-sales biologics ($500M or more annual US sales) with near-term expiration. Challenges such as regulatory and legal complexities, slow market adoption, high investment costs and rebate walls need to be overcome through collaboration among stakeholders to ensure a sustainable biosimilar market in the long run.

Act now

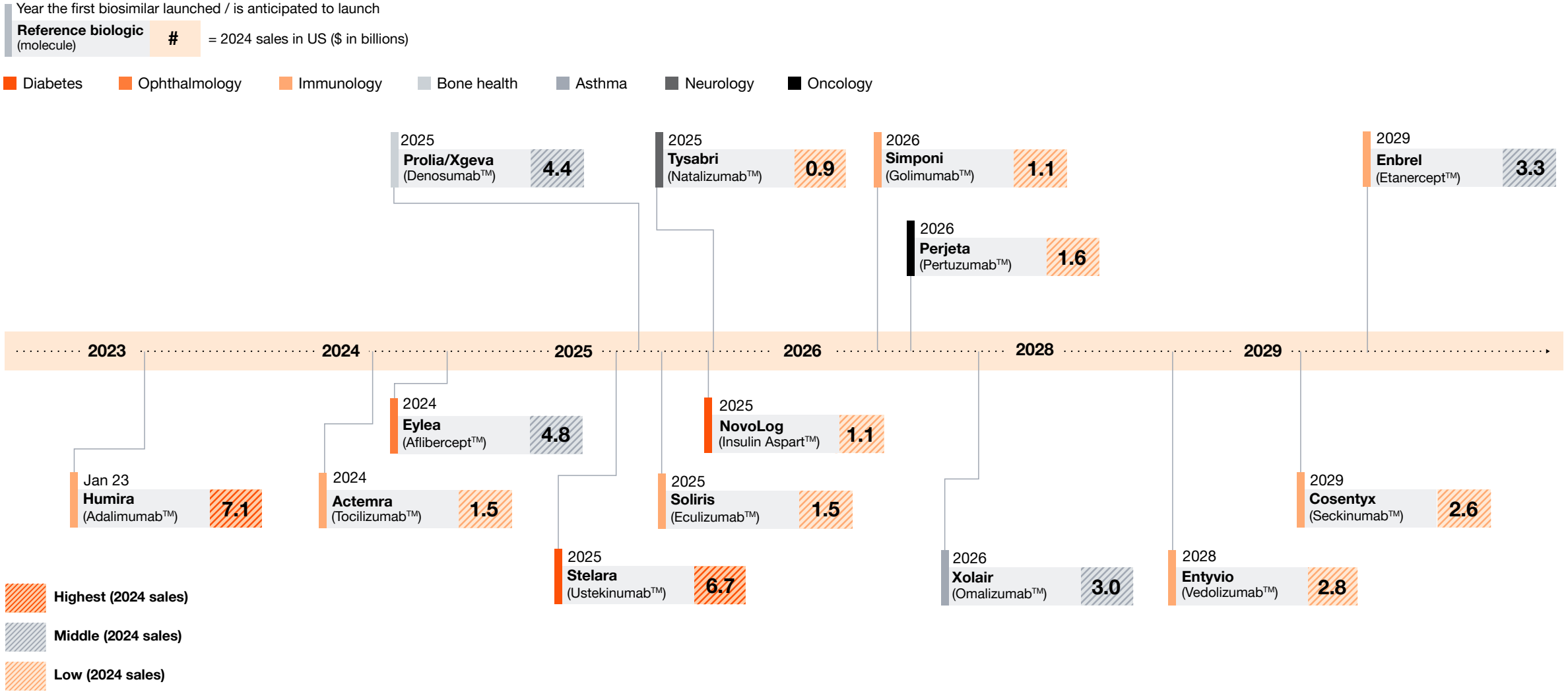
Health plans can play a critical role in supporting providers and accelerating biosimilar adoption through measures like streamlining prior authorization, reimbursing fairly for biosimilars and supporting the infrastructure to change drugs. Meanwhile, in response to the adoption of lower list prices and lower rebate drugs such as biosimilars, PBMs are leveraging tactics like rebate credit and exclusivity deals to mitigate the impact on their revenue.[51] Health plans should proactively work with PBMs to fully understand rebate terms and push for more transparent rebate economics.

Figure 16. Adalimumab volume market share Jul-23 to Nov-24



Source: Samsung Bioepis

Figure 17. Historical and anticipated future biosimilar launches 2023-29



Source: Cardinal Health, PwC analysis

Health plans are having (modest) success managing the total cost of care. They need to pick up the pace, seriously and relentlessly.

This year, more than 75% of the health plans we surveyed ranked "managing total cost of care" as among the top 3 deflators, up from 60% last year. In response to persistent inflationary pressures and growing demands for affordability, health plans are evolving their strategies by complementing administrative tools with a stronger focus on medical management levers, including UM, quality/care management, claims integrity, Rx management and network design (Figure 18).

Utilization management is under renewed scrutiny due to regulatory shifts, media coverage and pressure to reduce provider burden. Payers are adopting AI-driven real-time prior authorization (PA) for low-risk services, removing PA for codes with >95% approval rates, and implementing gold carding to exempt high-performing providers—helping to reduce delays that exacerbate downstream utilization and cost.[52] The Centers for Medicare and Medicaid Services' (CMS) 2024 rule mandates interoperability application programming interfaces (APIs) for prior authorization in public programs to streamline workflows through real-time data exchange. While not required for commercial or individual markets, many plans are expected to adopt similar technology, which could mitigate costly delays in care.[53]

Care management programs are facing increased scrutiny due to inconsistent ROI and scalability. While targeted interventions for high-risk members can reduce costs by 2-5%, many plans struggle with low engagement and high staffing costs.[54] Plans should prioritize care models that are operationally efficient, highly targeted, and engagement- driven to drive down cost trend. Integrated behavioral health programs with digital triage and coaching are gaining traction, particularly in employer-sponsored plans focused on absenteeism and productivity.[55] Scaling back ineffective programs can improve the cost of care by reallocating resources to higher-impact strategies.

One of the most urgent pressure points is pharmacy spending—driven by member demand for GLP-1 medications for diabetes and weight management. Instead of relying solely on restrictive PA or exclusions, leading plans are adopting cross-functional GLP-1 strategies that align traditional UM and formulary controls (e.g., step therapy, indication-based coverage) with proactive care management requirements. These may include proof of enrollment and compliance with a structured diet and exercise program, medication adherence monitoring and clinical appropriateness reviews—all designed to ensure clinical outcomes are achieved in line with spending.[56] Moreover, employer groups—especially smaller groups that are vulnerable to a small number of high-cost members—are increasingly carving out or pairing traditional PBM reviews with secondary reviews and capabilities (e.g., for specialty drugs) to ensure appropriate clinical management.[57]

On the claims integrity front, forward-leaning plans are shifting from retrospective "pay-and-chase" models to real-time anomaly detection. AI tools now flag unbundling, improper coding and ineligible billing before payment is issued, enabling plans to reduce overpayment of claims while minimizing abrasion for compliant providers. Recent analysis suggests anywhere from ~$50 to $150+ per member per month (PMPM) in claims cost reductions through GenAI-enabled claims and payment integrity analytics, supplementing traditional fraud/waste/abuse solutions.[58]

Additionally, some payers are testing nontraditional strategies: reducing or eliminating cost differentials between in-network and out-of-network (OON) mental health providers to increase access; auto-enrolling members in care management or digital coaching after events like high-cost drug initiation or new diagnoses; and offering real-time cost-sharing incentives for choosing high-efficiency clinicians, all while preserving open network structures.[59] Health plans are also leveraging enhanced provider contracting strategies to mitigate unit cost increases such as use of price transparency data, modeling alternative payment models / value-based contracts and use of UM metrics as a lever in negotiations. But this should not detract from focusing on operational excellence.

Act now

Health plans should match cost containment goals with operational excellence, pulling all the levers to manage total cost of care. Simplifying UM, automating and enhancing (through AI) pre-payment audits and tightly integrating pharmacy and care management are essential. Plans should phase out low-performing care management programs and prioritize digital-first interventions that can engage populations with minimal overhead. Investing in foundational data exchange platforms can support higher quality cost of care analytics and sharpen increasing scrutiny on fraud, waste and abuse. Employers should be intentional about setting trend targets and pushing plans and vendors for clarity and performance metrics around GLP-1 oversight, behavioral health integration, and pharmacy cost drivers. Larger groups can push the envelope on benefit innovations like mental health, out-of-network cost-sharing parity and real-time steerage, which can improve both outcomes and employee satisfaction.

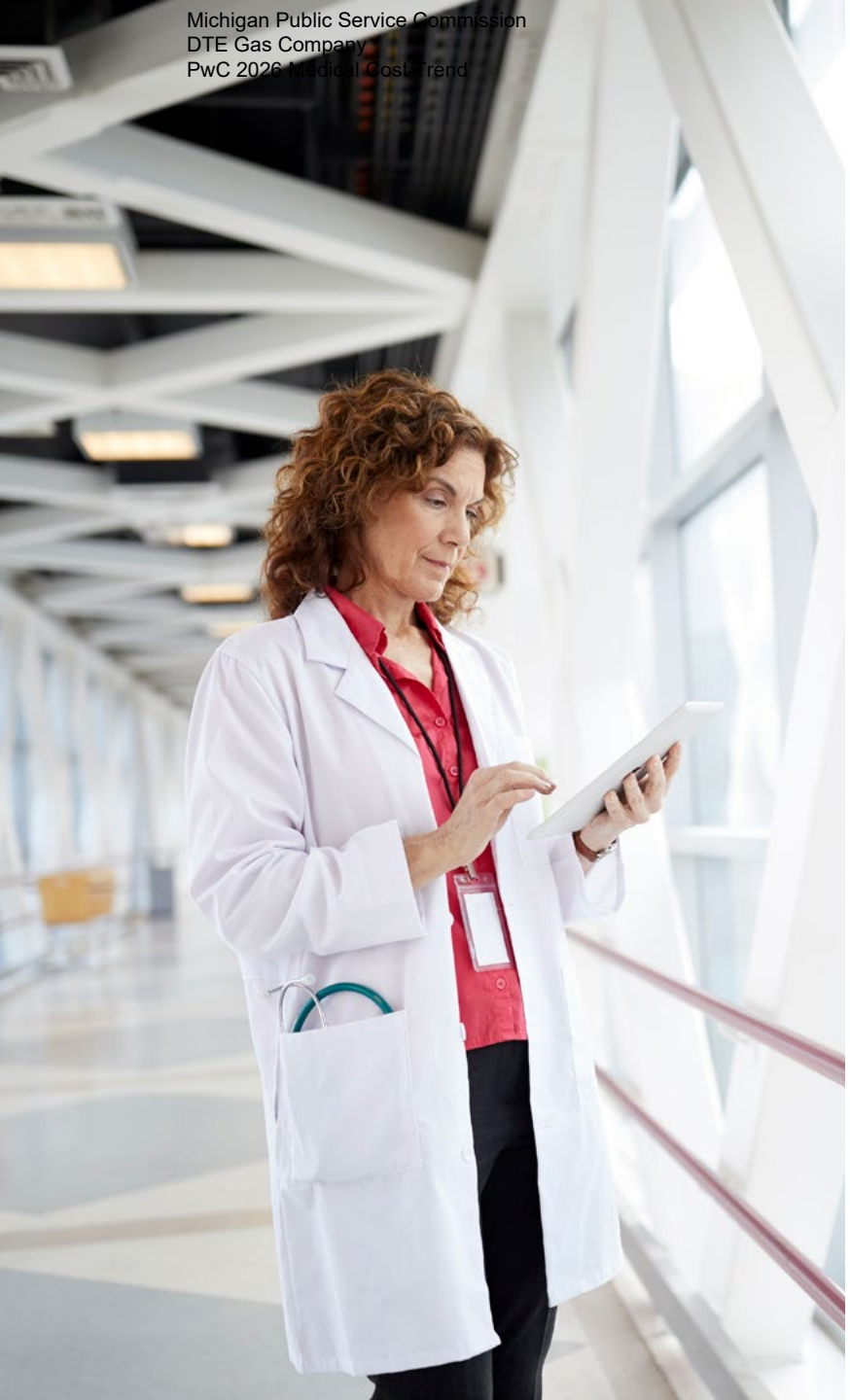


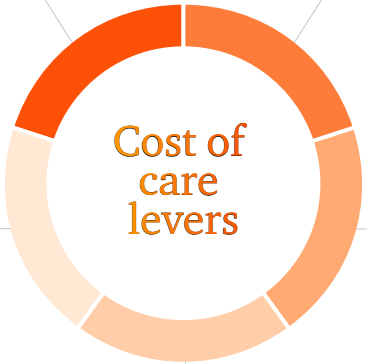
Figure 18: Levers to manage cost of care

Utilization management

- Streamline UM through gold carding, interoperability APIs, and prior auth code rationalization and reduction
- AI-enhanced, targeted prior auth focused on high-cost, variable services (e.g., surgeries, GLP-1s)

Network design and reimbursement

- Leverage price transparency, alternative payment models, and utilization management to control unit cost increases in provider negotiations
- Expand direct contracting with centers of excellence and promote member steerage toward high-performing facilities
- Enhance behavioral care access and incentivize effective management through adjusted cost-sharing and reimbursement models



Quality & care management

- Highly targeted programs that coordinate physical, behavioral, and social care
- Consider auto-enrolling members into high ROI programs after major life events
- Redirect resources from care management programs with low engagement to higher ROI cost of care initiatives

Rx management

- Implement rigorous, cross-functional program (e.g., care management, UM, Rx mgmt.) for GLP-1 approvals
- For biosimilars, focusing on overall cost reduction vs. adoption only
- Continued focus on gene therapy (increasingly part of stop-loss insurance) and rare/high-cost conditions such as Hereditary Angioedema (e.g., Vyndaqel)

Claims/payment integrity

- Shift from post-payment audits to pre-payment screening using predictive analytics and AI
- Expansion of fraud prevention partnerships, with a focus on high-risk areas (e.g., genetic testing)

Source: PwC analysis

Trends to watch

The implementation of AI in healthcare delivery system could lead to inflationary pressure in the short term

AI is revolutionizing healthcare. Across the ecosystem, AI has shown promise, with the potential to alleviate clinician burnout, improve healthcare outcomes, and lower the ever-growing healthcare spending in the US.[60] This section focuses on AI implementation in healthcare delivery systems and explores its implication on medical cost trend, pointing to potential inflationary pressures *in the short term*.

AI enablement, such as ambient scribes and AI-driven diagnostic support (Figure 19), are generally expected to increase provider productivity, which, in turn, should produce lower prices and savings. Healthcare economics, however, is more complicated. While alternative payment models (APMs) are gaining traction, most commercial healthcare payments are still fee-for-service ("FFS").[61] Reimbursed per services rendered, FFS providers are using additional capacity from AI implementation to see more patients. Moreover, providers are, with few exceptions, not yet directly reimbursed by payers for the use of AI tools and thus need to absorb the cost through additional revenue. Further, unit cost is unlikely to go down immediately with improved labor efficiency given the typically multiyear nature of provider contracts, in the same way it didn't go up immediately in response to inflation in 2022. In all, health plans may face inflationary pressure in this period of increased utilization prior to experiencing unit cost relief following labor productivity gain.

More diagnoses or overdiagnoses from AI algorithms could be another cost-inflator. AI is adept at identifying patterns and analyzing more massive and comprehensive healthcare data than ever before. AI algorithms are expected to assist physicians in diagnosing conditions earlier, faster and more accurately. This can lead to more diagnoses being made and thus more treatments and spending. AI algorithms are not exempt from the problem of overdiagnosis, either; experience in traditional screenings shows that there can be diagnoses that are correct but provide little to no health benefit for the patient, adding more costs to the healthcare system.[62]

Despite these short-term inflationary pressures, AI is embedded in the future of healthcare, with far-reaching potential to improve care quality and address affordability. For instance, AI-driven tools could alleviate clinician burnout by automating routine tasks, allowing healthcare professionals to focus on patient care. Beyond clinical settings, health plans are deploying AI to streamline claims processing, enhance care management and personalize member engagement, leading to more proactive and cost-effective care strategies. Additionally, AI-enabled platforms for molecular modeling and target prediction are accelerating drug discovery and lowering development costs.

To realize the full benefits of AI, stakeholders should collaborate to address challenges like data privacy, algorithmic bias and the need for robust regulatory frameworks.

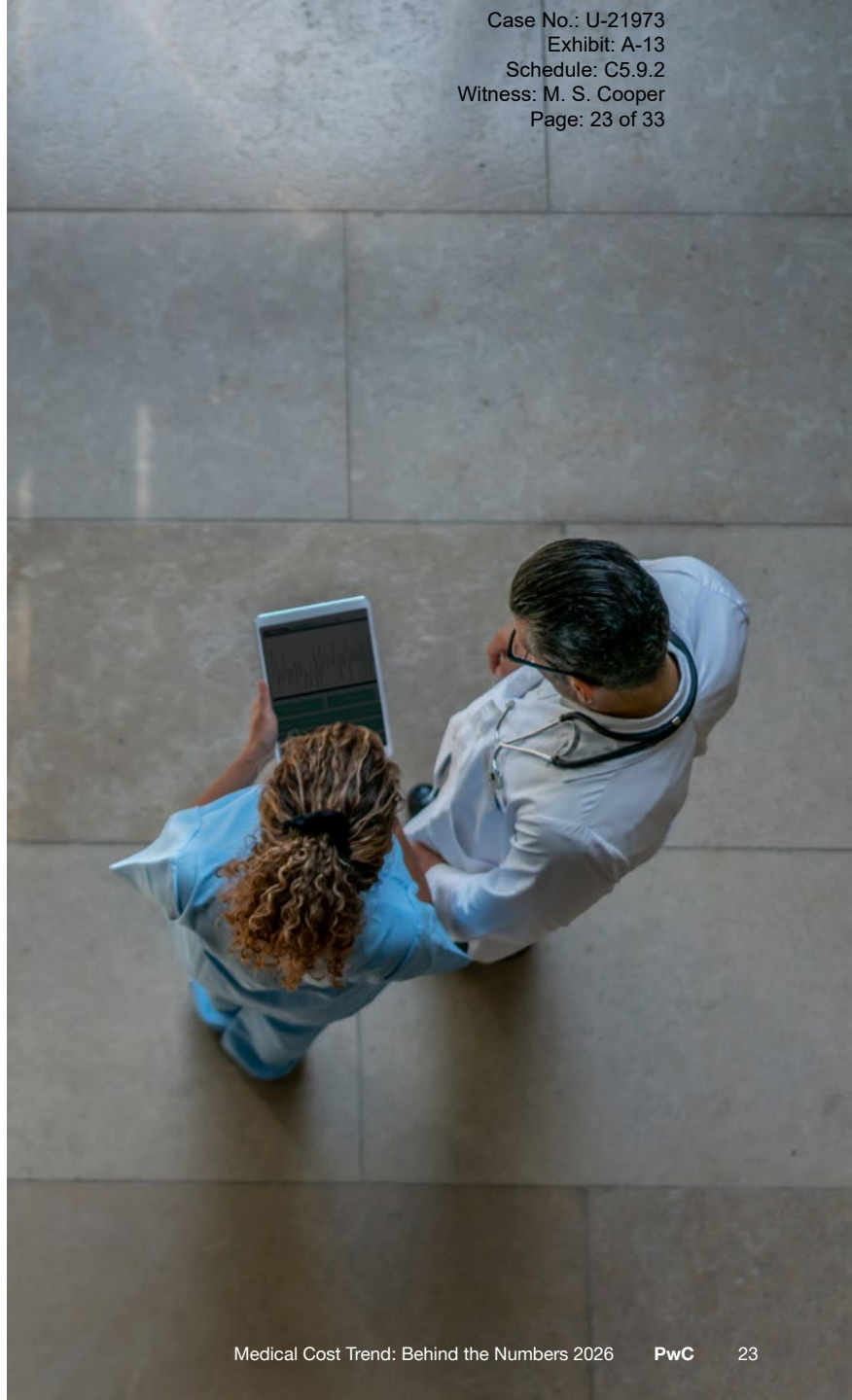


Figure 19. Sample AI solution areas and implications for medical cost trend

AI solution area	Description	Implications for medical cost trend	Position on technology adoption curve[63]
Ambient scribe intelligence	Combines speech recognition, natural language processing, and large language models (LLMs) to record, transcribe, summarize, and ultimately organize patient-provider conversations into a structured note.[64]	The use of ambient scribes could reduce clerical burdens on physicians, facilitating more personal and meaningful patient interactions and freeing up capacity for additional encounters. Various studies indicate an increase in encounter volume after the adoption of human or AI-empowered scribes;[65] which generates short-term cost pressure before unit price comes down.	Scaling and adapting 
Diagnostic support	Uses AI algorithms such as LLMs to analyze clinical data and provide real-time, evidence-based recommendations to support healthcare providers in diagnosing patients.	A multitude of studies have been showing promise for AI-driven diagnostic support across specialties,[66] improving diagnostic accuracy and ultimately healthcare outcome. Nevertheless, the clinical benefits may come with more healthcare spending. Taking early disease detection as an example: early detection does not necessarily lower cost for each diagnosed individual;[67] additionally, AI-empowered detection could lead to overdiagnosis and thus cost burden, just as many studies on traditional screenings have shown.[68]	Piloting 
Clinical workflow optimization	Analyzes real-time staffing data, patient volume, provider preference, and institutional rules to predict care demands and generate optimized shift assignments.	Across settings—from hospitals to long-term care and operating rooms—AI enables faster, more accurate scheduling that reduces overtime, improves staff satisfaction, and maximizes resource utilization. Several real-world examples point to increases in provider productivity[69] and, therefore, short-term cost pressure.	Piloting 
Revenue cycle management (RCM)	Leverages AI and automated workflows to streamline RCM tasks like automated coding, claim scrubbing, denial management, and predictive analytics, enhancing accuracy, efficiency, and resource allocation.	The power of AI has been harnessed by many hospitals and health systems, leading to operational efficiency and better financial outcomes.[70] The reduction in prior-authorization denials and enhanced coding accuracy put cost pressures on health plans.	Scaling and adapting 

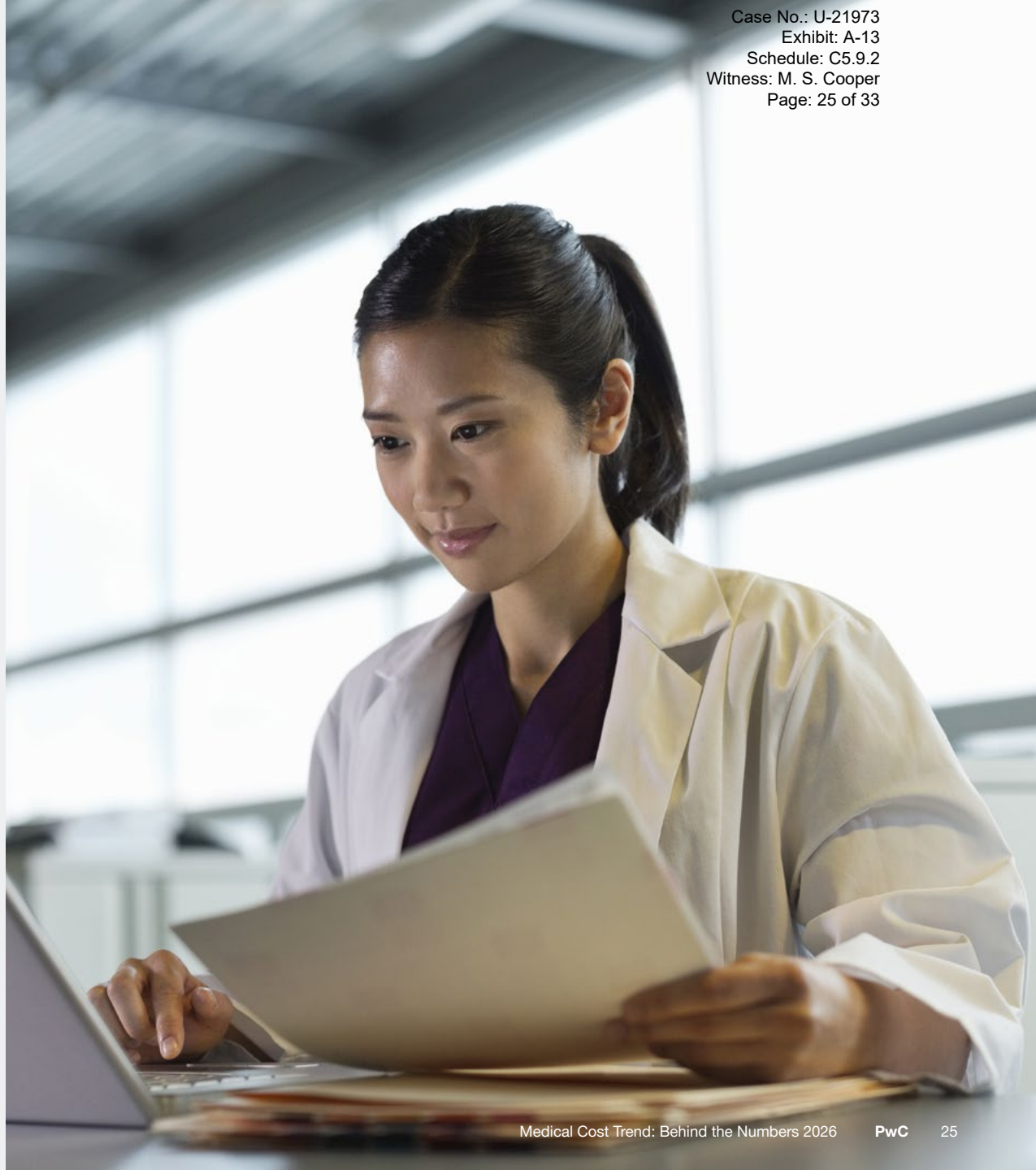
Source: PwC analysis

ICHRAs offer choice and cost options

Individual Coverage Health Reimbursement Arrangements (ICHRAs), first made available in plan year 2020, let employers replace an employer-sponsored group medical and drug plan with a defined, tax-free allowance that employees use to buy any ACA-compliant individual-market plan. On one hand, this alternative allows employers a more predictable year-over-year cash flow related to coverage cost and provides employees greater flexibility to choose plans that best align with their healthcare needs. Conversely, ICHRAs create additional administrative burden for employers such as compliance requirements, coordination with Marketplace eligibility, and employee training, and place additional work on employees to shop, compare and manage their own coverage options.

While early adoption was modest, momentum has built as medical inflation erodes traditional group affordability. The HRA Council's 2024-2025 Growth Trends report shows ICHRA uptake jumped nearly 35 percent[71] from 2023 to 2025, with small employers with fewer than 50 employees making up nearly 90 percent[72] of enrollment. ICHRAs have been slow to penetrate the existing group segment, with 84%[73] of enrolled groups previously not offering health coverage at all. In 2022, the CBO estimated that approximately two million[74] people would enroll in an ICHRA rather than group coverage by 2032.

With opportunity for continued double-digit annual growth in ICHRA sponsorship, there is potential for impact across the ACA Individual and Small Group markets. As ICHRAs attract younger, subsidy-eligible workers into the individual risk pool (two-thirds of covered lives are under 45[75]), the lower-risk may deflate cost trend in this market. Alternatively, if ICHRAs are able to pull members from the group pool, a shift of lower-risk groups could put some upward pressure on cost trends in the Small Group market. The expiration of American Rescue Plan subsidies, however, could likely serve as a headwind to expected ICHRA growth in the coming years. Premium increases in the ACA Individual market due to subsidy expiration will further drive premium differentials between the Individual and Small Group markets.

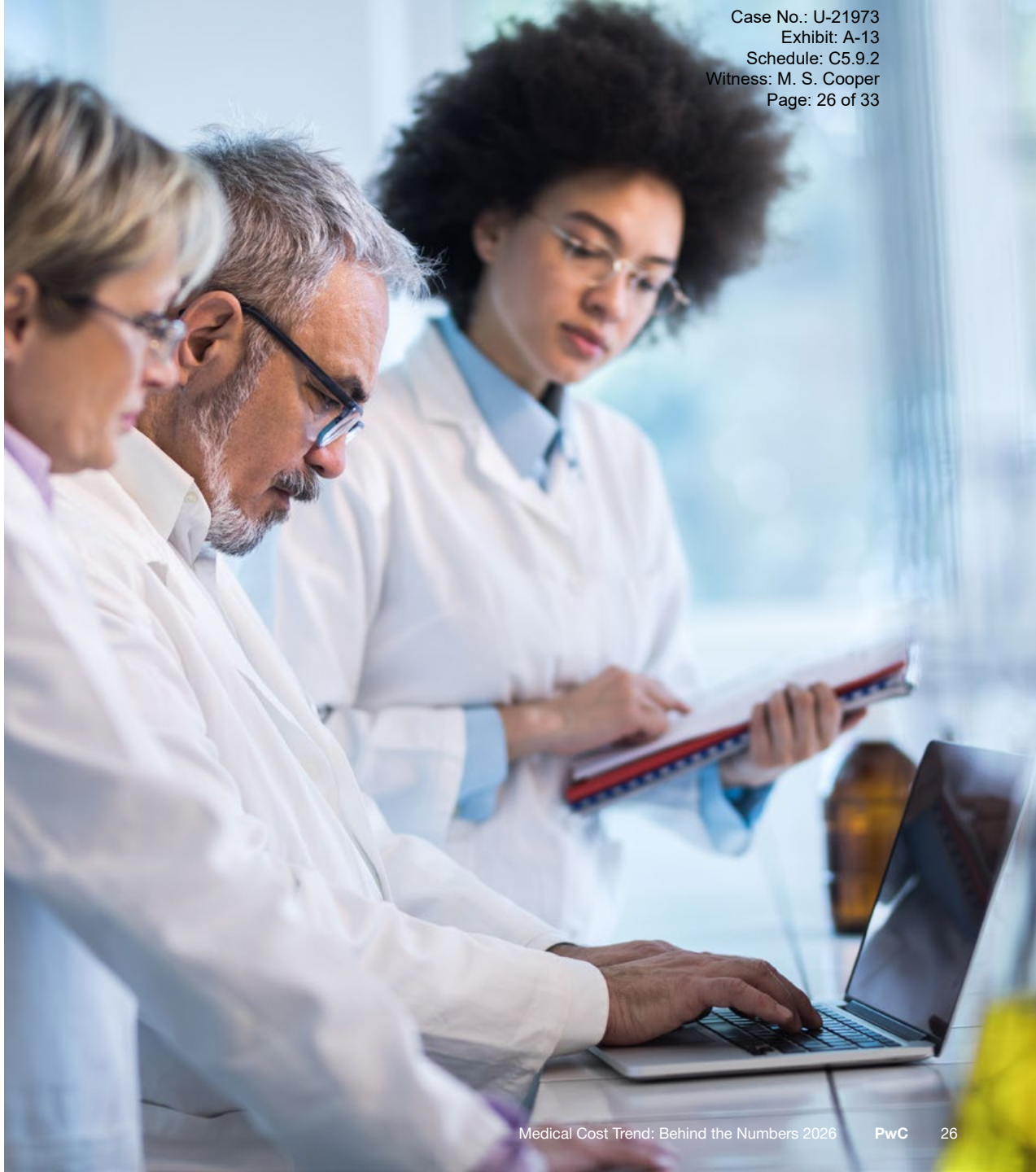


Health plans experiment with next-gen consumer-directed plans

Consumers want more transparency in pricing and coverage. High-value plans such as UHC Surest, Gravie Comfort, Aetna SimplePay Health, BCBS Coupe, and Curative have emerged as the next generation of consumer-directed health plans. These plans eliminate traditional deductibles and coinsurance, replacing them with fixed copays for all services. Members are encouraged to use price-shopping tools to find high-value care and make cost-conscious decisions. Plan designs are often coupled with high-performing networks to contain costs and steer members toward more cost-effective care options. Employers and consumers may increasingly find models that provide clear pricing attractive, along with the potential for improved health outcomes through better care management.

Given the relatively recent emergence of these plans, limited data is available on whether they are able to meaningfully lower the cost of medical expenses. Health plans offering these plan designs expect the transparent pricing to increase preventive and low-cost services in the near term, reducing unnecessary and high-cost procedures and lowering the prevalence of chronic illness down the road.. An initial review of Surest's book of business performance indicates 11%[76] lower total cost per member per month, with significant savings from fewer emergency room visits and hospital admissions.

Looking ahead, the demand for these health plans is expected to increase as consumers and employers seek more predictable and transparent pricing, potentially encouraging other insurers to offer similar products. With traditional health insurance models often criticized for their complexity and high out-of-pocket costs, these next gen consumer-directed plans offer a compelling alternative. While there is potential for the focus on price transparency and preventive care to mitigate cost trends, the full impact will likely take several years to materialize.



Pressed by CMS, payers and providers are sharing pricing data with some resulting market shifts

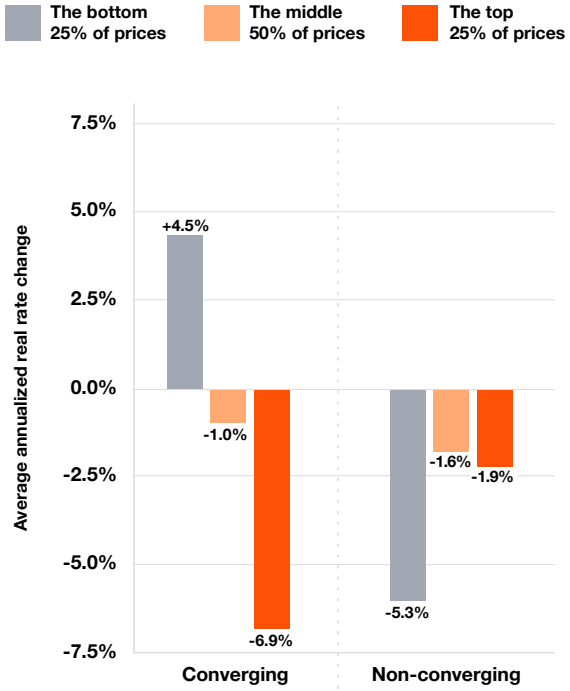
Starting in 2021, CMS required hospitals to publish clear, accessible pricing online, including a machine-readable file (MRF) listing gross charges, discounted cash prices, and payer-specific negotiated rates for all items and services. In July 2022, the rule was extended to health plans. CMS's 2024 Outpatient Prospective Payment System (OPPS) rule, released in November 2023, further requires that hospitals present charge data in a standardized format and disclose additional fields such as charge methodology.[77]

A primary goal of price transparency rules is to lower healthcare costs through increased competition. Historically, the prices Individual and Group insurers paid to hospitals varied widely within and across states and could be as high as more than 300% of Medicare rates, as found by various studies.[78] In theory, the price transparency data could inform hospitals and payers in the contract negotiations, influencing the outcomes. Specifically, increased scrutiny of high-outlier prices is expected to lead to meaningful price reductions for those services.[79]

This is the third year that price transparency rules have been noted by health plans as a top trend to watch. We heard more stories of payers successfully leveraging price transparency data to influence contract negotiations during this year's interviews as compared to last year. A new study published at the end of last year also testifies to the emerging impact of price transparency data on negotiated rates.[80] From December 2021 to June 2024, the majority of markets (83%) examined by the study experienced notable price convergence. The top-quartile rates decreased (-6.9%) and the bottom-quartile rates increased (+4.5%) (Figure 20). Outpatient services experienced greater price convergence as competition and shoppability are higher. Such convergence of prices toward a middle ground can be seen as an early sign of a maturing, more efficient market.

While the number of hospitals and payers complying with the rules and posting MRFs has grown in the last few years,[81] data quality continues to be a concern. The efforts required to aggregate and parse MRFs and the expertise required to untangle complex pricing data constitute other barriers, especially for smaller health plans and hospitals. Per an October 2024 Government Accountability Office (GAO) report, while CMS's updated 2024 requirements and enforcement actions help enhance standardization and compliance, the completeness and accuracy of the price transparency data are currently not guaranteed.[82] Looking ahead, CMS should first assess if the data is sufficiently complete and accurate, and then, if deemed necessary, pursue additional enforcement, such as risk-based and random sampling, which would be cost-effective.

Figure 20. Rate changes in converging vs. non-converging markets



Notes: A market is defined as a service in a US metro in the study. The rate change is adjusted for inflation using the Hospital Services component of the Consumer Price Index (CPI).

Source: Turquoise Health

About this research

Each year, PwC health researchers project the growth of employer medical costs in the coming year and identify the leading trend drivers. Health insurance companies use the medical cost trend to help set premiums by estimating what this year's health plan will cost next year. In turn, employers use the information to make adjustments to benefit plan design to help offset health insurance cost increases. The report identifies and explains what it refers to as "inflators" and "deflators" to describe why and how the healthcare spending growth rate is affected. This forward-looking report is based on the information available through June 2025. In April and May 2025, we surveyed and interviewed actuaries at 24 US health plans to generate an estimate of medical cost trend for the coming year. These plans cover more than 125 million employer-sponsored members and 12 million Affordable Care Act (ACA) marketplace members.

Participants were asked about their trend experience for 2023-24 and 2024-25, trend estimates for 2025-26, and the factors driving those trends. Results from the surveys and interviews were aggregated using a weighted average approach based on the number of self-reported lives in the survey. Results for Group and Individual trends were not aggregated for any purposes or results during this process.

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Cambia Health Solutions
CareFirst BlueCross BlueShield
CareSource
CVS Health Corporation
Elevance Health
Excellus BlueCross BlueShield
GuideWell
Health Alliance Plan (HAP)
Health Care Service Corporation (HCSC)
Horizon Blue Cross Blue Shield of New Jersey
Independence Blue Cross
Kaiser Permanente
Oscar Health
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Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses
Pension Cost - Qualified
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.10
Witness: M. A. Fix
Page: 1 of 1

	(a)	(b)	(c)	(d)
		Pension Cost - Qualified		
Line No.	**Description**	**Historical Period Ending 12/31/24**	**Projected Adjustments**	**Projected Period Ending 9/30/27**
1	Cost Components:			
2	Service cost	11,550	(2,870)	8,680
3	Non-Service Costs			
4	Interest cost	45,543	80	45,623
5	Expected return on assets	(88,608)	18,878	(69,730)
6	Amortization:			
7	Net (Gain)/Loss	13,191	9,066	22,257
8	Prior service cost	(560)	313	(247)
9	Total Non-Service Costs	(30,434)	28,337	(2,098)
10	Net ASC 715-30 (SFAS 87) cost	(18,884)	25,467	6,583
11	Reconcile Cost to Expense			
12	Expense before capitalization & transfers	(18,884)	25,467	6,583
13	Adjustments:			
14	Capitalization (Service Cost only effective 2018)	(11,112)	6,798	(4,314)
15	Capitalization - Non-Service Costs to Reg Asset	15,334	(14,292)	1,042
16	Subtotal Pension Expense	(14,661)	17,972	3,311
17	Pension Regulatory Liability	14,661	(17,972)	(3,311)
18	Pension Expense per Exhibit A-13 C5.9 (Line 2)	-	-	-

Michigan Public Service Commission
DTE Gas Company
Projected Operation and Maintenance Expenses
Other Post Employment Benefits (OPEB)
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C5.11
Witness: M. S. Cooper
Page: 1 of 1

	(a)	(b)	(c)	(d)
		Other Post Employment Benefits (OPEB)		
Line No.	**Description**	**Historical Period Ending 12/31/24**	**Projected Adjustments**	**Projected Period Ending 9/30/27**
1	Cost Components:			
2	Service cost	4,106	(865)	3,241
3	Non-Service Costs			
4	Interest cost	13,990	243	14,233
5	Expected return on assets	(40,507)	(2,094)	(42,601)
6	Amortization:			
7	Net (Gain)/Loss	6,972	(2,981)	3,992
8	Prior service cost	(3,753)	3,782	29
9	Total Non-Service Costs	(23,298)	(1,049)	(24,347)
10	Net ASC 715-60 (SFAS 106) Cost	(19,192)	(1,914)	(21,106)
11	Reconcile Cost to Expense			
12	Expense before capitalization & transfers	(19,192)	(1,914)	(21,106)
13	Adjustments:			
14	Transfers	734	(571)	164
15	Capitalization (Service Cost only effective 2018)	(2,021)	591	(1,430)
16	Capitalization - Non-Service Costs to Reg Liability	12,413	(313)	12,101
17	Subtotal OPEB Expense	(8,066)	(2,206)	(10,272)
18	OPEB Regulatory Deferral	8,066	2,206	10,272
19	Amortization of OPEB Regulatory Liability	(1,082)	(8,650)	(9,732)
20	OPEB Expense per Exhibit A-13 C5.9 (Line 3)	(1,082)	(8,650)	(9,732)

Michigan Public Service Commission
DTE Gas Company
Projected Depreciation and Amortization Expenses
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C6
Witness: T. M. Uzenski

Line No.	(a) Description	(b) Account	(c) Adjusted Historical Depr. and Amort. For the Year Ended 12/31/2024	(d) Projection Adjustments	(e) Projected Depr. and Amort. For the Year Ending 9/30/2027	(f) Reference
					Col. (c) + Col. (d)	
1	Plant Depreciation 1/	403	206,533	38,826	245,359	Exh. A-13, Sch. C6, Page 2, Line 10
2	Amortization of Intangible Plant	404-405	14,813	(4,851)	9,962	Exh. A-13, Sch. C6, Page 2, Line 11
3	Amortization of Reg Assets	407.3	-	-	-	Exh. A-13, Sch.C6, Page 2, Line 16
4	Amortization of Reg Liab (ASU 715)	407.4	(3,816)	(1,067)	(4,883)	Exh. A-13, Sch.C6, Page 2, Line 17
5	Total Depreciation and Amortization		217,530	32,908	250,438	

1/ Proposed Depreciation Rates per Case No. U-21384 effective Nov 21, 2024

Michigan Public Service Commission
DTE Gas Company
Projected Depreciation and Amortization Expenses
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C6
Witness: T. M. Uzenski
Page: 2 of 2

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	
		Ending Plant Balance				Projected Simple Average			Depreciation & Amortization Expense					
	Description	Adj. Hist. 12/31/2024 Balance	Projected 12/31/2025 Balance	Projected 12/31/2026 Balance	Projected 9/30/2027 Balance	Average Balance 12/31/2025-12/31/2026	Average Balance 12/31/2026-9/30/2027	Annual Composite Depr. Rate	Projected 3 mo. end 12/31/2026	Projected 9 mo. end 9/30/2027	Total Projected 12 mo. end 9/30/2027	Historical 12 mo. end 12/31/2024	Projection Change	
						(col. (c)+(d)) ÷2	*(col. (d)+(e)) ÷ 2*		*(col. (f) x (h))*	*(col. (g) x (h))*	*col. (i) + (j)*		*col. (k) - (l)*	
1	Depreciable Plant:								*÷ 12 x 3 months*	*÷ 12 x 9 months*				
2	Production Plant	-	-	-	-	-	-	0.00%	-	-	-	-	-	1/
3	Storage Plant	540,124	582,812	607,108	908,761	594,960	757,935	2.30%	3,423	13,081	16,503	12,970	3,533	1/
4	Transmission Plant	1,156,952	1,204,279	1,240,956	1,250,159	1,222,618	1,245,558	1.77%	5,421	16,569	21,990	17,534	4,457	1/
5	Distribution Plant	6,052,098	6,516,792	7,023,373	7,250,935	6,770,082	7,137,154	2.60%	43,943	138,977	182,921	163,437	19,484	1/
6	General Plant Amortizable	111,419	109,834	95,805	91,401	102,820	93,603	7.42%	1,906	5,207	7,113	8,456	(1,343)	1/
7	General Plant Depreciable	119,238	130,186	154,427	172,809	142,306	163,618	2.74%	975	3,362	4,337	3,076	1,261	1/
8	Gen Plant 5 Yr IT	5,731	36,668	62,930	70,462	49,799	66,696	20.00%	2,490	10,004	12,494	1,060	11,435	1/
9	Other Plant, Composite	-	-	-	-	-	-		-	-	-	-	-	
10	Total Depreciable Plant	7,985,561	8,580,570	9,184,599	9,744,529	8,882,585	9,464,564	2.63%	58,158	187,201	245,359	206,533	38,826	
11	Intangible Plant	87,060	74,552	63,900	46,729	69,226	55,314	16.94%	2,932	7,030	9,962	14,813	(4,851)	2/
12	General Plant (Trans & Mobil Power)	191,104	191,104	191,104	191,104	191,104	191,104	6.45%	3,082	9,246	12,328	12,527	(199)	1/
13	Land (Non-Depreciable)	20,055	20,055	20,055	20,055	20,055	20,055		-	-	-	-	-	
14	Total Plant in Service	8,283,780	8,866,282	9,459,659	10,002,417	9,162,970	9,731,038		64,173	203,476	267,649	233,873	33,777	
15	Charged to Clearing Accounts										(12,328)	(12,527)	199	3/
16	Amortization of Reg Assets										-	-	-	
17	Amortization of Reg Liab (ASU 715)										(4,883)	(3,816)	(1,067)	4/
18	Total Projected Period Depreciation										250,438	217,530	32,908	

		12-Mo. End 12/31/25 Plant Adj.	12-Mo. End 12/31/26 Plant Adj.	9 mo. end 9/30/2027 Plant Adj.
19				
20				
21	Reconciliation of Plant Adjustments:			
22	Beginning Balance	8,283,780	8,866,282	9,459,659
23	Plant Unitization	645,644	667,185	601,179
24	Plant Retirements	(63,142)	(73,808)	(58,421)
25	Net Plant Adjustments	582,502	593,377	542,758
26	Ending Balance	8,866,282	9,459,659	10,002,417

1/ Proposed Depreciation Rates per Case No. U-21384 effective Nov 21, 2024
2/ Intangible Plant amortization rate is based on average service life.
3/ Transportation Acct 392 and Mobil Power Acct 396 depreciation is charged to clearing accounts within O&M and Capital, as permitted under the Uniform System of Accounts.
4/ Regulatory Liability for OPEB/Pension non-service costs per U-18999 Order

Michigan Public Service Commission
DTE Gas Company
Projected General Taxes - Other
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C7
Witness: S. L. Wisniewski
Page: 1 of 1

Line No.	Description	(a)	(b) Historical Test Period 12/31/2024	(c) Rate Case Adjustments Eliminate EWR	(d) Rate Case Adjustments Normalization Adjustment	(e) Adjusted Historical 12/31/2024	(f) 2025 Inflation	(g) 2026 Inflation	(h) 2027 Inflation	(i) Projection Adjustment	(j) Projected Test Period	
1	Property Taxes		101,693	-	-	101,693	-	-	-	30,773	132,466	1/
2	Payroll Taxes		11,384	(108)	145	11,421	343	341	263	(99)	12,270	2/, 3
3	MPSC Assessment		4,485	-	-	4,485	-	-	-	607	5,092	4/
4	Other		8	-	(8)	-	-	-	-	-	-	
5	Other General Taxes		15,878	(108)	136	15,906	343	341	263	509	17,362	
6	Total Projected General Taxes		117,570	(108)	136	117,599	343	341	263	31,282	149,828	

1/ Projected Property Taxes are carried from Line 17, Exhibit A-13, Schedule C7.1

2/ Projected Payroll Taxes represent historical payroll tax expense plus inflation as directed by Witness Uzenski (inflation rate carried from Exhibit A-13, Schedule C12)

	2025	2026	2027
Annual Inflation Rate	3.00%	2.90%	2.90%
No. of Months in Period	12	12	9
Pro-rated Inflation Rate	3.00%	2.90%	2.18%

3/ Normalization sponsored by Witness Uzenski

4/ MPSC Assessment represents historical costs adjusted for 2025 net amounts expected to be invoiced from the Michigan Department of Licensing and Regulatory Affairs

5/ Projected adjustments represent VSIP reductions sponsored by Witness Shpargel

Michigan Public Service Commission
DTE Gas Company
Projected General Taxes - Property
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C7.1
Witness: S. L. Wisniewski
Page: 1 of 1

Line No.	(a) Description	(b) Reference	(c) Amount	(d) % Expense	(e) Expense
1	**Property Tax Expense**				
2	**Calendar Year 2025**				
3	2024 Tax Liability (2024-2025 expense)	WP-SLW-1	107,849	61%	65,788
4	2025 Tax Liability (2025-2026 expense)	WP-SLW-1	115,900	39%	45,201
5	Total Property Tax Expense - CY 2025	Line 3 + Line 4			**110,989**
6	**Calendar Year 2026**				
7	2025 Tax Liability (2025-2026 expense)	WP-SLW-1	115,900	61%	70,699
8	2026 Tax Liability (2026-2027 expense)	Line 44	129,792	39%	50,619
9	Total Property Tax Expense - CY 2026	Line 7 + Line 8			**121,318**
10	**Calendar Year 2027**				
11	2026 Tax Liability (2026-2027 expense)	Line 44	129,792	61%	79,173
12	2027 Tax Liability (2027-2028 expense)	Line 46	146,175	39%	57,008
13	Total Property Tax Expense - CY 2027	Line 11 + Line 12			**136,182**
14	**Projected Test Period**				
15	Total Property Tax Expense - CY 2026	Line 9 ÷ 12 x 3 months			30,330
16	Total Property Tax Expense - CY 2027	Line 13 ÷ 12 x 9 months			102,136
17	Total Property Tax Expense for Projected Test Period	Line 15 + Line 16			**$ 132,466**
18					
19					
20	**Tax Liability Calculation**		**2025 Cost**		**2026 Cost**
21	Net Plant Additions	WP-SLW-1	595,010		604,029
22	Less Nontaxable Expenditures	WP-SLW-1	-		-
23	Total Plant Additions subject to property tax	Line 21 + Line 22	595,010		604,029
24	1st Year Multiplier	AVG STC Multiplier	92.00%		92.00%
25	True Cash Value - Additions	Line 23 x Line 24	547,409		555,707
26	Change in CWIP subject to property tax	WP-SLW-1	(13,899)		134,159
27	1st Year Multiplier	AVG STC Multiplier	50.00%		50.00%
28	True Cash Value - CWIP	Line 26 x Line 27	(6,950)		67,080
29	True Cash Value Total	Line 25 + Line 28	540,459		622,786
30			50.00%		50.00%
31	Taxable Value CY Additions = 50% of True Cash Value	Line 29 x Line 30	270,230		311,393
32					
33	Taxable Value of Personal Property - based on assets as of 12/31/2024	WP-SLW-1	1,951,018		1,951,018
34	Decrease in Personal Property Taxable Value	Col. (c), Line 37	n/a		(36,744)
35	Prior Year Taxable Value	Line 33 + Line 34	1,951,018		1,914,274
36	Annual Obsolescence multiplier	WP-SLW-1	1.88%		1.88%
37	Decrease in Property Tax Taxable Value	Line 35 x Line 36 x -1	(36,744)		(36,052)
38	Incremental Increase to Taxable Value	Line 31 + Line 37	233,486		275,341
39	Millage Rate		59.50		59.50
40	Increase in Property Tax Liability	Line 38 x Line 39 ÷ 1000	13,892		16,383
41					
42	2025 Property Tax Liability	WP-SLW-1	115,900		
43	2026 - Increase in Property Tax Liability	Col. (c), Line 40	13,892		
44	**2026 Property Tax Liability**	Line 42 + Line 43	**129,792**		129,792
45	2027 - Increase in Property Tax Liability	Col. (e), Line 40			16,383
46	**2027 Property Tax Liability**	Line 44 + Line 45			**146,175**

Michigan Public Service Commission
DTE Gas Company
Projected Federal Income Tax
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C8
Witness: S. L. Wisniewski
Page: 1 of 1

Line No.	(a) Description	(b) Reference	(c) = (d) + (e) Projected Test Period	(d) Projected Oct - Dec 2026	(e) Projected Jan - Sep 2027
1	Net Operating Income	A-13, C1, Line 22	320,846	130,501	190,345
2	Interest Expense	A-13, C15 , Line 3	(154,953)	(39,580)	(115,373)
3	Net Income		165,894	90,921	74,973
4					
5	Current Federal Income Tax Expense		12,305	12,305	-
6	Deferred Federal Income Tax Expense		13,372	7,481	5,890
7	Total Federal Income Tax Expense	Line 5 + Line 6	25,677	19,787	5,890
8					
9	Pre-Tax Income	Line 3 + Line 7	191,571	110,707	80,863
10					
11	Permanent Differences				
12	Meals & Entertainment		300	75	225
13	ESOP		(2,800)	(700)	(2,100)
14	Parking Lot Disallowance		400	100	300
15	AFUDC Equity & Amortization		(8,037)	(1,483)	(6,554)
16	Total Permanent Differences	Sum of Lines 12 through 15	(10,137)	(2,008)	(8,129)
17					
18	Temporary Differences				
19	Pension & OPEB Accruals		(20,902)	(5,347)	(15,555)
20	Pension & OPEB Regulatory Liabilities		5,489	1,523	3,966
21	Property Tax		(21,262)	(4,617)	(16,645)
22	AFUDC Debt		(4,293)	(809)	(3,484)
23	Capitalized Interest		11,000	2,750	8,250
24	Book Depreciation		254,664	60,936	193,728
25	Tax Depreciation		(292,173)	(68,326)	(223,847)
26	Contributions in Aid of Construction		28,000	7,000	21,000
27	Repairs Deduction		(141,500)	(35,000)	(106,500)
28	Salvage Proceeds		1,000	250	750
29	Vector Pipeline Lease		783	190	593
30	Section 263A Adjustment		12,500	(2,500)	15,000
31	Removal Costs		(64,000)	(16,000)	(48,000)
32	Environmental Reserve		3,403	998	2,404
33	Regulatory Book Asset Deferral and Amortization		15,736	3,934	11,802
34	Loss on Reacquired Debt		1,350	337	1,012
35	State Deferred Taxes		10,780	4,576	6,204
36	Total Temporary Differences	Sum of Line 19 through 35	(199,426)	(50,103)	(149,322)
37					
38	Total Permanent and Temporary Differences	Line 16 + Line 36	(209,563)	(52,111)	(157,451)
39					
40	Federal Taxable Income (Loss)	Line 9 + Line 38	(17,992)	58,596	(76,588)
41	Net Operating Loss Generated (Utilized)		76,588	-	76,588
42	Federal Taxable Income after NOL	Line 40 + Line 41	58,596	58,596	-
43	Tax Rate		21%	21%	21%
44	Current Federal Income Tax Expense	Line 42 x Line 43	12,305	12,305	-
45					
46	Deferred Federal Income Tax Expense	(Line 36) x 21%	41,879	10,522	31,358
47	Net Operating Loss Utilized (Generated)	(Line 41) x 21%	(16,084)	-	(16,084)
48	TCJA Amortization		(12,424)	(3,040)	(9,384)
49	Total Deferred Federal Income Tax Expense	Sum of Line 46 through 48	13,372	7,481	5,890
50					
51	Total Federal Income Tax Expense	Line 44 + Line 49	25,677	19,787	5,890

Michigan Public Service Commission
DTE Gas Company
Projected Tax Reform Regulatory Liability
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C8.1
Witness: S. L. Wisniewski
Page: 1 of 1

Line No.	(a) Description	(b) Protected Plant	(c) Unprotected Plant	(d) Non-Plant	(e) Total DTE Gas	(f)
1	Amoritization Period	ARAM	34	13		
2						
3	General Rate Case Tax Reform Regulatory Liability before gross up	(238,062)	1,272	(96,247)	(333,037)	
4						
5	**Amortization Schedule**					
6	2019	(668)	12	(2,468)	(3,123)	
7	2020	(2,101)	37	(12,404)	(14,467)	
8	2021	(2,377)	37	(27,404)	(29,743)	Test Period
9	2022	(2,588)	37	(7,404)	(9,954)	10/1/2026 - 9/30/2027
10	2023	(2,971)	37	(7,404)	(10,337)	(3,040)
11	2024	(3,849)	37	(7,404)	(11,215)	(9,384)
12	2025	(4,517)	37	(7,404)	(11,883)	(12,424)
13	2026	(4,795)	37	(7,404)	(12,161)	
14	2027	(5,146)	37	(7,404)	(12,512)	
15	2028	(5,283)	37	(7,404)	(12,649)	
16	2029	(5,415)	37	(2,147)	(7,524)	
17	2030	(5,382)	37	-	(5,345)	
18	2031	(5,266)	37	-	(5,228)	
19	2032	(5,333)	37	-	(5,295)	
20	2033	(5,488)	37	-	(5,451)	
21	2034	(5,769)	37	-	(5,731)	
22	2035	(6,136)	37	-	(6,099)	
23	2036	(6,452)	37	-	(6,415)	
24	2037	(6,877)	37	-	(6,839)	
25	2038	(7,334)	37	-	(7,297)	
26	2039	(7,408)	37	-	(7,370)	
27	2040	(7,247)	37	-	(7,210)	
28	2041	(7,134)	37	-	(7,097)	
29	2042	(7,034)	37	-	(6,996)	
30						
31	Amortization beyond 2042	(115,495)	399	-	(115,096)	
32	Total Amortization	(238,062)	1,272	(96,247)	(333,037)	

Michigan Public Service Commission
DTE Gas Company
Projected State Income Tax
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C9
Witness: S. L. Wisniewski
Page: 1 of 1

Line No.	(a) Description	(b) Reference	(c) = (d) + (e) Projected Test Period	(d) Projected Oct - Dec 2026	(e) Projected Jan - Sep 2027
1	Federal Taxable Income (Loss)	Exh. A-13, Sch. C8, Line 40	(17,992)	58,596	(76,588)
2	Depreciation Adjustment		(42,497)	(11,014)	(31,482)
3	Taxes Based on Income		3,388	3,388	-
4	Michigan Taxable Income (Loss)	Sum of Line 1 through 3	(57,101)	50,970	(108,071)
5	MI Apportionment %		100%	100%	100%
6	Apportioned Michigan Corporate Income Tax Base	Line 4 x Line 5	(57,101)	50,970	(108,071)
7	MCIT Business Loss Generated/(Utilized)		108,071	-	108,071
8	Apportioned MCIT Tax Base after Business Loss	Line 6 + Line 7	50,970	50,970	-
9	Tax Rate		6%	6%	6%
10	Current Michigan Corporate Income Tax	Line 8 x Line 9	3,058	3,058	-
11	Deferred Michigan Corporate Income Tax		15,162	3,942	11,221
12	MCIT Net Operating Loss Utilized (Generated)		(6,484)	-	(6,484)
13	Amortization of MCIT Miscellaneous Deferred Debit		1,300	325	975
14	Total Deferred Michigan Corporate Income Tax		9,978	4,267	5,711
15					
16	Total Michigan Corporate Income Tax	Line 10 + Line 14	13,036	7,325	5,711
17	State & Local Tax Carried to Exhibit A-13, Schedule C1				
18	State Income Tax	Line 16	13,036		
19	Local Income Tax	Exh. A-13, Sch. C10	1,132		
20	State & Local Income Tax - Subtotal	Line 18 + Line 19	14,168		

Michigan Public Service Commission
DTE Gas Company
Projected Local Income Tax
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C10
Witness: S. L. Wisniewski
Page: 1 of 1

Line No.	(a) Description	(b) Reference	(c) = (d) + (e) Projected Test Period	(d) Projected Oct - Dec 2026	(e) Projected Jan - Sep 2027
1	Federal Taxable Income (Loss)	A-13, C8 Line 40	(17,992)	58,596	(76,588)
2	Municipal Taxes Based on Income		330	330	-
3	Municipal Income (Loss) Tax Base	Sum of Line 1 through 2	(17,662)	58,926	(76,588)
4	Municipal Net Operation Loss Generated (Utilized)		76,588	-	76,588
5	Municipal Income Tax Base	Line 3 + Line 4	58,926	58,926	-
6	Tax Rate		0.56%	0.56%	0.56%
7	Current Municipal Income Tax Expense	Line 5 x Line 6	330	330	-
8					
9	Amortization of City of Detroit Miscellaneous Deferred Debit		110	28	83
10	Deferred Municipal Income Tax Expense		692	282	410
11	Total Deferred Municipal Income Tax Expense	Line 9 + Line 10	802	310	493
12					
13	Total Municipal Income Tax Expense	Line 7 + Line 11	1,132	640	493

Michigan Public Service Commission
DTE Gas Company
Allowance for Funds Used During Construction (AFUDC)
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C11
Witness: T.M. Uzenski

Line No.	(a) Description	(b) Adjusted Historical 12 mos. ended 12/31/2024	(c) Projected 12 mos. ending 9/30/2027	
1	Total AFUDC before Adjustment	2,706	12,276	
2	Offset Return on AFUDC in CWIP	-	711	Exh A-13, Sch C11 p2
3	Total AFUDC	2,706	12,988	
4	Per Income Statement:			
5	Equity AFUDC (419.1)	1,928	8,695	
6	Debt AFUDC (432)	778	4,293	
7	Total AFUDC	2,706	12,988	
8	AFUDC Rate:			
9	Equity AFUDC Rate	3.88%	3.88%	
10	Debt AFUDC Rate	1.57%	1.92%	
11		5.45%	5.80%	
12	Rate Order in Effect	blended U-20940 & U-21291	U-21291	

Michigan Public Service Commission
DTE Gas Company
Projected Allowance for Funds Used During Construction
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C11
Witness: T. Uzenski

Line No.	(a) Description		(b) Projected 12 mos. ending 9/30/2027	(c) Reference
1	Projected AFUDC - embedded in CWIP	1/	12,276	Exhibit A-13 C11, col. (c), Line 1
2	Rate Base Impact	2/	12,276	
3	Authorized Rate of Return		5.80%	Exhibit A-13 C11, col. (c), Line 11
4	Return on AFUDC embedded in CWIP		711	Line 2 x Line 3

1/ AFUDC adjustment to net operating income to offset AFUDC included in CWIP

2/ Although rate base is calculated based on a simple average, the full year amount of AFUDC is a reasonable estimate of the impact on rate base assuming the beginning CWIP balance has some embedded AFUDC.

Michigan Public Service Commission
DTE Gas Company
Projected Inflation Factors

Case No.: U-21973
Exhibit: A-13
Schedule: C12
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Description	(b) CY 2025	(c) CY 2026	(d) CY 2027	(e) Reference
1	Labor Inflation				
2	Wage Inflation Rate	3.0%	3.0%	3.0%	Sponsored by Witness Fix
3	Pro-ration	56.6%	56.6%	56.6%	Workpaper TMU-11
4	Labor Inflation Component	1.7%	1.7%	1.7%	Line 2 x Line 3
5	Contractors Inflation				
6	Wage Inflation Rate	3.0%	3.0%	3.0%	Line 2
7	Pro-ration	30.2%	30.2%	30.2%	Workpaper TMU-11
8	Contractors Inflation Component	0.9%	0.9%	0.9%	Line 6 x Line 7
9	Non-Labor Inflation				
10	CPI-U Rate	2.74%	2.40%	2.30%	S&P Global Market Intelligence - U.S. Economic Outlook: July 2025
11	Pro-ration	13.2%	13.2%	13.2%	Workpaper TMU-11
12	Non-Labor Inflation Component	0.4%	0.3%	0.3%	Line 10 x Line 11
13	Total Annual Inflation Rate	3.0%	2.9%	2.9%	Line 4 + Line 8 + Line 12
14	No. of Months to Pro-rate	12	12	9	
15	**Rate Applied in Test Period**	3.0%	2.9%	2.2%	
	Applicable Period Beginning	1/1/25 -	1/1/26 -	1/1/27 -	
	Applicable Period Ending	12/31/25	12/31/26	9/30/27	

Michigan Public Service Commission
DTE Gas Company
Manufactured Gas Plant Sites
General Information

Case No.: U-21973
Exhibit: A-13
Schedule: C13.1
Witness: M. Dziekan
Page: 1 of 1

Line No.	(a) Site Name	(b) Size (Acres)	(c) County	(d) City	(e) Date Acquired or built by DTE Gas	(f) Date Natural Gas Arrived	(g) Date Plant Retired	(h) Date Holder Retired	(i) Date sold by DTE Gas	(j) Date purchased back by DTE Gas	(k) Present Land Use
	MGP Sites:										
1	Beakes	0.46	Washtenaw	Ann Arbor	1938	1936-1958	1899	1899	1963	NA	Apartment, Condos and Business Offices
2	Belding	1.5	Ionia	Belding	1942	1939	1944	1965	1971	NA	City Park
3	Big Rapids	0.4	Mecosta	Big Rapids	1943	1933	1933	Prior 1949	1949	NA	Not liable, present land use not tracked
4	Broadway	14	Washtenaw	Ann Arbor	1938	1936-1958	1950	1958-1960	2023	NA	Vacant Property
5	Cadillac	1.4	Wexford	Cadillac	1954	1956	Prior 1954	Prior 1954	NA	NA	Not liable, present land use not tracked
6	Ludington	0.67	Mason	Ludington	1942	1956	1947	1952	1979, 2006	2000	Site Closed, present land use not tracked
7	Greenville	1.8	Montcalm	Greenville	1942	1939	1942	Prior 1960	(1)	NA	Site Closed, present land use not tracked
8	Muskegon	4.5	Muskegon	Muskegon	1938	1928-1952	1952	1954	2000	NA	Parking Lots
9	Muskegon Heights	3.5	Muskegon	Muskegon Hts	1938	1955-1956	1952	1952	1966-1980	NA	Site Closed, present land use not tracked
10	Mt. Pleasant	3.44	Isabella	Mt. Pleasant	1942	1931	1936	1950's	(2)	1992-1999	DTE Gas Service Center
11	River Rouge	68	Wayne	Melvindale	1929	1936-1958	1936	1958-1964	(3)	NA	Cleveland Cliffs Steel WWTP and DTE Gas Service Center
12	Station A	11.6	Wayne	Detroit	1898	1936-1958	1948	1958	(4)	NA	City Park, MDOT Storm Sewer Pumping Station, Railroad
13	Station B	12	Wayne	Detroit	1898	1936-1958	1947	1962	(5)	NA	Site Closed, present land use not tracked
14	Station H	2.9	Wayne	Detroit	1913	1936-1958	1942	1944	1946	NA	Site Closed, present land use not tracked
15	Station J	9.6	Wayne	Detroit	1898	1936-1958	1966	1968-1978	1999	NA	Site Closed, present land use not tracked
16	Wealthy Street/Annex	22.05	Kent	Grand Rapids	1938	1936	1955	1960	(6)	1992	DTE Gas Service Center, M-Tech Center
17	Traverse City		Grand Traverse	Traverse City	1955	1956	NA	NA	1959	NA	Not liable, present land use not tracked
	Holder Sites:										
18	Coolidge Holder	7	Wayne	Detroit	1926	1936-1958	NA	1955	NA	NA	DTE Gas Service Center
19	Lynch Holder	4	Wayne	Detroit	1926	1936-1958	NA	1955	NA	NA	DTE Gas Service Center

NA- Not Applicable

(1) DTE Gas sold parcels of the property in 1947, 1960 and 1980 and retained small office space that is currently in use.

(2) DTE Gas sold parcels in 1945, 1976 and 1986.

(3) DTE Gas sold 40.6 acres in 1968 and retained 27.4 acres.

(4) DTE Gas sold parcels in 1966, 1969, 1979,and 1988.

(5) DTE Gas sold parcels in 1903, 1930, 1968,and 1978.

(6) For the Wealthy Annex portion of the site, DTE Gas sold 2.3 acres in 1953 and purchased back in 1992. The property was transferred to M-Tech Training Center after remediation in 2001.

Michigan Public Service Commission
DTE Gas Company
Closure Strategy of Each MGP Site

Case No.: U-21973
Exhibit: A-13
Schedule: C13.2
Witness: M. Dziekan
Page: 1 of 1

Line No.	(a) Site	(b) Closure Strategy	(c) No Further Action Status
1	Beakes	Parcel 1&2 - Source removal, vapor intrusion evaluation and restrictions	NFA closure goal 2027
2		NFA with long term operations and maintenance to be completed by owner	2025 Closed
3	Belding	Park Area excluding water front parcel - Source removal and restrictions	2017 Closed
4		Park Area water front parcel - Response actions to address groundwater	NFA closure goal 2026
5	Broadway	Sediment removal and monitoring	2014 Closed
6		Remaining Site - Redevelopment, source removal and restrictions	NFA closure goal 2027
7	Greenville	Source removal and restrictions	2016 Closed
8	Ludington	Source removal and restrictions	2014 Closed
9	Muskegon	NFA with long term operations and maintenance	2019 Closed
10	Muskegon Heights	On-site - Source removal and restrictions	2017 Closed
11		Off-site GW Plume - Restrictions	2017 Closed
12		Off-site GSI - Risk assessment and restrictions	2019 Closed
13	Mt. Pleasant	Source removal and restrictions	2015 Closed
14	River Rouge	DTE Gas property – Investigation and source removal	NFA closure goal 2026
15		Schaefer Road Area – Response activities evaluation with potential long-term operations and maintenance	NFA closure goal 2031
16	Station A	Parcel 1 - Source removal and restrictions, excludes GSI pathway	2017 Closed
17		Parcel 2 - Source removal and restrictions	2020 Closed
18		Parcel 1 & 2A GSI– Source removal and restrictions	2021 Closed
19		MDOT Parcel – Source removal and restrictions	2022 Closed
20		Parcel 2A - Source removal and restrictions, excludes GSI pathway	NFA closure goal 2026
21	Station B	Source removal	2014 Closed
22	Station J	Source removal and restrictions	1998 Closed
23	Station H	Source removal and restrictions	2002 Closed
24	Wealthy Street/Annex	DTE Gas property VI – VI evaluation, demonstrate no risk, and restrictions	2022 Closed
		DTE Gas property Other – Source removal, demonstrate no risk to leave NAPL in place, and restrictions	2024 Closed
		Off-Site – Demonstrate no risk to leave NAPL in place, and restrictions	NFA closure goal 2026
25		Annex - Site redevelopment, source removal and restrictions	2014 Closed
26	Lynch Holder	Source removal and restrictions	2015 Closed
27	Coolidge Holder	Demonstrate no risk to leave NAPL in place, and restrictions	2015 Closed

Michigan Public Service Commission
DTE Gas Company
Manufactured Gas Plant Environmental Response Expenditures 1984 through July 2025

Case No.: U-21973
Exhibit: A-13
Schedule: C13.3
Witness: M. Dziekan
Page: 1 of 1

Line No.	(a) Year	(b) MGP Expense	
1	1984 - 08/2003	$ 21,854,744	
2	09/2003 - 02/2004	1,172,479	
3	03/2004 - 12/2004	1,147,038	
4	2005	3,705,321	
5	2006	1,866,392	
6	2007	1,931,279	
7	2008	2,035,372	
8	01/2009 - 08/2009	408,645	
9	09/2009 - 12/2009	195,528	
10	01/2010 - 12/2010	1,255,277	
11	01/2011 - 12/2011	6,962,065	
12	01/2012 - 06/2012	7,058,036	
13	07/2012 - 12/2012	10,202,463	
14	01/2013 - 12/2013	5,053,774	
15	01/2014 - 12/2014	5,326,378	
16	01/2015 - 09/2015	602,833	
17	10/2015 - 12/2015	225,792	
18	01/2016 - 12/2016	7,877,330	
19	01/2017 - 07/2017	1,511,761	
20	08/2017 - 12/2017	570,581	
21	01/2018 - 12/2018	16,119,684	
22	01/2019 - 07/2019	6,324,461	
23	08/2019 - 12/2019	1,671,645	
24	01/2020 - 10/2020	1,063,741	
25	06/2019 - 06/2019	866,445	
26	11/2020 - 12/2020	324,378	
27	01/2021 - 12/2021	540,008	
28	01/2022 - 12/2022	1,960,687	
29	01/2023 - 08/2023	2,664,217	
30	09/2023 - 12/2023	(551,851)	
31	01/2024 - 12/2024	708,274	439,654
32	01/2025 - 07/2025	283,231	
33	Total	$ 112,938,010	

Source:
1: Lines 1 and 2, Case No. U-13898, Witness A. E. Houssari, Exhibit A-9, Schedule C-2-6, Page 3 of 7
2: Lines 1 and 2, Case No. U-13898, Qualifications and direct Testimony of William G. Aldrich Michigan Public Service Commission, July 24, 2004, Page 261.
3: Lines 3 through 8, Case No. U-15985, Witness D. M. Birkam, Work Paper WP-DMB-1
4: Lines 9 through 12, Case No. U-16999, *Witness Robert J Lee*
U-16999 original testimony included Sep 2009-Dec 2011, line 12 additional costs for Jan-Jun 2012 provided during U-16999 audit period.
5: Lines 13 through 16, Case No. U-17999, *Witness Robert J Lee*
6: Lines 17 through 19, Case No. U-18999, *Witness Diane Martino*
7: Lines 20 through 22, Case No. U-20642, *Witness Robert J. Lee*
8: Lines 23 through 24, Case No. U-20940, *Witness Robert J. Lee*
9: Lines 25 through 29, Case No. U-21291, *Witness Michael A. Brennan*
10: Lines 30 through 32, Case No. U-21973, *Witness Mitchell R. Dziekan*

Michigan Public Service Commission
DTE Gas Company
MGP Environmental Response Expenditures
by Site, Project Phase and Total Expenditures for
Period September 2023 through July 2025

Case No.: U-21973
Exhibit: A-13
Schedule: C13.4
Witness: M. Dziekan
Page: 1 of 1

Line No.	(a) Project	(b) Project Phase: Site and Remedial Investigations	(c) Project Phase: Interim Response Action	(d) Project Phase: Feasibility Study	(e) Project Phase: Remedial Action	(f) Project Total
1	Beakes	$8,961	$0	$0	$21,369	$30,330
2	Belding	$0	$0	$0	$102,691	$102,691
3	Broadway	$0	$0	$0	($949,058)	($949,058)
4	River Rouge	$64,388	$955	$409,929	$0	$475,272
5	Station A	$0	$0	$0	$18,286	$18,286
6	Wealthy Streeet/Annex	$113,456	$46,791	$0	$106,260	$266,507
7				Total MGP Project Cost:		($55,972)
8				Total External Legal MGP Cost:		$495,627
9				Total:		$439,654

Michigan Public Service Commission
DTE Gas Company
Projected Amortization of Loss on Reacquired Debt
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C14
Witness: T. M. Uzenski
Page: 1 of 1

Line No.	(a) Description	(b) Account No.	(c) Historical For the Year Ended 12/31/2024	(d) Projection Adjustments	(e) Projected For the Year Ending 9/30/2027
					Col (c) + Col (d)
1	Amortization of Loss on Reacquired Debt	428.1	1,350	(0)	1,350

Michigan Public Service Commission
DTE Gas Company
Projected Tax Effect of Interest Allowed in Ratemaking Formula
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C15
Witness: K. M. Vangilder
Page: 1 of 1

Line No.	(a) Description	(b) Historical 12/31/2024	(c) Projected 9/30/2027	(d) Source
1	Rate Base	$ 6,776,001	$ 8,033,624	Exh. A-12, Sch. B1
2	Weighted Cost of Debt (1)	1.72%	1.93%	Exh. A-14, Sch. D1
3	Interest Allowed in Ratemaking Formula	$ 116,425	$ 154,953	Line 1 x Line 2
4	Interest Deduction included in Recorded Income Tax Accruals	116,714	152,238	WP-KMV-2
5	Increase / (Decrease) in Interest Deduction	$ (289)	$ 2,714	Line 3 - Line 4
6	Composite State and Local Income Tax Rate	6.56%	6.56%	Exh. A-13, Sch. C2
7	Effect on State and Local Income Tax Expense	$ 19	$ (178)	(Line 5 x Line 6) x -1
8	Effect on Federal Taxable Income	$ 270	$ (2,536)	(Line 5 + Line 7) x -1
9	Federal Income Tax Rate	21.00%	21.00%	Exh. A-13, Sch. C2
10	Effect on Federal Income Tax Expense	$ 57	$ (533)	Line 8 x Line 9
11	Total Tax Effect on Net Operating Income	$ (76)	$ 711	(Line 7 + Line 10) x -1

(1) Includes Short and Long-Term Interest

Michigan Public Service Commission
DTE Gas Company
Projected Tax Effect of Interest Synchronization Adjustment
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-13
Schedule: C16
Witness: K. M. Vangilder
Page: 1 of 1

Line No.	(a) Description	(b) Historical 12/31/2024	(c) Projected 9/30/2027	(d) Source
1	Rate Base	$ 6,776,001	$ 8,033,624	Exh. A-12, Sch. B1
2	JDITC Portion of Capital Structure	- %	- %	Exh. A-14, Sch. D1
3	Portion of Rate Base Funded by JDITC	$ -	$ -	Line 1 x Line 2
4	Debt Cost Included in Return on JDITC	4.37%	4.65%	Exh. A-14, Sch. D1
5	Interest Amount	$ -	$ -	Line 3 x Line 4
6	Composite Local and State Income Tax Rate	6.56%	6.56%	Exh. A-13, Sch. C2
7	Effect on State Income and Local Tax	$ -	$ -	(Line 5 x Line 6) x -1
8	Effect on Federal Taxable Income	$ -	$ -	(Line 5 + Line 7) x -1
9	Federal Income Tax Rate	21.00%	21.00%	Exh. A-13, Sch. C2
10	Effect on Federal Income Taxes	$ -	$ -	Line 8 x Line 9
11	Synchronization Tax Adjustment to NOI	$ -	$ -	(Line 7 + Line 10) x -1

Michigan Public Service Commission
DTE Gas Company
Projected Rate of Return Summary
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-14
Schedule: D1
Witness: K. M. Vangilder
Page: 1 of 1

	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)
			Capital Structure							
Line No.	Description	Cost Rate Source from Exhibit A-14 Schedule	13 Mo. Avg. Amount (1)	% Amount of Permanent Capital	% Amount of Total Capital	Cost Rate %	Weighted Cost of Permanent Capital (%)	Weighted Cost of Total Capital (%)	Pre-tax Multiplier	Pre-tax Cost of Capital
1	Long-Term Debt - net (2)	D2	$ 3,230,058	49.25%	40.21%	4.65%	2.29%	1.87%	1.000	1.87%
2	Common Equity	D5	3,328,595	50.75%	41.43%	10.25%	5.20%	4.25%	1.355	5.75%
3	Sub-Total		$ 6,558,652	100.00%			7.49%			
4	Short-Term Debt (3)	D3	$ 91,581		1.14%	5.06%		0.06%	1.000	0.06%
5	Other Interest Bearing Credits	D3	-		- %	5.06%		- %	1.000	- %
6	Net Deferred Income Tax (4)		1,383,391		17.22%	- %		- %		
7	Deferred Investment Tax Cr.		-		- %	- %		- %		
	JDITC									
8	JDITC - Long-Term Debt		-		- %	4.65%		- %	1.000	- %
9	JDITC - Common Equity		-		- %	10.25%		- %	1.355	- %
10	Total JDITC		$ -							
11	Total		$ 8,033,624		100.00%			6.18%		7.68%

(1) Source: Exhibit A-12, Schedule B4.1
(2) Source: Exhibit A-12, Schedule B4.1, Line 68 less Line 38
(3) Source: Exhibit A-12, Schedule B4.1, Line 72 plus Line 75
(4) Source: Exhibit A-12, Schedule B4.1, Lines 92, 93, 97 less Lines 58 and 59

Authorized ROR Perm Capital (Pretax)		
Debt	2.29%	Line 1, col. (g) x col. (i)
Equity	7.04%	Line 2, col. (g) x col. (i)
	9.33%	

Michigan Public Service Commission
DTE Gas Company
Projected Cost of Long-Term Debt
Projected 12 Month Period Ending September 30, 2027

Case No.: U-21973
Exhibit: A-14
Schedule: D2
Witness: T. J. Lepczyk
Page: 1 of 1

Line No.	(a) Issue Name	(b) Original Issue Date	(c) Stated Maturity	(d) Interest Rate	(e) Amount of Offering ($)	(f) Price to Public %	(g) Expenses of Financing %	(h) Net Proceeds to the Company %	(i) Cost Based on Net Proceeds %	(j) 9/30/2027 Amount Outstanding ($)	(k) Annual Cost ($)	(l) 9/30/2027 Adjusted Amount Outstanding ($)
1	2003 Series A	02/20/03	03/15/33	5.700%	200,000,000	99.6370%	0.9486%	98.6884%	5.792%	200,000,000	11,584,517	192,112,381
2	2008 Series F	06/26/08	06/15/28	6.780%	75,000,000	100.0000%	0.6954%	99.3046%	6.844%	75,000,000	5,133,066	72,042,143
3	2012 Series D	12/12/12	12/15/42	3.920%	70,000,000	100.0000%	0.7820%	99.2180%	3.965%	70,000,000	2,775,343	67,239,333
4	2013 Series E	12/12/13	12/15/28	3.940%	50,000,000	100.0000%	0.6144%	99.3856%	3.995%	50,000,000	1,997,396	48,028,095
5	2014 Series F	12/16/14	12/15/44	4.350%	150,000,000	100.0000%	0.5804%	99.4196%	4.385%	150,000,000	6,577,443	144,084,285
6	2015 Series D	08/27/15	09/01/45	4.210%	125,000,000	100.0000%	0.5765%	99.4235%	4.244%	125,000,000	5,305,150	120,070,238
7	2016 Series G	12/15/16	12/15/46	4.070%	125,000,000	100.0000%	0.6023%	99.3977%	4.105%	125,000,000	5,131,373	120,070,238
8	2017 Series C	09/20/17	10/01/29	3.080%	40,000,000	100.0000%	0.6851%	99.3149%	3.149%	40,000,000	1,259,512	38,422,476
9	2017 Series D	09/20/17	10/01/47	3.750%	40,000,000	100.0000%	0.6851%	99.3149%	3.788%	40,000,000	1,515,334	38,422,476
10	2018 Series B	08/23/18	09/01/28	3.810%	195,000,000	100.0000%	0.5584%	99.4416%	3.878%	195,000,000	7,561,463	187,309,571
11	2018 Series C	08/23/18	09/01/48	4.140%	125,000,000	100.0000%	0.5584%	99.4416%	4.173%	125,000,000	5,215,919	120,070,238
12	2019 Series D	10/03/19	10/01/29	2.950%	140,000,000	100.0000%	0.5627%	99.4373%	3.016%	140,000,000	4,221,872	134,478,666
13	2019 Series E	10/03/19	10/01/49	3.720%	140,000,000	100.0000%	0.5627%	99.4373%	3.751%	140,000,000	5,251,965	134,478,666
14	2020 Series E	08/26/20	09/01/30	2.350%	125,000,000	100.0000%	0.5869%	99.4131%	2.416%	125,000,000	3,020,398	120,070,238
15	2020 Series B	08/26/20	09/01/50	3.200%	125,000,000	100.0000%	0.5869%	99.4131%	3.231%	125,000,000	4,038,341	120,070,238
16	2021 Series C	11/16/21	12/01/31	2.070%	60,000,000	100.0000%	0.6305%	99.3695%	2.140%	60,000,000	1,284,038	57,633,714
17	2021 Series D	11/16/21	12/01/51	2.850%	95,000,000	100.0000%	0.6305%	99.3695%	2.881%	95,000,000	2,737,395	91,253,381
18	2022 Series C	09/29/22	10/01/32	4.760%	130,000,000	100.0000%	0.5865%	99.4135%	4.835%	130,000,000	6,284,955	124,873,047
19	2022 Series D	09/29/22	10/01/52	5.050%	130,000,000	100.0000%	0.5865%	99.4135%	5.088%	130,000,000	6,614,796	124,873,047
20	2023 Series E	10/05/23	10/01/30	5.570%	150,000,000	100.0000%	0.6005%	99.3995%	5.675%	150,000,000	8,512,708	144,084,285
21	2023 Series F	10/05/23	10/01/35	5.730%	145,000,000	100.0000%	0.5992%	99.4008%	5.800%	145,000,000	8,409,924	139,281,476
22	2024 Series F	10/22/24	11/01/34	4.870%	160,000,000	100.0000%	0.5805%	99.4195%	4.944%	160,000,000	7,910,320	153,689,904
23	2024 Series G	10/22/24	11/01/54	5.430%	160,000,000	100.0000%	0.5805%	99.4195%	5.469%	160,000,000	8,751,138	153,689,904
24	2025 Series E	09/23/25	10/01/31	4.710%	50,000,000	100.0000%	0.7000%	99.3000%	4.845%	50,000,000	2,422,589	48,028,095
25	2025 Series F	09/23/25	10/01/37	5.360%	75,000,000	100.0000%	0.7000%	99.3000%	5.440%	75,000,000	4,079,934	72,042,143
26	2025 Series G	09/23/25	10/01/55	5.960%	135,000,000	100.0000%	0.7000%	99.3000%	6.010%	135,000,000	8,114,166	129,675,857
27	2026 Series A	09/01/26	09/01/56	5.930%	191,000,000	100.0000%	0.7000%	99.3000%	5.980%	191,000,000	11,422,718	183,467,323
28	2027 Series A	09/01/27	09/01/57	5.980%	150,000,000	100.0000%	0.7000%	99.3000%	6.031%	150,000,000	9,046,129	144,084,285
29												
30									4.65%	3,356,000,000	156,179,902	3,223,645,746

Source:

Column (a) - (e):	MPSC P-522 pg. 258 and Company accounting records
Column (f) - (g):	DTE Gas Prospectuses and Company Accounting Records
Column (h)	Column (f) - Column(g)
Column (i)	Bond Yield Calculation
Column (j)	MPSC P-522 pg. 256
Column (k)	Column (i) x Column(j)
Column (l)	Adjustment to reconcile to long-term debt on A14 D-1

96.06%

Michigan Public Service Commission
DTE Gas Company
Projected Cost of Short-Term Debt, Customer Deposits, Other Interest Items
Projected 12 Month Period Ending September 30, 2027
($000)

Case No.: U-21973
Exhibit: A-14
Schedule: D3
Witness: T. J. Lepczyk
Page: 1 of 1

Line No.	(a) Description	(b) Amount	(c) Source
	Short-Term Debt Cost Rate:		
1	Forward short-term index rate	4.15%	Company records
2	Spread to short-term index rate	0.20%	Company records
3	Interest rate on short-term borrowings	4.35%	Interest rate on short-term borrowings
4	Credit agreement fees	$ 648	Costs for 12 month period ending 9/30/2027
5	13 mo. Avg. short-term borrowing	$ 91,581	Exhibit A-12, B4.2
6	Credit agreement cost for test period (%)	0.71%	line 4 ÷ line 5
7	Total Cost of Short-Term Debt	5.06%	line 3 + line 6
8	**Interest on Customer Deposits:**	5.00%	Per Billing Practice Rules
9	**Other Interest Bearing Credits:**	5.06%	= Line 7

Michigan Public Service Commission
DTE Gas Company
Projected Cost of Preferred Stock
Projected 12 Month Period Ending September 30, 2027

Case No.: U-21973
Exhibit: A-14
Schedule: D4
Witness: T. J. Lepczyk

The Company has no plans to have Preferred Stock outstanding during 2024 through 2027.

Michigan Public Service Commission
DTE Gas Company
Projected Cost of Common Shareholders' Equity
Projected 12 Month Period Ending September 30, 2027

Case No.: U-21973
Exhibit: A-14
Schedule: D5
Witness: J. Nelson

10.25% is the Cost of Common Shareholder's Equity

JENNIFER E. NELSON
VICE PRESIDENT

Ms. Nelson is a Certified Rate of Return Analyst with more than fifteen years of experience in the energy industry. As an expert witness, she has testified to the cost of capital and alternative ratemaking proposals for electric, natural gas, and water utilities. In her time as a consultant, Ms. Nelson has provided consulting services on a variety of utility regulatory matters including ratemaking and regulatory policy, cost of service and revenue requirements, integrated resource planning, renewable power contracts, natural gas pipeline development, utility supply planning issues, and merger and acquisition transactions. Ms. Nelson has extensive experience performing statistical analyses, developing economic and financial models, and providing policy analyses and recommendations.

Prior to joining Concentric, Ms. Nelson was a Director at ScottMadden, Inc., and a managing consultant at Sussex Economic Advisors, LLC. Prior to consulting, she was a staff economist at the Massachusetts Department of Public Utilities and a petroleum economist for the State of Alaska. Ms. Nelson holds a Master of Science degree in Resource and Applied Economics from the University of Alaska and a Bachelor of Science degree in Business Economics from Bentley University.

AREAS OF EXPERTISE

Cost of Capital

- Submitted expert testimony on behalf of electric utilities before regulatory commissions in Arkansas, Michigan, New Hampshire, New Mexico, North Carolina, Pennsylvania, South Carolina, Texas and Virginia regarding the cost of capital.
- Submitted expert testimony on behalf of natural gas utilities before regulatory commissions in Alaska, Florida, North Carolina, Ohio, Oregon, South Carolina, Utah, West Virginia, Washington, and Wyoming regarding the cost of capital.
- Submitted expert testimony before the Kansas Corporation Commission and Kentucky Public Service Commission regarding the appropriate capital structure and cost of debt.
- Supported expert testimony regarding the cost of capital before numerous state utility regulatory commissions and the FERC on behalf of electric and natural gas utilities through research, financial analysis and modeling, and testimony development.

Alternative Ratemaking Mechanisms

- Submitted expert testimony on behalf of electric utilities and a water utility before the Arkansas Public Service Commission regarding the utilities' proposed Formula Rate Plans.
- Submitted expert testimony on behalf of an electric utility before the Oklahoma Corporation Commission regarding the utility's proposed Formula Rate Plan.
- Submitted expert testimony on behalf of an electric and natural gas utility before the Delaware Public Service Commission regarding the utility's proposed performance-based rate plan.

- Submitted expert testimony on behalf of an electric and natural gas utility before the Montana Public Service Commission regarding the utility's proposed alternative rate mechanisms.
- Co-sponsored expert testimony on behalf of a natural gas utility before the Maine Public Utilities Commission regarding the utility's proposed capital investment cost recovery mechanism.
- Supported expert testimony and performed research and analysis on alternative ratemaking frameworks.

Resource and Supply Planning

- Supported expert testimony on the reasonableness of utility resource supply portfolio decisions.
- Assisted in a benchmarking analysis on behalf of a Northeast U.S. natural gas utility regarding its supply planning standards and design day demand forecast process.
- Supported rebuttal testimony filed on behalf of an Alaska natural gas utility regarding the utility's gas supply planning standards.
- Supported the development of a New Hampshire electric utility's Integrated Resource Plan filed with the New Hampshire Public Utility Commission.
- Performed research and financial analysis to evaluate the benefits, costs, and policy options associated with natural gas expansion by Massachusetts natural gas utilities as part of a prepared report for the Massachusetts Department of Energy Resources.
- Developed a dynamic natural gas demand forecast model for in-state use for the State of Alaska, which included forecasting demand from both existing and anticipated natural gas utilities, power consumption, and large commercial operations.
- Conducted research and prepared analyses for a natural gas pipeline Open Season.

Other Regulatory Financial Issues

- Filed expert testimony before the California PUC regarding the benefits of financial flexibility and diversity in sources of financial capital associated with an electric utility's request to lease entitlements as a means of raising capital.
- Supported expert testimony on the appropriate level of remuneration associated with the Massachusetts electric utilities' long-term contracts for wind power through research, financial analysis and modeling, and testimony development.
- Provided research and analytical support estimating financial damages incurred as a result of construction delays for an electric transmission company.
- Prepared a Feasibility Study for an electric cooperative utility supporting a utility-owned solar project.

Mergers & Acquisitions

- Performed buy-side benchmarking and regulatory analysis for utility acquisitions.

RELEVANT PROFESSIONAL HISTORY

Concentric Energy Advisors, Inc. (2021-present)
Vice President
Assistant Vice President

ScottMadden, Inc. (2016-2021)
Director
Manager

Sussex Economic Advisors, LLC (2013-2016)
Managing Consultant

Massachusetts Department of Public Utilities (2011-2013)
Economist, Electric Power Division

State of Alaska Department of Revenue, Tax Division (2007-2010)
Petroleum Economist

Federal Reserve Bank of Boston (2000-2002)
Research Assistant, Economic Research Department

EDUCATION AND RELEVANT COURSEWORK

University of Alaska
Master of Science, Resource and Applied Economics

Bentley University (formerly Bentley College)
Bachelor of Science, Business Economics
Graduated *magna cum laude*

New Mexico State University
Center for Public Utilities, Regulatory Basics

ISO New England
Wholesale Energy Markets (WEM-101)

Colorado School of Mines
Petroleum Engineering SuperSchool

EUCI
Course Instructor – Performance-Based Ratemaking

DESIGNATIONS AND PROFESSIONAL AFFILIATIONS

Certified Rate of Return Analyst, Society of Utility and Regulatory Financial Analysts
Member, Society of Utility and Regulatory Financial Analysts

SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Regulatory Commission of Alaska				
ENSTAR Natural Gas Company	04/25	ENSTAR Natural Gas Company	TA-352-4	Cost of Capital
Arkansas Public Service Commission				
Liberty Utilities (Pine Bluff Water)	10/18	Liberty Utilities (Pine Bluff Water)	18-027-U	Formula Rate Plan and tariff
Entergy Arkansas, LLC	11/20	Entergy Arkansas, LLC	16-036-FR	Sponsored testimony evaluating the Return on Equity included in Rider FRP
Oklahoma Gas & Electric	10/21	Oklahoma Gas & Electric	21-087-U	Formula Rate Plan
California Public Utilities Commission				
Pacific Gas & Electric Co.	01/25	Pacific Gas & Electric Co.	A-24-03-009	Financial flexibility and capital diversity
Delaware Public Service Commission				
Delmarva Power & Light Company	08/24	Delmarva Power & Light Company	24-0868	Alternative Ratemaking Proposal
Florida Public Service Commission				
Pivotal Utility Holdings, Inc. d/b/a Florida City Gas	05/22	Pivotal Utility Holdings, Inc. d/b/a Florida City Gas	20220069-GU	Cost of Capital
State Corporate Commission of Kansas				
Evergy Kansas Central and Evergy Kansas South, Inc.	07/25	Evergy Kansas Central and Evergy Kansas South, Inc.	25-EKCE-294-RTS	Capital Structure
Kentucky Public Service Commission				
Bluegrass Water Utility Operating Company, LLC	09/20	Bluegrass Water Utility Operating Company, LLC	2020-290	Capital Structure and Cost of Long-Term Debt
Maine Public Utilities Commission				
Unitil Corporation	06/19	Northern Utilities, Inc.	19-00092	Co-sponsored testimony supporting a proposed CIRA capital tracking mechanism
Michigan Public Service Commission				
DTE Electric Company	04/25	DTE Electric Company	U-21860	Cost of Capital
Montana Public Utilities Commission				

SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
NorthWestern Corporation	08/22	NorthWestern Corporation	2022-7-78 (elect.) 2022-7-78 (gas)	Alternative Ratemaking Proposals
New Hampshire Public Utilities Commission				
Unitil Energy Systems, Inc.	04/21	Unitil Energy Systems, Inc.	DE 21-030	Cost of Capital
New Mexico Public Regulation Commission				
El Paso Electric Company	07/20	El Paso Electric Company	20-00104-UT	Cost of Capital
North Carolina Utilities Commission				
Public Service Company of North Carolina d/b/a Dominion Energy North Carolina	04/21	Public Service Company of North Carolina d/b/a Dominion Energy North Carolina	G-5, Sub 632	Cost of Capital
Virginia Electric & Power Co., d/b/a Dominion Energy North Carolina	03/24	Virginia Electric & Power Co., d/b/a Dominion Energy North Carolina	E-22, Sub 694	Cost of Capital
Public Service Company of North Carolina	04/25	Public Service Company of North Carolina	G-5, Sub 686	Cost of Capital
Public Utilities Commission of Ohio				
The East Ohio Gas Company d/b/a Dominion Energy Ohio	11/23	The East Ohio Gas Company d/b/a Dominion Energy Ohio	23-0894-GA-AIR	Cost of Capital
Oklahoma Corporation Commission				
Oklahoma Gas & Electric	12/21	Oklahoma Gas & Electric	PUD202100164	Formula Rate Plan
Public Utility Commission of Oregon				
Northwest Natural Gas Company dba NW Natural	12/23	Northwest Natural Gas Company dba NW Natural	UG 490	Cost of Capital
Northwest Natural Gas Company dba NW Natural	12/24	Northwest Natural Gas Company dba NW Natural	UG 520	Cost of Capital
Pennsylvania Public Utility Commission				
PPL Electric Utilities Corporation	09/25	PPL Electric Utilities Corporation	R-2025-3057164	Cost of Capital
Public Utilities Commission of South Carolina				
Dominion Energy South Carolina	04/23	Dominion Energy South Carolina	2023-70-G	Cost of Capital

SPONSOR	DATE	CASE/APPLICANT	DOCKET	SUBJECT
Dominion Energy South Carolina	03/24	Dominion Energy South Carolina	2024-34-E	Cost of Capital
Public Utilities Commission of Texas				
Sharyland Utilities L.L.C.	12/20	Sharyland Utilities L.L.C.	51611	Cost of Capital
El Paso Electric Company	06/21	El Paso Electric Company	52195	Cost of Capital
Wind Energy Transmission Texas, LLC dba WETT	12/24	Wind Energy Transmission Texas, LLC dba WETT	57299	Cost of Capital
El Paso Electric Company	01/25	El Paso Electric Company	57568	Cost of Capital
Utah Public Service Commission				
Enbridge Gas Utah	05/25	Enbridge Gas Utah	25-057-06	Cost of Capital
Dominion Energy Utah	05/22	Dominion Energy Utah	22-057-03	Cost of Capital
Virginia State Corporation Commission				
Virginia Electric & Power Company (Dominion Energy Virginia)	03/25	Virginia Electric & Power Company (Dominion Energy Virginia)	PUR-2025-00058	Cost of Capital
Public Service Commission of West Virginia				
Hope Gas, Inc.	04/25	Hope Gas, Inc.	25-0417-G-42T	Cost of Capital
Hope Gas, Inc. d/b/a Dominion Energy West Virginia	11/20	Hope Gas, Inc. d/b/a Dominion Energy West Virginia	20-0746-G-42T	Cost of Capital
Washington Utilities & Transportation Commission				
Northwest Natural Gas Company d/b/a NW Natural	08/25	Northwest Natural Gas Company d/b/a NW Natural	UG-250610	Cost of Capital
Wyoming Public Service Commission				
Dominion Energy Wyoming	03/23	Dominion Energy Wyoming	30010-215-GR-23	Cost of Capital

Michigan Public Service Commission
DTE Gas Company
Constant Growth DCF Results

Case: U-21973
Exhibit: A-14
Schedule: D5.2
Witness: J. E. Nelson

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
30 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Ticker	Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	CIQ Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
Atmos Energy Corporation	ATO	$3.48	$161.90	2.15%	2.23%	7.30%	7.22%	7.00%	7.17%	9.22%	9.40%	9.53%
New Jersey Resources Corporation	NJR	$1.80	$46.70	3.85%	3.98%	n/a	7.90%	5.00%	6.45%	8.95%	10.43%	11.91%
NiSource Inc.	NI	$1.12	$42.29	2.65%	2.76%	7.90%	7.70%	9.50%	8.37%	10.45%	11.13%	12.27%
Northwest Natural Gas Company	NWN	$1.96	$40.78	4.81%	4.95%	n/a	5.75%	6.50%	6.13%	10.69%	11.08%	11.46%
ONE Gas, Inc.	OGS	$2.68	$74.58	3.59%	3.69%	5.60%	5.94%	4.50%	5.35%	8.17%	9.04%	9.64%
Southwest Gas Corporation	SWX	$2.48	$78.30	3.17%	3.33%	10.50%	n/a	10.00%	10.25%	13.33%	13.58%	13.83%
Proxy Group Mean				3.37%	3.49%	7.83%	6.90%	7.08%	7.29%	10.14%	10.78%	11.44%
Proxy Group Median				3.38%	3.51%	7.60%	7.22%	6.75%	6.81%	9.84%	10.75%	11.68%
Average of the Mean and Median				**3.38%**	**3.50%**	**7.71%**	**7.06%**	**6.92%**	**7.05%**	**9.99%**	**10.76%**	**11.56%**

Notes:
[1] Source: Bloomberg Professional Service
[2] Source: Bloomberg Professional Service, equals indicated number of trading day average as of 08/29/2025
[3] Equals Col. [1] / Col. [2]
[4] Equals Col. [3] x (1 + 0.5 x Col. [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average (Col. [5], Col. [6], Col. [7])
[9] Equals Col. [3] x (1 + 0.5 x Minimum(Col. [5], Col. [6], Col. [7])) + Minimum(Col. [5], Col. [6], Col. [7])
[10] Equals Col. [4] + Col. [8]
[11] Equals Col. [3] x (1 + 0.5 x Maximum(Col. [5], Col. [6], Col. [7])) + Maximum(Col. [5], Col. [6], Col. [7])

Michigan Public Service Commission
DTE Gas Company
Constant Growth DCF Results

Case: U-21973
Exhibit: A-14
Schedule: D5.2
Witness: J. E. Nelson

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
90 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]
Company	Ticker	Annualized Dividend	Average Stock Price	Dividend Yield	Expected Dividend Yield	Zacks Earnings Growth	CIQ Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
Atmos Energy Corporation	ATO	$3.48	$157.68	2.21%	2.29%	7.30%	7.22%	7.00%	7.17%	9.28%	9.46%	9.59%
New Jersey Resources Corporation	NJR	$1.80	$46.35	3.88%	4.01%	n/a	7.90%	5.00%	6.45%	8.98%	10.46%	11.94%
NiSource Inc.	NI	$1.12	$40.40	2.77%	2.89%	7.90%	7.70%	9.50%	8.37%	10.58%	11.25%	12.40%
Northwest Natural Gas Company	NWN	$1.96	$41.13	4.77%	4.91%	n/a	5.75%	6.50%	6.13%	10.65%	11.04%	11.42%
ONE Gas, Inc.	OGS	$2.68	$74.59	3.59%	3.69%	5.60%	5.94%	4.50%	5.35%	8.17%	9.04%	9.64%
Southwest Gas Corporation	SWX	$2.48	$74.85	3.31%	3.48%	10.50%	n/a	10.00%	10.25%	13.48%	13.73%	13.99%
Proxy Group Mean				3.42%	3.54%	7.83%	6.90%	7.08%	7.29%	10.19%	10.83%	11.50%
Proxy Group Median				3.45%	3.59%	7.60%	7.22%	6.75%	6.81%	9.93%	10.75%	11.68%
Average of the Mean and Median				**3.44%**	**3.57%**	**7.71%**	**7.06%**	**6.92%**	**7.05%**	**10.06%**	**10.79%**	**11.59%**

Notes:
[1] Source: Bloomberg Professional Service
[2] Source: Bloomberg Professional Service, equals indicated number of trading day average as of 08/29/2025
[3] Equals Col. [1] / Col. [2]
[4] Equals Col. [3] x (1 + 0.5 x Col. [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average (Col. [5], Col. [6], Col. [7])
[9] Equals Col. [3] x (1 + 0.5 x Minimum(Col. [5], Col. [6], Col. [7])) + Minimum(Col. [5], Col. [6], Col. [7])
[10] Equals Col. [4] + Col. [8]
[11] Equals Col. [3] x (1 + 0.5 x Maximum(Col. [5], Col. [6], Col. [7])) + Maximum(Col. [5], Col. [6], Col. [7])

Michigan Public Service Commission
DTE Gas Company
Constant Growth DCF Results

Case: U-21973
Exhibit: A-14
Schedule: D5.2
Witness: J. E. Nelson

Constant Growth Discounted Cash Flow Model with Half Year Growth Adjustment
180 Day Average Stock Price

Company	Ticker	[1] Annualized Dividend	[2] Average Stock Price	[3] Dividend Yield	[4] Expected Dividend Yield	[5] Zacks Earnings Growth	[6] CIQ Earnings Growth	[7] Value Line Earnings Growth	[8] Average Earnings Growth	[9] Low ROE	[10] Mean ROE	[11] High ROE
Atmos Energy Corporation	ATO	$3.48	$151.86	2.29%	2.37%	7.30%	7.22%	7.00%	7.17%	9.37%	9.55%	9.68%
New Jersey Resources Corporation	NJR	$1.80	$46.94	3.83%	3.96%	n/a	7.90%	5.00%	6.45%	8.93%	10.41%	11.89%
NiSource Inc.	NI	$1.12	$39.31	2.85%	2.97%	7.90%	7.70%	9.50%	8.37%	10.66%	11.34%	12.48%
Northwest Natural Gas Company	NWN	$1.96	$41.02	4.78%	4.92%	n/a	5.75%	6.50%	6.13%	10.67%	11.05%	11.43%
ONE Gas, Inc.	OGS	$2.68	$73.41	3.65%	3.75%	5.60%	5.94%	4.50%	5.35%	8.23%	9.09%	9.70%
Southwest Gas Corporation	SWX	$2.48	$73.98	3.35%	3.52%	10.50%	n/a	10.00%	10.25%	13.52%	13.77%	14.03%
Proxy Group Mean				3.46%	3.58%	7.83%	6.90%	7.08%	7.29%	10.23%	10.87%	11.53%
Proxy Group Median				3.50%	3.64%	7.60%	7.22%	6.75%	6.81%	10.02%	10.73%	11.66%
Average of the Mean and Median				**3.48%**	**3.61%**	**7.71%**	**7.06%**	**6.92%**	**7.05%**	**10.12%**	**10.80%**	**11.60%**

Notes:
[1] Source: Bloomberg Professional Service
[2] Source: Bloomberg Professional Service, equals indicated number of trading day average as of 08/29/2025
[3] Equals Col. [1] / Col. [2]
[4] Equals Col. [3] x (1 + 0.5 x Col. [8])
[5] Source: Zacks
[6] Source: S&P Capital IQ
[7] Source: Value Line
[8] Equals Average (Col. [5], Col. [6], Col. [7])
[9] Equals Col. [3] x (1 + 0.5 x Minimum(Col. [5], Col. [6], Col. [7])) + Minimum(Col. [5], Col. [6], Col. [7])
[10] Equals Col. [4] + Col. [8]
[11] Equals Col. [3] x (1 + 0.5 x Maximum(Col. [5], Col. [6], Col. [7])) + Maximum(Col. [5], Col. [6], Col. [7])

Michigan Public Service Commission
DTE Gas Company
Quarterly Growth DCF Results

Case: U-21973
Exhibit: A-14
Schedule: D5.3
Witness: J. E. Nelson

Quarterly Growth Discounted Cash Flow Model
30 Day Average Stock Price

Company	Ticker	[1] Dividend 1	[2] Dividend 2	[3] Dividend 3	[4] Dividend 4	[5] Expected Dividend 1	[6] Expected Dividend 2	[7] Expected Dividend 3	[8] Expected Dividend 4	[9] Average Stock Price	[10] Zacks Earnings Growth	[11] CIQ Earnings Growth	[12] Value Line Earnings Growth	[13] Average Earnings Growth	[14] Low ROE	[15] Mean ROE	[16] High ROE
Atmos Energy Corporation	ATO	$0.87	$0.87	$0.87	$0.87	$0.93	$0.93	$0.93	$0.93	$161.90	7.30%	7.22%	7.00%	7.17%	9.38%	9.56%	9.69%
New Jersey Resources Corporation	NJR	$0.45	$0.45	$0.45	$0.45	$0.48	$0.48	$0.48	$0.48	$46.70	n/a	7.90%	5.00%	6.45%	9.18%	10.71%	12.25%
NiSource Inc.	NI	$0.28	$0.28	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$42.29	7.90%	7.70%	9.50%	8.37%	10.66%	11.36%	12.53%
Northwest Natural Gas Company	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$40.78	n/a	5.75%	6.50%	6.13%	11.04%	11.44%	11.84%
ONE Gas, Inc.	OGS	$0.66	$0.67	$0.67	$0.67	$0.70	$0.71	$0.71	$0.71	$74.58	5.60%	5.94%	4.50%	5.35%	8.36%	9.25%	9.87%
Southwest Gas Corporation	SWX	$0.62	$0.62	$0.62	$0.62	$0.68	$0.68	$0.68	$0.68	$78.30	10.50%	n/a	10.00%	10.25%	13.66%	13.92%	14.18%
Proxy Group Mean											7.83%	6.90%	7.08%	7.29%	10.38%	11.04%	11.73%
Proxy Group Median											7.60%	7.22%	6.75%	6.81%	10.02%	11.04%	12.04%
Average of the Mean and Median											**7.71%**	**7.06%**	**6.92%**	**7.05%**	**10.20%**	**11.04%**	**11.88%**

Notes:
[1] Source: Bloomberg Professional Service
[2] Source: Bloomberg Professional Service
[3] Source: Bloomberg Professional Service
[4] Source: Bloomberg Professional Service
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: Bloomberg Professional, equals indicated number of trading day average as of 08/29/2025
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Michigan Public Service Commission
DTE Gas Company
Quarterly Growth DCF Results

Case: U-21973
Exhibit: A-14
Schedule: D5.3
Witness: J. E. Nelson

Quarterly Growth Discounted Cash Flow Model
90 Day Average Stock Price

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]	[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
Company	Ticker	Dividend 1	Dividend 2	Dividend 3	Dividend 4	Expected Dividend 1	Expected Dividend 2	Expected Dividend 3	Expected Dividend 4	Average Stock Price	Zacks Earnings Growth	CIQ Earnings Growth	Value Line Earnings Growth	Average Earnings Growth	Low ROE	Mean ROE	High ROE
Atmos Energy Corporation	ATO	$0.87	$0.87	$0.87	$0.87	$0.93	$0.93	$0.93	$0.93	$157.68	7.30%	7.22%	7.00%	7.17%	9.44%	9.62%	9.75%
New Jersey Resources Corporation	NJR	$0.45	$0.45	$0.45	$0.45	$0.48	$0.48	$0.48	$0.48	$46.35	n/a	7.90%	5.00%	6.45%	9.22%	10.75%	12.28%
NiSource Inc.	NI	$0.28	$0.28	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$40.40	7.90%	7.70%	9.50%	8.37%	10.80%	11.50%	12.68%
Northwest Natural Gas Company	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$41.13	n/a	5.75%	6.50%	6.13%	10.99%	11.39%	11.79%
ONE Gas, Inc.	OGS	$0.66	$0.67	$0.67	$0.67	$0.70	$0.71	$0.71	$0.71	$74.59	5.60%	5.94%	4.50%	5.35%	8.36%	9.25%	9.87%
Southwest Gas Corporation	SWX	$0.62	$0.62	$0.62	$0.62	$0.68	$0.68	$0.68	$0.68	$74.85	10.50%	n/a	10.00%	10.25%	13.83%	14.09%	14.35%
Proxy Group Mean											7.83%	6.90%	7.08%	7.29%	10.44%	11.10%	11.79%
Proxy Group Median											7.60%	7.22%	6.75%	6.81%	10.12%	11.07%	12.04%
Average of the Mean and Median											**7.71%**	**7.06%**	**6.92%**	**7.05%**	**10.28%**	**11.08%**	**11.91%**

Notes:
[1] Source: Bloomberg Professional Service
[2] Source: Bloomberg Professional Service
[3] Source: Bloomberg Professional Service
[4] Source: Bloomberg Professional Service
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: Bloomberg Professional, equals indicated number of trading day average as of 08/29/2025
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Michigan Public Service Commission
DTE Gas Company
Quarterly Growth DCF Results

Case: U-21973
Exhibit: A-14
Schedule: D5.3
Witness: J. E. Nelson

Quarterly Growth Discounted Cash Flow Model
180 Day Average Stock Price

Company	Ticker	[1] Dividend 1	[2] Dividend 2	[3] Dividend 3	[4] Dividend 4	[5] Expected Dividend 1	[6] Expected Dividend 2	[7] Expected Dividend 3	[8] Expected Dividend 4	[9] Average Stock Price	[10] Zacks Earnings Growth	[11] CIQ Earnings Growth	[12] Value Line Earnings Growth	[13] Average Earnings Growth	[14] Low ROE	[15] Mean ROE	[16] High ROE
Atmos Energy Corporation	ATO	$0.87	$0.87	$0.87	$0.87	$0.93	$0.93	$0.93	$0.93	$151.86	7.30%	7.22%	7.00%	7.17%	9.54%	9.72%	9.85%
New Jersey Resources Corporation	NJR	$0.45	$0.45	$0.45	$0.45	$0.48	$0.48	$0.48	$0.48	$46.94	n/a	7.90%	5.00%	6.45%	9.16%	10.69%	12.22%
NiSource Inc.	NI	$0.28	$0.28	$0.28	$0.28	$0.30	$0.30	$0.30	$0.30	$39.31	7.90%	7.70%	9.50%	8.37%	10.89%	11.59%	12.77%
Northwest Natural Gas Company	NWN	$0.49	$0.49	$0.49	$0.49	$0.52	$0.52	$0.52	$0.52	$41.02	n/a	5.75%	6.50%	6.13%	11.01%	11.41%	11.81%
ONE Gas, Inc.	OGS	$0.66	$0.67	$0.67	$0.67	$0.70	$0.71	$0.71	$0.71	$73.41	5.60%	5.94%	4.50%	5.35%	8.42%	9.31%	9.93%
Southwest Gas Corporation	SWX	$0.62	$0.62	$0.62	$0.62	$0.68	$0.68	$0.68	$0.68	$73.98	10.50%	n/a	10.00%	10.25%	13.87%	14.14%	14.40%
Proxy Group Mean											7.83%	6.90%	7.08%	7.29%	10.48%	11.14%	11.83%
Proxy Group Median											7.60%	7.22%	6.75%	6.81%	10.21%	11.05%	12.02%
Average of the Mean and Median											**7.71%**	**7.06%**	**6.92%**	**7.05%**	**10.35%**	**11.10%**	**11.92%**

Notes:
[1] Source: Bloomberg Professional Service
[2] Source: Bloomberg Professional Service
[3] Source: Bloomberg Professional Service
[4] Source: Bloomberg Professional Service
[5] Equals Col. [1] x (1 + Col. [13])
[6] Equals Col. [2] x (1 + Col. [13])
[7] Equals Col. [3] x (1 + Col. [13])
[8] Equals Col. [4] x (1 + Col. [13])
[9] Source: Bloomberg Professional, equals indicated number of trading day average as of 08/29/2025
[10] Source: Zacks
[11] Source: S&P Capital IQ
[12] Source: Value Line
[13] Equals Average (Cols. [10], [11], [12])
[14] Implied Low DCF
[15] Implied Mean DCF
[16] Implied High DCF

Michigan Public Service Commission
DTE Gas Company
Expected Market Return Calculations

Expected Market Return
Market DCF Based Method - Value Line EPS Growth

[1] Market Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.25%
[2] Market Cap. Weighted Estimate of the S&P 500 Growth Rate	13.51%
[3] Market Cap. Weighted Estimated Required Market Return	14.84%

Notes:
[1] Source: Value Line as of 08/29/2025
[2] Source: Value Line DCF-based expected market return. See Confidential WP-10 for calculation.
[3] Equals (Col. [1] x (1 + (0.5 x Col. [2]))) + Col. [2]

Expected Market Return
Market DCF Based Method - Bloomberg EPS Growth

[4] Market Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.25%
[5] Market Cap. Weighted Estimate of the S&P 500 Growth Rate	15.37%
[6] Market Cap. Weighted Estimated Required Market Return	16.71%

Notes:
[4] Source: Bloomberg Professional Service as of 08/29/2025
[5] Source: Bloomberg DCF-based expected market return. See Confidential WP-11 for calculation.
[6] Equals (Col. [4] x (1 + (0.5 x Col. [5]))) + Col. [5]

Expected Market Return
Market DCF Based Method - S&P 500 EPS Growth

[7] Market Cap. Weighted Estimate of the S&P 500 Dividend Yield	1.21%
[8] Market Cap. Weighted Estimate of the S&P 500 Growth Rate	15.43%
[9] Market Cap. Weighted Estimated Required Market Return	16.73%

Notes:
[7], [8] Source: S&P Global, S&P 500 Earnings and Estimate Report, August 29, 2025
[9] Equals (Col. [7] x (1 + (0.5 x Col. Col. [8]))) + Col. Col. [8]

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using DCF-derived Expected Market Return and 5-year Beta Coefficients

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Company	Ticker	Current 30-Year Treasury Yield	5-Year Bloomberg Beta Coefficient	5-Year Value Line Beta Coefficient	Average Beta Coefficient	DCF Expected Market Return	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.88%	0.65	0.75	0.70	14.84%	9.96%	11.88%	12.62%
New Jersey Resources Corporation	NJR	4.88%	0.64	0.80	0.72	14.84%	9.96%	12.08%	12.77%
NiSource Inc.	NI	4.88%	0.67	0.80	0.73	14.84%	9.96%	12.19%	12.85%
Northwest Natural Gas Company	NWN	4.88%	0.57	0.75	0.66	14.84%	9.96%	11.44%	12.29%
ONE Gas, Inc.	OGS	4.88%	0.61	0.75	0.68	14.84%	9.96%	11.64%	12.44%
Southwest Gas Corporation	SWX	4.88%	0.65	0.75	0.70	14.84%	9.96%	11.84%	12.59%
							Proxy Group Mean:	11.84%	12.59%
							Proxy Group Median:	11.86%	12.61%
							Average of the Mean and Median:	**11.85%**	**12.60%**

		[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
Company	Ticker	Projected 30-Year Treasury Yield	5-Year Bloomberg Beta Coefficient	5-Year Value Line Beta Coefficient	Average Beta Coefficient	DCF Expected Market Return	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.53%	0.65	0.75	0.70	14.84%	10.32%	11.77%	12.54%
New Jersey Resources Corporation	NJR	4.53%	0.64	0.80	0.72	14.84%	10.32%	11.98%	12.69%
NiSource Inc.	NI	4.53%	0.67	0.80	0.73	14.84%	10.32%	12.09%	12.78%
Northwest Natural Gas Company	NWN	4.53%	0.57	0.75	0.66	14.84%	10.32%	11.32%	12.20%
ONE Gas, Inc.	OGS	4.53%	0.61	0.75	0.68	14.84%	10.32%	11.52%	12.35%
Southwest Gas Corporation	SWX	4.53%	0.65	0.75	0.70	14.84%	10.32%	11.73%	12.51%
							Proxy Group Mean:	11.74%	12.51%
							Proxy Group Median:	11.75%	12.52%
							Average of the Mean and Median:	**11.74%**	**12.52%**

Notes:
[1] Source: Bloomberg Professional Service; 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: Value Line
[4] Equals Average of Col. [2] and Col. [3]
[5] Source: Schedule D5.4; Value Line DCF-based expected market return
[6] Equals Col. [5] - Col. [1]
[7] Equals Col. [1] + (Col. [4] x Col. [6])
[8] Equals Col. [1] + (0.75 x Col. [4] x Col. [6]) + (0.25 x Col. [6])
[9] Source: Blue Chip Financial Forecasts, Vol. 44, No. 6, June 2, 2025 at 14 and Vol. 44, No. 9, August 29, 2025 at 2
[10] See Note [2]
[11] See Note [3]
[12] Equals Average of Col. [10] and Col. [11]
[13] See Note [5]
[14] Equals Col. [13] - Col. [9]
[15] Equals Col. [9] + (Col. [12] x Col. [14])
[16] Equals Col. [9] + (0.75 x Col. [12] x Col. [14]) + (0.25 x Col. [14])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using DCF-derived Expected Market Return and 10-Year Bloomberg Beta Coefficient

		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Current 30-Year Treasury Yield	10-Year Bloomberg Beta Coefficient	DCF Expected Market Return	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.88%	0.72	14.84%	9.96%	12.05%	12.75%
New Jersey Resources Corporation	NJR	4.88%	0.76	14.84%	9.96%	12.45%	13.05%
NiSource Inc.	NI	4.88%	0.76	14.84%	9.96%	12.50%	13.08%
Northwest Natural Gas Company	NWN	4.88%	0.67	14.84%	9.96%	11.58%	12.39%
ONE Gas, Inc.	OGS	4.88%	0.74	14.84%	9.96%	12.22%	12.88%
Southwest Gas Corporation	SWX	4.88%	0.80	14.84%	9.96%	12.84%	13.34%
					Proxy Group Mean:	12.27%	12.92%
					Proxy Group Median:	12.34%	12.96%
					Average of the Mean and Median:	**12.30%**	**12.94%**

		[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Projected 30-Year Treasury Yield	10-Year Bloomberg Beta Coefficient	DCF Expected Market Return	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.53%	0.72	14.84%	10.32%	11.95%	12.67%
New Jersey Resources Corporation	NJR	4.53%	0.76	14.84%	10.32%	12.36%	12.98%
NiSource Inc.	NI	4.53%	0.76	14.84%	10.32%	12.41%	13.02%
Northwest Natural Gas Company	NWN	4.53%	0.67	14.84%	10.32%	11.46%	12.30%
ONE Gas, Inc.	OGS	4.53%	0.74	14.84%	10.32%	12.13%	12.81%
Southwest Gas Corporation	SWX	4.53%	0.80	14.84%	10.32%	12.77%	13.29%
					Proxy Group Mean:	12.18%	12.85%
					Proxy Group Median:	12.24%	12.89%
					Average of the Mean and Median:	**12.21%**	**12.87%**

Notes:
[1] Source: Bloomberg Professional Service; 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: Schedule D5.4; Value Line DCF-based expected market return
[4] Equals Col. [3] - Col. [1]
[5] Equals Col. [1] + (Col. [2] x Col. [4])
[6] Equals Col. [1] + (0.75 x Col. [2] x Col. [4]) + (0.25 x Col. [4])
[7] Source: Blue Chip Financial Forecasts, Vol. 44, No. 6, June 2, 2025 at 14 and Vol. 44, No. 9, August 29, 2025 at 2.
[8] See Note [2]
[9] See Note [3]
[10] Equals Col. [9] - Col. [7]
[11] Equals Col. [7] + (Col. [8] x Col. [10])
[12] Equals Col. [7] + (0.75 x Col. [8] x Col. [10]) + (0.25 x Col. [10])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using Long-Term Historical Market Return and 5-year Beta Coefficients

		[1]	[2]	[3]	[4]	[5]	[6]	[7]	[8]
Company	Ticker	Current 30-Year Treasury Yield	5-Year Bloomberg Beta Coefficient	5-Year Value Line Beta Coefficient	Average Beta Coefficient	Long-Term Average Historical Market Return (1926-2024)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.88%	0.65	0.75	0.70	12.17%	7.29%	10.00%	10.54%
New Jersey Resources Corporation	NJR	4.88%	0.64	0.80	0.72	12.17%	7.29%	10.14%	10.65%
NiSource Inc.	NI	4.88%	0.67	0.80	0.73	12.17%	7.29%	10.23%	10.71%
Northwest Natural Gas Company	NWN	4.88%	0.57	0.75	0.66	12.17%	7.29%	9.68%	10.30%
ONE Gas, Inc.	OGS	4.88%	0.61	0.75	0.68	12.17%	7.29%	9.82%	10.41%
Southwest Gas Corporation	SWX	4.88%	0.65	0.75	0.70	12.17%	7.29%	9.97%	10.52%
							Proxy Group Mean:	9.97%	10.52%
							Proxy Group Median:	9.99%	10.53%
							Average of the Mean and Median:	**9.98%**	**10.53%**

		[9]	[10]	[11]	[12]	[13]	[14]	[15]	[16]
Company	Ticker	Projected 30-Year Treasury Yield	5-Year Bloomberg Beta Coefficient	5-Year Value Line Beta Coefficient	Average Beta Coefficient	Long-Term Average Historical Market Return (1926-2024)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.53%	0.65	0.75	0.70	12.17%	7.65%	9.90%	10.46%
New Jersey Resources Corporation	NJR	4.53%	0.64	0.80	0.72	12.17%	7.65%	10.04%	10.58%
NiSource Inc.	NI	4.53%	0.67	0.80	0.73	12.17%	7.65%	10.13%	10.64%
Northwest Natural Gas Company	NWN	4.53%	0.57	0.75	0.66	12.17%	7.65%	9.56%	10.21%
ONE Gas, Inc.	OGS	4.53%	0.61	0.75	0.68	12.17%	7.65%	9.71%	10.32%
Southwest Gas Corporation	SWX	4.53%	0.65	0.75	0.70	12.17%	7.65%	9.86%	10.44%
							Proxy Group Mean:	9.87%	10.44%
							Proxy Group Median:	9.88%	10.45%
							Average of the Mean and Median:	**9.87%**	**10.45%**

Notes:
[1] Source: Bloomberg Professional Service; 30-day average
[2] Source: Bloomberg Professional Service
[3] Source: Value Line
[4] Equals Average of Col. [2] and Col. [3]
[5] Kroll, Cost of Capital Navigator
[6] Equals Col. [5] - Col. [1]
[7] Equals Col. [1] + (Col. [4] x Col. [6])
[8] Equals Col. [1] + (0.75 x Col. [4] x Col. [6]) + (0.25 x Col. [6])
[9] Source: Blue Chip Financial Forecasts, Vol. 44, No. 6, June 2, 2025 at 14 and Vol. 44, No. 9, August 29, 2025 at 2
[10] See Note [2]
[11] See Note [3]
[12] Equals Average of Col. [10] and Col. [11]
[13] See Note [5]
[14] Equals Col. [13] - Col. [9]
[15] Equals Col. [9] + (Col. [12] x Col. [14])
[16] Equals Col. [9] + (0.75 x Col. [12] x Col. [14]) + (0.25 x Col. [14])

Capital Asset Pricing Model and Empirical Capital Asset Pricing Model Results
Using Long-Term Historical Market Return and 10-Year Bloomberg Beta Coefficient

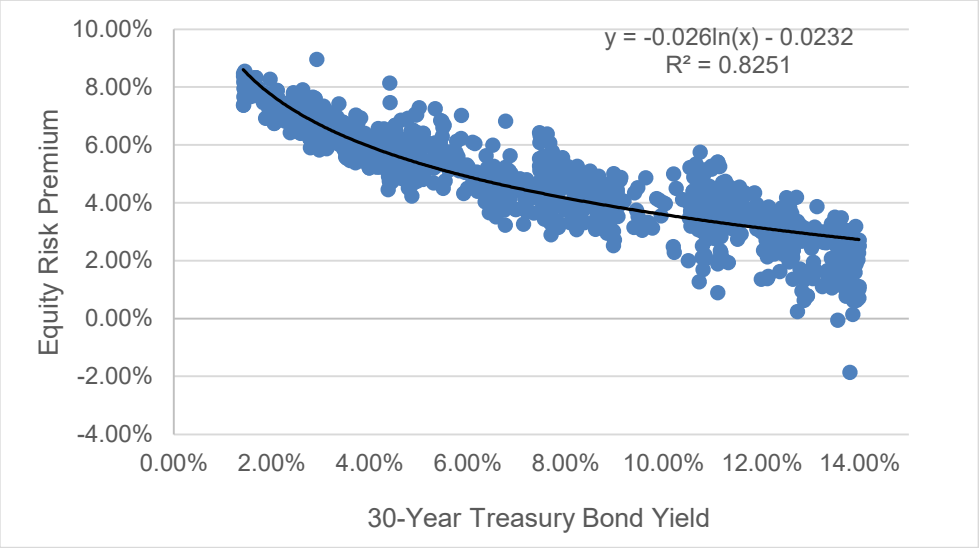
		[1]	[2]	[3]	[4]	[5]	[6]
Company	Ticker	Current 30-Year Treasury Yield	10-Year Bloomberg Beta Coefficient	Long-Term Average Historical Market Return (1926-2024)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.88%	0.72	12.17%	7.29%	10.13%	10.64%
New Jersey Resources Corporation	NJR	4.88%	0.76	12.17%	7.29%	10.42%	10.86%
NiSource Inc.	NI	4.88%	0.76	12.17%	7.29%	10.45%	10.88%
Northwest Natural Gas Company	NWN	4.88%	0.67	12.17%	7.29%	9.78%	10.38%
ONE Gas, Inc.	OGS	4.88%	0.74	12.17%	7.29%	10.25%	10.73%
Southwest Gas Corporation	SWX	4.88%	0.80	12.17%	7.29%	10.71%	11.07%
					Proxy Group Mean:	10.29%	10.76%
					Proxy Group Median:	10.33%	10.79%
					Average of the Mean and Median:	**10.31%**	**10.78%**

		[7]	[8]	[9]	[10]	[11]	[12]
Company	Ticker	Projected 30-Year Treasury Yield	10-Year Bloomberg Beta Coefficient	Long-Term Average Historical Market Return (1926-2024)	Market Risk Premium	Traditional CAPM	Empirical CAPM
Atmos Energy Corporation	ATO	4.53%	0.72	12.17%	7.65%	10.03%	10.56%
New Jersey Resources Corporation	NJR	4.53%	0.76	12.17%	7.65%	10.33%	10.79%
NiSource Inc.	NI	4.53%	0.76	12.17%	7.65%	10.37%	10.82%
Northwest Natural Gas Company	NWN	4.53%	0.67	12.17%	7.65%	9.66%	10.29%
ONE Gas, Inc.	OGS	4.53%	0.74	12.17%	7.65%	10.16%	10.66%
Southwest Gas Corporation	SWX	4.53%	0.80	12.17%	7.65%	10.63%	11.02%
					Proxy Group Mean:	10.20%	10.69%
					Proxy Group Median:	10.24%	10.73%
					Average of the Mean and Median:	**10.22%**	**10.71%**

Notes:
[1] Source: Bloomberg Professional Service; 30-day average
[2] Source: Bloomberg Professional Service
[3] Kroll, Cost of Capital Navigator
[4] Equals Col. [3] - Col. [1]
[5] Equals Col. [1] + (Col. [2] x Col. [4])
[6] Equals Col. [1] + (0.75 x Col. [2] x Col. [4]) + (0.25 x Col. [4])
[7] Source: Blue Chip Financial Forecasts, Vol. 44, No. 6, June 2, 2025 at 14 and Vol. 44, No. 9, August 29, 2025 at 2.
[8] See Note [2]
[9] See Note [3]
[10] Equals Col. [9] - Col. [7]
[11] Equals Col. [7] + (Col. [8] x Col. [10])
[12] Equals Col. [7] + (0.75 x Col. [8] x Col. [10]) + (0.25 x Col. [10])

Bond Yield Plus Risk Premium

[1]	[2]	[3]	[4]	[5]
Constant	Slope	30-Year Treasury Yield	Risk Premium	Return on Equity
-2.32%	-2.57%			
Current 30-Year Treasury		4.88%	5.43%	10.31%
Projected 30-Year Treasury		4.53%	5.63%	10.15%



Notes:
[1] Constant of regression equation
[2] Slope of regression equation
[3] Sources: Current = Bloomberg Professional Service,
Projected = Average of near-term and long-term projected 30-year Treasury yield from
Blue Chip Financial Forecasts, Vol. 44, No. 6, June 2, 2025 at 14 and
Blue Chip Financial Forecasts, Vol. 44, No. 9, August 29, 2025 at 2
[4] Equals Col. [1] + ln(Col. [3]) x Col. [2]
[5] Equals Col. [3] + Col. [4]
[6] Source: S&P Capital IQ
[7] Source: S&P Capital IQ
[8] Source: Bloomberg Professional Service, equals 189-trading day average (i.e. lag period)
[9] Equals Col. [7] - Col. [8]

Bond Yield Plus Risk Premium

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
1/3/1980	12.55%	9.39%	3.16%
1/4/1980	13.75%	9.40%	4.35%
1/14/1980	13.20%	9.44%	3.76%
1/18/1980	14.00%	9.47%	4.53%
1/31/1980	12.61%	9.56%	3.05%
2/8/1980	14.50%	9.63%	4.87%
2/14/1980	13.00%	9.67%	3.33%
2/15/1980	13.00%	9.69%	3.31%
2/29/1980	14.00%	9.85%	4.15%
3/5/1980	14.00%	9.90%	4.10%
3/7/1980	13.50%	9.94%	3.56%
3/14/1980	14.00%	10.03%	3.97%
3/27/1980	12.69%	10.19%	2.50%
4/1/1980	14.75%	10.25%	4.50%
4/29/1980	12.50%	10.50%	2.00%
5/7/1980	14.27%	10.55%	3.72%
5/8/1980	13.75%	10.55%	3.20%
5/19/1980	15.50%	10.61%	4.89%
5/27/1980	14.60%	10.64%	3.96%
5/29/1980	16.00%	10.66%	5.34%
6/10/1980	13.78%	10.70%	3.08%
6/25/1980	14.25%	10.73%	3.52%
7/9/1980	14.51%	10.77%	3.74%
7/17/1980	12.90%	10.78%	2.12%
7/18/1980	13.80%	10.79%	3.01%
7/22/1980	14.10%	10.79%	3.31%
7/23/1980	14.19%	10.79%	3.40%
8/1/1980	12.50%	10.80%	1.70%
8/11/1980	14.85%	10.81%	4.04%
8/21/1980	13.03%	10.84%	2.19%
8/28/1980	13.61%	10.87%	2.74%
8/28/1980	14.00%	10.87%	3.13%
9/4/1980	14.00%	10.89%	3.11%
9/24/1980	15.00%	10.98%	4.02%
10/9/1980	14.50%	11.05%	3.45%
10/9/1980	14.50%	11.05%	3.45%
10/24/1980	14.00%	11.09%	2.91%
10/27/1980	15.20%	11.10%	4.10%
10/27/1980	15.20%	11.10%	4.10%
10/28/1980	12.00%	11.10%	0.90%
10/28/1980	13.00%	11.10%	1.90%
10/31/1980	14.50%	11.12%	3.38%
11/4/1980	15.00%	11.13%	3.87%
11/6/1980	14.35%	11.13%	3.22%
11/10/1980	13.25%	11.14%	2.11%
11/17/1980	15.50%	11.15%	4.35%
11/19/1980	13.50%	11.15%	2.35%
12/5/1980	14.60%	11.14%	3.46%
12/8/1980	16.40%	11.14%	5.26%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/12/1980	15.45%	11.15%	4.30%
12/17/1980	14.20%	11.16%	3.04%
12/17/1980	14.40%	11.16%	3.24%
12/18/1980	14.00%	11.17%	2.83%
12/22/1980	13.45%	11.16%	2.29%
12/26/1980	14.00%	11.15%	2.85%
12/30/1980	14.50%	11.15%	3.35%
12/31/1980	14.56%	11.15%	3.41%
1/7/1981	14.30%	11.14%	3.16%
1/12/1981	14.95%	11.14%	3.81%
1/26/1981	15.25%	11.20%	4.05%
1/30/1981	13.25%	11.23%	2.02%
2/11/1981	14.50%	11.33%	3.17%
2/20/1981	14.50%	11.39%	3.11%
3/12/1981	15.65%	11.59%	4.06%
3/25/1981	15.30%	11.73%	3.57%
4/1/1981	15.30%	11.81%	3.49%
4/9/1981	15.00%	11.90%	3.10%
4/29/1981	13.50%	12.11%	1.39%
4/29/1981	14.25%	12.11%	2.14%
4/30/1981	13.60%	12.13%	1.47%
4/30/1981	15.00%	12.13%	2.87%
5/21/1981	14.00%	12.37%	1.63%
6/3/1981	14.67%	12.45%	2.22%
6/22/1981	16.00%	12.57%	3.43%
6/25/1981	14.75%	12.59%	2.16%
7/2/1981	14.00%	12.64%	1.36%
7/10/1981	16.00%	12.68%	3.32%
7/14/1981	16.90%	12.71%	4.19%
7/21/1981	15.78%	12.77%	3.01%
7/27/1981	13.77%	12.82%	0.95%
7/27/1981	15.50%	12.82%	2.68%
7/31/1981	13.50%	12.86%	0.64%
7/31/1981	14.20%	12.86%	1.34%
8/12/1981	13.72%	12.93%	0.79%
8/12/1981	13.72%	12.93%	0.79%
8/12/1981	14.41%	12.93%	1.48%
8/25/1981	15.45%	13.01%	2.44%
8/27/1981	14.43%	13.04%	1.39%
8/28/1981	15.00%	13.05%	1.95%
9/23/1981	14.34%	13.23%	1.11%
9/24/1981	16.25%	13.25%	3.00%
9/29/1981	14.50%	13.30%	1.20%
9/30/1981	15.94%	13.32%	2.62%
10/2/1981	14.80%	13.35%	1.45%
10/12/1981	16.25%	13.42%	2.83%
10/20/1981	15.25%	13.49%	1.76%
10/20/1981	16.50%	13.49%	3.01%
10/20/1981	17.00%	13.49%	3.51%
10/23/1981	15.50%	13.53%	1.97%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
10/26/1981	13.50%	13.55%	-0.05%
10/29/1981	16.50%	13.59%	2.91%
11/4/1981	15.33%	13.62%	1.71%
11/6/1981	15.17%	13.63%	1.54%
11/12/1981	15.00%	13.64%	1.36%
11/25/1981	15.25%	13.66%	1.59%
11/25/1981	16.10%	13.66%	2.44%
11/25/1981	16.10%	13.66%	2.44%
11/30/1981	16.75%	13.65%	3.10%
12/1/1981	15.70%	13.65%	2.05%
12/1/1981	16.00%	13.65%	2.35%
12/15/1981	15.81%	13.68%	2.13%
12/17/1981	14.75%	13.70%	1.05%
12/22/1981	15.70%	13.71%	1.99%
12/22/1981	16.00%	13.71%	2.29%
12/30/1981	16.00%	13.74%	2.26%
12/30/1981	16.25%	13.74%	2.51%
1/4/1982	15.50%	13.74%	1.76%
1/14/1982	11.95%	13.80%	-1.85%
1/25/1982	16.25%	13.84%	2.41%
1/27/1982	16.84%	13.85%	2.99%
1/31/1982	14.00%	13.85%	0.15%
2/2/1982	16.24%	13.86%	2.38%
2/8/1982	15.50%	13.87%	1.63%
2/9/1982	14.95%	13.88%	1.07%
2/9/1982	15.75%	13.88%	1.87%
2/11/1982	16.00%	13.89%	2.11%
3/1/1982	15.96%	13.91%	2.05%
3/3/1982	15.00%	13.91%	1.09%
3/8/1982	17.10%	13.91%	3.19%
3/26/1982	16.00%	13.96%	2.04%
3/31/1982	16.25%	13.97%	2.28%
4/1/1982	16.50%	13.98%	2.52%
4/6/1982	15.00%	13.98%	1.02%
4/9/1982	16.50%	13.99%	2.51%
4/12/1982	15.10%	13.98%	1.12%
4/12/1982	16.70%	13.98%	2.72%
4/18/1982	14.70%	13.98%	0.72%
4/27/1982	15.00%	13.97%	1.03%
5/10/1982	14.57%	13.94%	0.63%
5/14/1982	15.80%	13.92%	1.88%
5/20/1982	15.82%	13.91%	1.91%
5/21/1982	15.50%	13.90%	1.60%
5/25/1982	16.25%	13.90%	2.35%
6/2/1982	14.50%	13.87%	0.63%
6/7/1982	16.00%	13.86%	2.14%
6/23/1982	15.50%	13.81%	1.69%
6/25/1982	16.50%	13.81%	2.69%
7/1/1982	15.55%	13.80%	1.75%
7/1/1982	16.00%	13.80%	2.20%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
7/2/1982	15.10%	13.79%	1.31%
7/13/1982	16.80%	13.76%	3.04%
7/22/1982	14.50%	13.72%	0.78%
7/28/1982	16.10%	13.69%	2.41%
7/30/1982	14.82%	13.67%	1.15%
8/4/1982	15.58%	13.65%	1.93%
8/6/1982	16.50%	13.63%	2.87%
8/11/1982	17.11%	13.62%	3.49%
8/25/1982	16.00%	13.58%	2.42%
8/30/1982	16.25%	13.58%	2.67%
9/3/1982	15.50%	13.56%	1.94%
9/9/1982	16.04%	13.55%	2.49%
9/15/1982	16.04%	13.52%	2.52%
9/17/1982	15.25%	13.51%	1.74%
9/29/1982	14.50%	13.43%	1.07%
9/30/1982	14.74%	13.42%	1.32%
9/30/1982	15.50%	13.42%	2.08%
9/30/1982	16.50%	13.42%	3.08%
9/30/1982	16.70%	13.42%	3.28%
10/1/1982	16.50%	13.41%	3.09%
10/8/1982	15.00%	13.34%	1.66%
10/15/1982	15.90%	13.26%	2.64%
10/19/1982	15.90%	13.23%	2.67%
10/27/1982	17.00%	13.13%	3.87%
10/28/1982	14.75%	13.11%	1.64%
11/2/1982	16.25%	13.08%	3.17%
11/4/1982	15.75%	13.04%	2.71%
11/5/1982	14.73%	13.02%	1.71%
11/17/1982	16.00%	12.87%	3.13%
11/23/1982	15.50%	12.79%	2.71%
11/24/1982	14.50%	12.78%	1.72%
11/24/1982	16.02%	12.78%	3.24%
11/30/1982	12.98%	12.73%	0.25%
11/30/1982	15.50%	12.73%	2.77%
11/30/1982	15.50%	12.73%	2.77%
11/30/1982	15.65%	12.73%	2.92%
11/30/1982	16.00%	12.73%	3.27%
11/30/1982	16.10%	12.73%	3.37%
12/3/1982	15.33%	12.68%	2.65%
12/8/1982	15.75%	12.64%	3.11%
12/13/1982	16.00%	12.59%	3.41%
12/14/1982	16.40%	12.57%	3.83%
12/17/1982	16.25%	12.53%	3.72%
12/20/1982	15.00%	12.51%	2.49%
12/21/1982	15.70%	12.50%	3.20%
12/28/1982	15.25%	12.43%	2.82%
12/28/1982	15.25%	12.43%	2.82%
12/29/1982	16.25%	12.41%	3.84%
12/29/1982	16.25%	12.41%	3.84%
1/11/1983	15.90%	12.26%	3.64%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
1/12/1983	15.50%	12.25%	3.25%
1/18/1983	15.00%	12.19%	2.81%
1/24/1983	15.50%	12.14%	3.36%
1/24/1983	16.00%	12.14%	3.86%
1/28/1983	14.90%	12.09%	2.81%
1/31/1983	15.00%	12.07%	2.93%
2/10/1983	15.00%	11.98%	3.02%
2/25/1983	15.70%	11.85%	3.85%
3/2/1983	15.25%	11.80%	3.45%
3/16/1983	16.00%	11.64%	4.36%
3/21/1983	14.96%	11.58%	3.38%
3/23/1983	15.40%	11.54%	3.86%
3/23/1983	16.10%	11.54%	4.56%
3/24/1983	15.00%	11.53%	3.47%
4/12/1983	13.25%	11.31%	1.94%
4/29/1983	15.05%	11.11%	3.94%
5/3/1983	15.40%	11.08%	4.32%
5/9/1983	15.50%	11.01%	4.49%
5/19/1983	14.85%	10.90%	3.95%
5/31/1983	14.00%	10.85%	3.15%
6/2/1983	14.50%	10.83%	3.67%
6/7/1983	14.50%	10.81%	3.69%
6/9/1983	14.85%	10.80%	4.05%
6/20/1983	14.15%	10.74%	3.41%
6/20/1983	16.50%	10.74%	5.76%
6/27/1983	14.50%	10.72%	3.78%
6/30/1983	14.80%	10.71%	4.09%
6/30/1983	15.90%	10.71%	5.19%
7/1/1983	14.80%	10.70%	4.10%
7/5/1983	15.00%	10.70%	4.30%
7/8/1983	15.50%	10.69%	4.81%
7/19/1983	15.00%	10.71%	4.29%
7/19/1983	15.10%	10.71%	4.39%
8/18/1983	15.30%	10.81%	4.49%
8/19/1983	15.79%	10.82%	4.97%
8/29/1983	16.00%	10.85%	5.15%
8/31/1983	14.75%	10.86%	3.89%
8/31/1983	15.25%	10.86%	4.39%
9/8/1983	14.75%	10.89%	3.86%
9/16/1983	15.51%	10.93%	4.58%
9/26/1983	14.50%	10.96%	3.54%
9/28/1983	14.25%	10.97%	3.28%
9/30/1983	16.15%	10.98%	5.17%
9/30/1983	16.25%	10.98%	5.27%
10/1/1983	16.25%	10.98%	5.27%
10/13/1983	15.52%	11.02%	4.50%
10/19/1983	15.20%	11.04%	4.16%
10/26/1983	14.75%	11.06%	3.69%
10/27/1983	14.88%	11.07%	3.81%
10/27/1983	15.33%	11.07%	4.26%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
11/9/1983	14.82%	11.10%	3.72%
11/9/1983	16.51%	11.10%	5.41%
11/9/1983	16.51%	11.10%	5.41%
12/1/1983	14.50%	11.17%	3.33%
12/8/1983	15.90%	11.20%	4.70%
12/9/1983	15.30%	11.21%	4.09%
12/12/1983	14.50%	11.21%	3.29%
12/12/1983	15.50%	11.21%	4.29%
12/20/1983	15.40%	11.26%	4.14%
12/20/1983	16.00%	11.26%	4.74%
12/22/1983	15.75%	11.27%	4.48%
12/29/1983	15.00%	11.29%	3.71%
12/30/1983	15.00%	11.30%	3.70%
1/10/1984	15.90%	11.34%	4.56%
1/13/1984	15.50%	11.36%	4.14%
1/18/1984	15.53%	11.38%	4.15%
1/26/1984	15.90%	11.41%	4.49%
2/14/1984	14.25%	11.50%	2.75%
2/28/1984	14.50%	11.58%	2.92%
3/20/1984	16.00%	11.69%	4.31%
3/23/1984	15.50%	11.72%	3.78%
4/9/1984	15.20%	11.81%	3.39%
4/18/1984	16.20%	11.85%	4.35%
4/27/1984	15.85%	11.90%	3.95%
5/15/1984	13.35%	11.99%	1.36%
5/16/1984	15.00%	12.00%	3.00%
5/22/1984	14.40%	12.03%	2.37%
6/13/1984	15.50%	12.18%	3.32%
7/10/1984	16.00%	12.36%	3.64%
8/7/1984	16.69%	12.50%	4.19%
8/9/1984	15.33%	12.51%	2.82%
8/17/1984	14.82%	12.53%	2.29%
8/21/1984	14.64%	12.54%	2.10%
8/27/1984	14.52%	12.56%	1.96%
8/28/1984	14.75%	12.56%	2.19%
8/30/1984	15.60%	12.57%	3.03%
9/12/1984	15.60%	12.60%	3.00%
9/12/1984	15.90%	12.60%	3.30%
9/25/1984	16.25%	12.61%	3.64%
10/2/1984	14.80%	12.62%	2.18%
10/9/1984	14.75%	12.63%	2.12%
10/10/1984	15.50%	12.63%	2.87%
10/18/1984	15.00%	12.64%	2.36%
10/24/1984	15.50%	12.64%	2.86%
11/7/1984	15.00%	12.64%	2.36%
11/20/1984	15.92%	12.62%	3.30%
11/30/1984	15.50%	12.60%	2.90%
12/18/1984	15.00%	12.55%	2.45%
12/20/1984	15.00%	12.53%	2.47%
12/28/1984	15.75%	12.51%	3.24%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/28/1984	16.25%	12.51%	3.74%
1/2/1985	16.00%	12.50%	3.50%
1/31/1985	14.75%	12.37%	2.38%
2/7/1985	14.85%	12.33%	2.52%
2/15/1985	15.00%	12.28%	2.72%
2/20/1985	14.50%	12.26%	2.24%
2/22/1985	14.86%	12.26%	2.60%
3/14/1985	15.50%	12.17%	3.33%
3/28/1985	14.80%	12.09%	2.71%
4/9/1985	15.50%	12.03%	3.47%
4/16/1985	15.70%	11.97%	3.73%
6/10/1985	15.75%	11.59%	4.16%
6/26/1985	14.82%	11.47%	3.35%
7/9/1985	15.00%	11.39%	3.61%
7/26/1985	14.50%	11.27%	3.23%
8/29/1985	14.50%	11.12%	3.38%
8/30/1985	14.38%	11.11%	3.27%
9/12/1985	15.25%	11.07%	4.18%
9/23/1985	15.30%	11.04%	4.26%
9/25/1985	14.50%	11.03%	3.47%
9/26/1985	13.80%	11.02%	2.78%
9/26/1985	14.50%	11.02%	3.48%
10/25/1985	15.25%	10.92%	4.33%
11/8/1985	12.94%	10.86%	2.08%
11/20/1985	14.90%	10.81%	4.09%
11/25/1985	13.30%	10.79%	2.51%
12/6/1985	12.00%	10.72%	1.28%
12/11/1985	14.90%	10.69%	4.21%
12/20/1985	14.88%	10.60%	4.28%
12/20/1985	15.00%	10.60%	4.40%
12/20/1985	15.00%	10.60%	4.40%
12/30/1985	15.75%	10.53%	5.22%
12/31/1985	14.00%	10.52%	3.48%
12/31/1985	14.50%	10.52%	3.98%
1/17/1986	14.50%	10.38%	4.12%
2/11/1986	12.50%	10.21%	2.29%
2/12/1986	15.20%	10.20%	5.00%
3/11/1986	14.00%	9.98%	4.02%
4/2/1986	12.90%	9.77%	3.13%
4/28/1986	13.01%	9.47%	3.54%
5/21/1986	13.25%	9.19%	4.06%
5/28/1986	14.00%	9.12%	4.88%
5/29/1986	13.90%	9.11%	4.79%
6/2/1986	13.00%	9.08%	3.92%
6/11/1986	14.00%	8.98%	5.02%
6/13/1986	13.55%	8.95%	4.60%
6/27/1986	11.88%	8.78%	3.10%
7/14/1986	12.60%	8.60%	4.00%
7/30/1986	13.30%	8.39%	4.91%
8/14/1986	13.50%	8.23%	5.27%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/5/1986	13.30%	8.03%	5.27%
9/23/1986	12.75%	7.91%	4.84%
10/30/1986	13.00%	7.68%	5.32%
10/31/1986	13.75%	7.67%	6.08%
11/10/1986	14.00%	7.62%	6.38%
11/19/1986	13.75%	7.57%	6.18%
11/25/1986	13.15%	7.54%	5.61%
12/22/1986	13.80%	7.48%	6.32%
12/30/1986	13.90%	7.47%	6.43%
1/20/1987	12.75%	7.47%	5.28%
1/23/1987	13.55%	7.47%	6.08%
1/27/1987	12.16%	7.47%	4.69%
2/13/1987	12.60%	7.47%	5.13%
2/24/1987	12.00%	7.47%	4.53%
3/30/1987	12.20%	7.46%	4.74%
3/31/1987	13.00%	7.46%	5.54%
5/5/1987	12.85%	7.60%	5.25%
5/28/1987	13.50%	7.72%	5.78%
6/15/1987	13.20%	7.80%	5.40%
6/30/1987	12.60%	7.85%	4.75%
7/10/1987	12.90%	7.88%	5.02%
7/27/1987	13.50%	7.93%	5.57%
8/25/1987	11.40%	8.08%	3.32%
9/18/1987	13.00%	8.27%	4.73%
10/20/1987	12.60%	8.54%	4.06%
10/20/1987	12.98%	8.54%	4.44%
11/12/1987	12.75%	8.67%	4.08%
11/13/1987	12.75%	8.68%	4.07%
11/24/1987	12.50%	8.73%	3.77%
12/8/1987	12.50%	8.81%	3.69%
12/22/1987	12.00%	8.90%	3.10%
12/31/1987	12.85%	8.93%	3.92%
12/31/1987	13.25%	8.93%	4.32%
1/15/1988	13.15%	8.98%	4.17%
1/20/1988	12.75%	8.99%	3.76%
1/29/1988	13.20%	8.99%	4.21%
2/4/1988	12.60%	8.99%	3.61%
3/23/1988	13.00%	8.94%	4.06%
5/27/1988	13.18%	9.02%	4.16%
6/14/1988	13.50%	9.00%	4.50%
6/17/1988	11.72%	8.99%	2.73%
6/24/1988	11.50%	8.97%	2.53%
7/1/1988	12.75%	8.95%	3.80%
7/8/1988	12.00%	8.94%	3.06%
7/18/1988	12.00%	8.91%	3.09%
7/20/1988	13.40%	8.90%	4.50%
8/8/1988	12.74%	8.90%	3.84%
9/20/1988	12.90%	8.93%	3.97%
9/26/1988	12.40%	8.93%	3.47%
9/27/1988	13.65%	8.93%	4.72%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/30/1988	13.25%	8.94%	4.31%
10/13/1988	13.10%	8.93%	4.17%
10/21/1988	12.80%	8.93%	3.87%
10/25/1988	13.25%	8.94%	4.31%
10/26/1988	13.50%	8.94%	4.56%
10/27/1988	12.95%	8.94%	4.01%
10/28/1988	13.00%	8.94%	4.06%
11/15/1988	12.00%	8.97%	3.03%
11/29/1988	12.75%	9.01%	3.74%
12/19/1988	13.00%	9.05%	3.95%
12/21/1988	12.90%	9.05%	3.85%
12/22/1988	13.50%	9.05%	4.45%
1/26/1989	12.60%	9.06%	3.54%
1/27/1989	13.00%	9.06%	3.94%
2/8/1989	13.37%	9.05%	4.32%
3/8/1989	13.00%	9.04%	3.96%
5/4/1989	13.00%	9.04%	3.96%
6/8/1989	13.50%	8.96%	4.54%
7/19/1989	11.80%	8.84%	2.96%
7/25/1989	12.80%	8.82%	3.98%
7/31/1989	13.00%	8.80%	4.20%
8/14/1989	12.50%	8.76%	3.74%
8/22/1989	12.80%	8.73%	4.07%
8/23/1989	12.90%	8.73%	4.17%
9/21/1989	12.10%	8.63%	3.47%
10/6/1989	13.00%	8.58%	4.42%
10/17/1989	12.41%	8.54%	3.87%
10/18/1989	13.25%	8.54%	4.71%
10/20/1989	12.90%	8.53%	4.37%
10/31/1989	13.60%	8.50%	5.10%
11/3/1989	12.93%	8.48%	4.45%
11/5/1989	13.20%	8.48%	4.72%
11/9/1989	12.60%	8.46%	4.14%
11/9/1989	13.00%	8.46%	4.54%
11/28/1989	12.75%	8.37%	4.38%
12/7/1989	13.25%	8.33%	4.92%
12/15/1989	13.00%	8.28%	4.72%
12/20/1989	12.90%	8.26%	4.64%
12/21/1989	12.80%	8.26%	4.54%
12/21/1989	12.90%	8.26%	4.64%
12/27/1989	12.50%	8.24%	4.26%
1/9/1990	13.00%	8.19%	4.81%
1/18/1990	12.50%	8.17%	4.33%
1/26/1990	12.10%	8.15%	3.95%
3/21/1990	12.80%	8.15%	4.65%
3/28/1990	13.00%	8.16%	4.84%
4/5/1990	12.20%	8.17%	4.03%
4/12/1990	13.25%	8.19%	5.06%
4/30/1990	12.45%	8.24%	4.21%
5/31/1990	12.40%	8.31%	4.09%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
6/15/1990	13.20%	8.33%	4.87%
6/27/1990	12.90%	8.34%	4.56%
6/29/1990	13.25%	8.34%	4.91%
7/6/1990	12.10%	8.35%	3.75%
7/19/1990	11.70%	8.38%	3.32%
8/31/1990	12.50%	8.52%	3.98%
8/31/1990	12.50%	8.52%	3.98%
9/13/1990	12.50%	8.58%	3.92%
9/18/1990	12.75%	8.60%	4.15%
9/20/1990	12.50%	8.61%	3.89%
10/2/1990	13.00%	8.65%	4.35%
10/17/1990	11.90%	8.68%	3.22%
10/31/1990	12.95%	8.70%	4.25%
11/9/1990	13.25%	8.70%	4.55%
11/19/1990	13.00%	8.70%	4.30%
11/21/1990	12.10%	8.70%	3.40%
11/21/1990	12.50%	8.70%	3.80%
11/28/1990	12.75%	8.70%	4.05%
11/29/1990	12.75%	8.70%	4.05%
12/18/1990	13.10%	8.68%	4.42%
12/20/1990	12.50%	8.67%	3.83%
12/21/1990	12.50%	8.67%	3.83%
12/21/1990	13.00%	8.67%	4.33%
12/21/1990	13.60%	8.67%	4.93%
1/3/1991	13.02%	8.66%	4.36%
1/16/1991	13.25%	8.64%	4.61%
1/25/1991	11.70%	8.61%	3.09%
2/15/1991	12.70%	8.56%	4.14%
2/15/1991	12.80%	8.56%	4.24%
4/3/1991	13.00%	8.51%	4.49%
4/30/1991	12.45%	8.48%	3.97%
4/30/1991	13.00%	8.48%	4.52%
6/25/1991	11.70%	8.35%	3.35%
6/28/1991	12.50%	8.34%	4.16%
7/1/1991	11.70%	8.34%	3.36%
7/19/1991	12.10%	8.31%	3.79%
7/19/1991	12.30%	8.31%	3.99%
7/22/1991	12.90%	8.31%	4.59%
8/15/1991	12.25%	8.28%	3.97%
8/29/1991	13.30%	8.26%	5.04%
9/27/1991	12.50%	8.23%	4.27%
9/30/1991	12.40%	8.23%	4.17%
10/3/1991	11.30%	8.22%	3.08%
10/9/1991	11.70%	8.21%	3.49%
10/15/1991	13.40%	8.20%	5.20%
11/1/1991	12.90%	8.20%	4.70%
11/8/1991	12.75%	8.20%	4.55%
11/26/1991	11.60%	8.18%	3.42%
11/26/1991	12.00%	8.18%	3.82%
11/27/1991	12.70%	8.18%	4.52%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/6/1991	12.70%	8.16%	4.54%
12/10/1991	11.75%	8.16%	3.59%
12/19/1991	12.60%	8.14%	4.46%
12/19/1991	12.80%	8.14%	4.66%
12/30/1991	12.10%	8.11%	3.99%
1/22/1992	12.84%	8.05%	4.79%
1/31/1992	12.00%	8.03%	3.97%
2/20/1992	13.00%	8.00%	5.00%
2/27/1992	11.75%	7.99%	3.76%
3/18/1992	12.50%	7.95%	4.55%
5/15/1992	12.75%	7.87%	4.88%
6/24/1992	12.20%	7.85%	4.35%
6/29/1992	11.00%	7.85%	3.15%
7/14/1992	12.00%	7.83%	4.17%
7/22/1992	11.20%	7.82%	3.38%
8/10/1992	12.10%	7.79%	4.31%
8/26/1992	12.43%	7.75%	4.68%
9/30/1992	11.60%	7.72%	3.88%
10/6/1992	12.25%	7.72%	4.53%
10/13/1992	12.75%	7.71%	5.04%
10/23/1992	11.65%	7.71%	3.94%
10/28/1992	12.25%	7.71%	4.54%
10/29/1992	12.75%	7.71%	5.04%
10/30/1992	11.40%	7.70%	3.70%
11/9/1992	10.60%	7.70%	2.90%
11/25/1992	11.00%	7.68%	3.32%
11/25/1992	12.00%	7.68%	4.32%
12/3/1992	11.85%	7.67%	4.18%
12/16/1992	11.90%	7.64%	4.26%
12/22/1992	12.30%	7.63%	4.67%
12/22/1992	12.40%	7.63%	4.77%
12/30/1992	12.00%	7.61%	4.39%
12/31/1992	12.00%	7.61%	4.39%
1/12/1993	12.00%	7.59%	4.41%
1/12/1993	12.00%	7.59%	4.41%
2/2/1993	11.40%	7.53%	3.87%
2/22/1993	11.60%	7.48%	4.12%
4/23/1993	11.75%	7.27%	4.48%
5/3/1993	11.50%	7.25%	4.25%
5/3/1993	11.75%	7.25%	4.50%
6/3/1993	12.00%	7.20%	4.80%
6/7/1993	11.50%	7.20%	4.30%
6/22/1993	11.75%	7.16%	4.59%
7/21/1993	11.78%	7.07%	4.71%
7/21/1993	11.90%	7.07%	4.83%
7/23/1993	11.50%	7.06%	4.44%
7/29/1993	11.50%	7.03%	4.47%
8/12/1993	10.75%	6.98%	3.77%
8/24/1993	11.50%	6.92%	4.58%
8/31/1993	11.90%	6.88%	5.02%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/1/1993	11.25%	6.88%	4.37%
9/1/1993	11.47%	6.88%	4.59%
9/27/1993	10.50%	6.74%	3.76%
9/29/1993	11.00%	6.73%	4.27%
9/30/1993	11.60%	6.72%	4.88%
10/8/1993	11.50%	6.68%	4.82%
10/14/1993	11.20%	6.65%	4.55%
10/15/1993	11.75%	6.65%	5.10%
10/25/1993	11.55%	6.60%	4.95%
10/28/1993	11.50%	6.58%	4.92%
10/29/1993	10.10%	6.58%	3.52%
10/29/1993	10.20%	6.58%	3.62%
10/29/1993	11.25%	6.58%	4.67%
11/2/1993	10.80%	6.56%	4.24%
11/12/1993	11.80%	6.53%	5.27%
11/23/1993	12.50%	6.51%	5.99%
11/26/1993	11.00%	6.50%	4.50%
12/1/1993	11.45%	6.49%	4.96%
12/16/1993	10.60%	6.46%	4.14%
12/16/1993	11.20%	6.46%	4.74%
12/21/1993	11.30%	6.45%	4.85%
12/22/1993	11.00%	6.44%	4.56%
12/23/1993	10.10%	6.44%	3.66%
1/5/1994	11.50%	6.41%	5.09%
1/10/1994	11.00%	6.40%	4.60%
1/25/1994	12.00%	6.37%	5.63%
2/2/1994	10.40%	6.35%	4.05%
2/9/1994	10.70%	6.34%	4.36%
4/6/1994	11.24%	6.35%	4.89%
4/25/1994	11.00%	6.39%	4.61%
6/16/1994	10.50%	6.63%	3.87%
6/23/1994	10.60%	6.67%	3.93%
7/19/1994	10.70%	6.83%	3.87%
9/29/1994	10.90%	7.20%	3.70%
9/29/1994	11.00%	7.20%	3.80%
10/7/1994	11.87%	7.25%	4.62%
10/18/1994	11.50%	7.31%	4.19%
10/18/1994	11.50%	7.31%	4.19%
10/24/1994	11.00%	7.35%	3.65%
11/22/1994	12.12%	7.52%	4.60%
11/29/1994	11.30%	7.55%	3.75%
12/1/1994	11.00%	7.56%	3.44%
12/8/1994	11.50%	7.59%	3.91%
12/8/1994	11.70%	7.59%	4.11%
12/12/1994	11.82%	7.60%	4.22%
12/14/1994	11.50%	7.61%	3.89%
12/19/1994	11.50%	7.62%	3.88%
4/19/1995	11.00%	7.71%	3.29%
9/11/1995	11.30%	7.16%	4.14%
9/15/1995	10.40%	7.13%	3.27%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/29/1995	11.50%	7.06%	4.44%
10/13/1995	10.76%	6.99%	3.77%
11/7/1995	12.50%	6.87%	5.63%
11/8/1995	11.10%	6.86%	4.24%
11/8/1995	11.30%	6.86%	4.44%
11/17/1995	10.90%	6.81%	4.09%
11/20/1995	11.40%	6.80%	4.60%
11/27/1995	13.60%	6.77%	6.83%
12/14/1995	11.30%	6.68%	4.62%
12/20/1995	11.60%	6.65%	4.95%
1/31/1996	11.30%	6.46%	4.84%
3/11/1996	11.60%	6.40%	5.20%
4/3/1996	11.13%	6.41%	4.72%
4/15/1996	10.50%	6.41%	4.09%
4/17/1996	10.77%	6.41%	4.36%
4/26/1996	10.60%	6.40%	4.20%
5/10/1996	11.00%	6.41%	4.59%
5/13/1996	11.25%	6.41%	4.84%
7/3/1996	11.25%	6.49%	4.76%
7/22/1996	11.25%	6.54%	4.71%
10/3/1996	10.00%	6.77%	3.23%
10/29/1996	11.30%	6.84%	4.46%
11/26/1996	11.30%	6.86%	4.44%
11/27/1996	11.30%	6.86%	4.44%
11/29/1996	11.00%	6.85%	4.15%
12/12/1996	11.96%	6.85%	5.11%
12/17/1996	11.50%	6.85%	4.65%
1/22/1997	11.30%	6.83%	4.47%
1/27/1997	11.25%	6.83%	4.42%
1/31/1997	11.25%	6.83%	4.42%
2/13/1997	11.00%	6.82%	4.18%
2/13/1997	11.80%	6.82%	4.98%
2/20/1997	11.80%	6.81%	4.99%
3/27/1997	10.75%	6.79%	3.96%
4/29/1997	11.70%	6.80%	4.90%
7/17/1997	12.00%	6.77%	5.23%
10/29/1997	10.75%	6.70%	4.05%
10/31/1997	11.25%	6.70%	4.55%
12/24/1997	10.75%	6.53%	4.22%
4/28/1998	10.90%	6.11%	4.79%
4/30/1998	12.20%	6.10%	6.10%
6/30/1998	11.00%	5.94%	5.06%
8/26/1998	10.93%	5.82%	5.11%
9/3/1998	11.40%	5.80%	5.60%
9/15/1998	11.90%	5.77%	6.13%
10/7/1998	11.06%	5.70%	5.36%
10/30/1998	11.40%	5.63%	5.77%
12/10/1998	12.20%	5.52%	6.68%
12/17/1998	12.10%	5.49%	6.61%
2/19/1999	11.15%	5.32%	5.83%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
3/1/1999	10.65%	5.31%	5.34%
3/1/1999	10.65%	5.31%	5.34%
6/8/1999	11.25%	5.35%	5.90%
11/12/1999	10.25%	5.92%	4.33%
12/14/1999	10.50%	5.99%	4.51%
1/28/2000	10.71%	6.16%	4.55%
2/17/2000	10.60%	6.20%	4.40%
5/25/2000	10.80%	6.19%	4.61%
6/19/2000	11.05%	6.18%	4.87%
6/22/2000	11.25%	6.18%	5.07%
7/17/2000	11.06%	6.15%	4.91%
7/20/2000	12.20%	6.14%	6.06%
8/11/2000	11.00%	6.11%	4.89%
9/27/2000	11.25%	6.01%	5.24%
9/29/2000	11.16%	6.00%	5.16%
10/5/2000	11.30%	5.98%	5.32%
11/28/2000	12.90%	5.87%	7.03%
11/30/2000	12.10%	5.87%	6.23%
2/5/2001	11.50%	5.76%	5.74%
3/15/2001	11.25%	5.67%	5.58%
5/8/2001	10.75%	5.61%	5.14%
10/24/2001	10.30%	5.54%	4.76%
10/24/2001	11.00%	5.54%	5.46%
1/9/2002	10.00%	5.50%	4.50%
1/30/2002	11.00%	5.47%	5.53%
1/31/2002	11.00%	5.47%	5.53%
4/17/2002	11.50%	5.44%	6.06%
4/29/2002	11.00%	5.45%	5.55%
6/11/2002	11.77%	5.48%	6.29%
6/20/2002	12.30%	5.47%	6.83%
8/28/2002	11.00%	5.49%	5.51%
9/11/2002	11.20%	5.45%	5.75%
9/12/2002	12.30%	5.45%	6.85%
10/28/2002	11.30%	5.35%	5.95%
10/30/2002	10.60%	5.34%	5.26%
11/1/2002	12.60%	5.34%	7.26%
11/7/2002	11.40%	5.33%	6.07%
11/8/2002	10.75%	5.33%	5.42%
11/20/2002	10.00%	5.30%	4.70%
11/20/2002	10.50%	5.30%	5.20%
12/4/2002	10.75%	5.27%	5.48%
12/30/2002	11.20%	5.19%	6.01%
1/6/2003	11.25%	5.17%	6.08%
2/28/2003	12.30%	5.01%	7.29%
3/7/2003	9.96%	4.99%	4.97%
3/12/2003	11.40%	4.97%	6.43%
3/20/2003	12.00%	4.95%	7.05%
4/3/2003	12.00%	4.93%	7.07%
5/2/2003	11.40%	4.88%	6.52%
5/15/2003	11.05%	4.87%	6.18%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
6/26/2003	11.00%	4.80%	6.20%
7/1/2003	11.00%	4.80%	6.20%
7/29/2003	11.71%	4.78%	6.93%
8/22/2003	10.20%	4.82%	5.38%
9/17/2003	9.90%	4.84%	5.06%
9/25/2003	10.25%	4.85%	5.40%
10/17/2003	10.54%	4.87%	5.67%
10/22/2003	10.46%	4.87%	5.59%
10/22/2003	10.71%	4.87%	5.84%
10/30/2003	11.00%	4.88%	6.12%
10/31/2003	10.20%	4.88%	5.32%
10/31/2003	10.75%	4.88%	5.87%
11/10/2003	10.60%	4.89%	5.71%
12/9/2003	10.50%	4.93%	5.57%
12/18/2003	10.50%	4.94%	5.56%
12/19/2003	12.00%	4.94%	7.06%
12/19/2003	12.00%	4.94%	7.06%
1/13/2004	10.25%	4.95%	5.30%
1/13/2004	12.00%	4.95%	7.05%
2/9/2004	11.25%	4.98%	6.27%
3/16/2004	10.90%	5.05%	5.85%
3/16/2004	10.90%	5.05%	5.85%
5/25/2004	10.00%	5.06%	4.94%
6/2/2004	11.22%	5.07%	6.15%
6/30/2004	10.50%	5.10%	5.40%
7/8/2004	10.00%	5.10%	4.90%
7/22/2004	10.25%	5.10%	5.15%
8/26/2004	10.50%	5.10%	5.40%
8/26/2004	10.50%	5.10%	5.40%
9/9/2004	10.40%	5.10%	5.30%
9/21/2004	10.50%	5.09%	5.41%
9/27/2004	10.30%	5.09%	5.21%
9/27/2004	10.50%	5.09%	5.41%
10/20/2004	10.20%	5.08%	5.12%
11/30/2004	10.60%	5.08%	5.52%
12/8/2004	9.90%	5.09%	4.81%
12/21/2004	11.50%	5.09%	6.41%
12/22/2004	11.50%	5.09%	6.41%
12/28/2004	10.25%	5.09%	5.16%
2/18/2005	10.30%	4.95%	5.35%
3/29/2005	11.00%	4.86%	6.14%
4/13/2005	10.60%	4.84%	5.76%
4/28/2005	11.00%	4.80%	6.20%
5/17/2005	10.00%	4.77%	5.23%
6/8/2005	10.18%	4.71%	5.47%
6/10/2005	10.90%	4.71%	6.19%
7/6/2005	10.50%	4.65%	5.85%
7/19/2005	11.50%	4.63%	6.87%
8/11/2005	10.40%	4.60%	5.80%
9/19/2005	9.45%	4.53%	4.92%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/30/2005	10.51%	4.52%	5.99%
10/4/2005	9.90%	4.52%	5.38%
10/4/2005	10.75%	4.52%	6.23%
10/14/2005	10.40%	4.52%	5.88%
10/31/2005	10.25%	4.53%	5.72%
11/2/2005	9.70%	4.53%	5.17%
11/30/2005	10.00%	4.54%	5.46%
12/9/2005	9.70%	4.53%	5.17%
12/12/2005	11.00%	4.53%	6.47%
12/20/2005	10.13%	4.53%	5.60%
12/21/2005	10.40%	4.53%	5.87%
12/21/2005	11.00%	4.53%	6.47%
12/22/2005	10.20%	4.53%	5.67%
12/22/2005	11.00%	4.53%	6.47%
12/28/2005	10.00%	4.52%	5.48%
1/5/2006	11.00%	4.52%	6.48%
1/25/2006	11.20%	4.52%	6.68%
1/25/2006	11.20%	4.52%	6.68%
2/3/2006	10.50%	4.52%	5.98%
2/15/2006	9.50%	4.53%	4.97%
4/26/2006	10.60%	4.65%	5.95%
7/24/2006	9.60%	4.86%	4.74%
7/24/2006	10.00%	4.86%	5.14%
9/20/2006	11.00%	4.93%	6.07%
9/26/2006	10.75%	4.93%	5.82%
10/20/2006	9.80%	4.96%	4.84%
11/2/2006	9.71%	4.96%	4.75%
11/9/2006	10.00%	4.97%	5.03%
11/21/2006	11.00%	4.98%	6.02%
12/5/2006	10.20%	4.97%	5.23%
1/5/2007	10.40%	4.95%	5.45%
1/9/2007	11.00%	4.94%	6.06%
1/11/2007	10.90%	4.94%	5.96%
1/19/2007	10.80%	4.93%	5.87%
1/26/2007	10.00%	4.92%	5.08%
2/8/2007	10.40%	4.91%	5.49%
3/14/2007	10.10%	4.86%	5.24%
3/20/2007	10.25%	4.85%	5.40%
3/21/2007	11.35%	4.84%	6.51%
3/22/2007	10.50%	4.84%	5.66%
3/29/2007	10.00%	4.83%	5.17%
6/13/2007	10.75%	4.81%	5.94%
6/29/2007	9.53%	4.84%	4.69%
6/29/2007	10.10%	4.84%	5.26%
7/3/2007	10.25%	4.85%	5.40%
7/13/2007	9.50%	4.86%	4.64%
7/24/2007	10.40%	4.87%	5.53%
8/1/2007	10.15%	4.88%	5.27%
8/29/2007	10.50%	4.91%	5.59%
9/10/2007	9.71%	4.91%	4.80%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/19/2007	10.00%	4.91%	5.09%
9/25/2007	9.70%	4.91%	4.79%
10/8/2007	10.48%	4.92%	5.56%
10/19/2007	10.50%	4.91%	5.59%
10/25/2007	9.65%	4.91%	4.74%
11/15/2007	10.00%	4.89%	5.11%
11/20/2007	9.90%	4.89%	5.01%
11/27/2007	10.00%	4.88%	5.12%
11/29/2007	10.90%	4.88%	6.02%
12/14/2007	10.80%	4.87%	5.93%
12/18/2007	10.40%	4.86%	5.54%
12/19/2007	9.80%	4.86%	4.94%
12/19/2007	9.80%	4.86%	4.94%
12/19/2007	10.20%	4.86%	5.34%
12/21/2007	9.10%	4.86%	4.24%
1/8/2008	10.75%	4.83%	5.92%
1/17/2008	10.75%	4.81%	5.94%
1/17/2008	10.75%	4.81%	5.94%
2/5/2008	9.99%	4.78%	5.21%
2/5/2008	10.19%	4.78%	5.41%
2/13/2008	10.20%	4.76%	5.44%
3/31/2008	10.00%	4.63%	5.37%
5/28/2008	10.50%	4.53%	5.97%
6/24/2008	10.00%	4.52%	5.48%
6/27/2008	10.00%	4.52%	5.48%
7/31/2008	10.70%	4.50%	6.20%
7/31/2008	10.82%	4.50%	6.32%
8/27/2008	10.25%	4.50%	5.75%
9/2/2008	10.25%	4.50%	5.75%
9/19/2008	10.70%	4.48%	6.22%
9/24/2008	10.68%	4.48%	6.20%
9/24/2008	10.68%	4.48%	6.20%
9/24/2008	10.68%	4.48%	6.20%
9/30/2008	10.20%	4.48%	5.72%
10/3/2008	10.30%	4.47%	5.83%
10/8/2008	10.15%	4.47%	5.68%
10/20/2008	10.06%	4.47%	5.59%
10/24/2008	10.60%	4.46%	6.14%
10/24/2008	10.60%	4.46%	6.14%
11/21/2008	10.50%	4.42%	6.08%
11/21/2008	10.50%	4.42%	6.08%
11/21/2008	10.50%	4.42%	6.08%
11/24/2008	10.50%	4.42%	6.08%
12/3/2008	10.39%	4.37%	6.02%
12/24/2008	10.00%	4.26%	5.74%
12/26/2008	10.10%	4.24%	5.86%
12/29/2008	10.20%	4.23%	5.97%
1/13/2009	10.45%	4.14%	6.31%
2/2/2009	10.05%	4.04%	6.01%
3/9/2009	10.30%	3.90%	6.40%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
3/25/2009	10.17%	3.84%	6.33%
4/2/2009	10.75%	3.81%	6.94%
5/5/2009	10.75%	3.71%	7.04%
5/15/2009	10.20%	3.70%	6.50%
5/29/2009	9.54%	3.70%	5.84%
6/3/2009	10.10%	3.71%	6.39%
6/22/2009	10.00%	3.73%	6.27%
6/29/2009	10.21%	3.74%	6.47%
6/30/2009	9.31%	3.74%	5.57%
7/17/2009	9.26%	3.75%	5.51%
7/17/2009	10.50%	3.75%	6.75%
10/16/2009	10.40%	4.09%	6.31%
10/26/2009	10.10%	4.11%	5.99%
10/28/2009	10.15%	4.11%	6.04%
10/28/2009	10.15%	4.11%	6.04%
10/30/2009	9.95%	4.12%	5.83%
11/20/2009	9.45%	4.18%	5.27%
12/14/2009	10.50%	4.24%	6.26%
12/16/2009	10.75%	4.25%	6.50%
12/17/2009	10.30%	4.25%	6.05%
12/18/2009	10.40%	4.26%	6.14%
12/18/2009	10.40%	4.26%	6.14%
12/18/2009	10.50%	4.26%	6.24%
12/22/2009	10.20%	4.27%	5.93%
12/22/2009	10.40%	4.27%	6.13%
12/28/2009	10.85%	4.29%	6.56%
12/29/2009	10.38%	4.29%	6.09%
1/11/2010	10.24%	4.34%	5.90%
1/21/2010	10.23%	4.37%	5.86%
1/21/2010	10.33%	4.37%	5.96%
1/26/2010	10.40%	4.37%	6.03%
2/10/2010	10.00%	4.39%	5.61%
2/23/2010	10.50%	4.40%	6.10%
3/9/2010	9.60%	4.40%	5.20%
3/24/2010	10.13%	4.42%	5.71%
3/31/2010	10.70%	4.43%	6.27%
4/1/2010	9.50%	4.43%	5.07%
4/2/2010	10.10%	4.44%	5.66%
4/8/2010	10.35%	4.44%	5.91%
4/29/2010	9.19%	4.46%	4.73%
4/29/2010	9.40%	4.46%	4.94%
4/29/2010	9.40%	4.46%	4.94%
5/17/2010	10.55%	4.46%	6.09%
5/24/2010	10.05%	4.46%	5.59%
6/3/2010	11.00%	4.46%	6.54%
6/16/2010	10.00%	4.45%	5.55%
6/18/2010	10.30%	4.45%	5.85%
8/9/2010	12.55%	4.41%	8.14%
8/17/2010	10.10%	4.40%	5.70%
9/16/2010	9.60%	4.31%	5.29%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/16/2010	10.00%	4.31%	5.69%
9/16/2010	10.00%	4.31%	5.69%
9/16/2010	10.30%	4.31%	5.99%
10/21/2010	10.40%	4.20%	6.20%
11/2/2010	9.75%	4.18%	5.57%
11/2/2010	9.75%	4.18%	5.57%
11/3/2010	10.75%	4.17%	6.58%
11/19/2010	10.20%	4.15%	6.05%
12/1/2010	10.00%	4.13%	5.87%
12/6/2010	9.56%	4.12%	5.44%
12/6/2010	10.09%	4.12%	5.97%
12/9/2010	10.25%	4.12%	6.13%
12/14/2010	10.33%	4.12%	6.21%
12/17/2010	10.10%	4.11%	5.99%
12/20/2010	10.10%	4.11%	5.99%
12/23/2010	9.92%	4.11%	5.81%
1/6/2011	10.35%	4.09%	6.26%
1/12/2011	10.30%	4.09%	6.21%
1/13/2011	10.30%	4.09%	6.21%
3/10/2011	10.10%	4.16%	5.94%
3/31/2011	9.45%	4.20%	5.25%
4/18/2011	10.05%	4.23%	5.82%
5/26/2011	10.50%	4.31%	6.19%
6/21/2011	10.00%	4.36%	5.64%
6/29/2011	8.83%	4.37%	4.46%
8/1/2011	9.20%	4.41%	4.79%
9/1/2011	10.10%	4.33%	5.77%
11/14/2011	9.60%	3.93%	5.67%
12/13/2011	9.50%	3.76%	5.74%
12/20/2011	10.00%	3.72%	6.28%
12/22/2011	10.40%	3.70%	6.70%
1/10/2012	9.06%	3.60%	5.46%
1/10/2012	9.45%	3.60%	5.85%
1/10/2012	9.45%	3.60%	5.85%
1/23/2012	10.20%	3.53%	6.67%
1/31/2012	10.00%	3.49%	6.51%
4/24/2012	9.50%	3.16%	6.34%
4/24/2012	9.75%	3.16%	6.59%
5/7/2012	9.80%	3.13%	6.67%
5/22/2012	9.60%	3.10%	6.50%
5/24/2012	9.70%	3.09%	6.61%
6/7/2012	10.30%	3.06%	7.24%
6/15/2012	10.40%	3.05%	7.35%
6/18/2012	9.60%	3.05%	6.55%
7/2/2012	9.75%	3.04%	6.71%
10/24/2012	10.30%	2.92%	7.38%
10/26/2012	9.50%	2.92%	6.58%
10/31/2012	9.30%	2.92%	6.38%
10/31/2012	9.90%	2.92%	6.98%
10/31/2012	10.00%	2.92%	7.08%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
11/1/2012	9.45%	2.92%	6.53%
11/8/2012	10.10%	2.91%	7.19%
11/9/2012	10.30%	2.91%	7.39%
11/26/2012	10.00%	2.89%	7.11%
11/28/2012	10.40%	2.88%	7.52%
11/28/2012	10.50%	2.88%	7.62%
12/4/2012	10.00%	2.87%	7.13%
12/4/2012	10.50%	2.87%	7.63%
12/20/2012	9.50%	2.84%	6.66%
12/20/2012	10.10%	2.84%	7.26%
12/20/2012	10.25%	2.84%	7.41%
12/20/2012	10.30%	2.84%	7.46%
12/20/2012	10.40%	2.84%	7.56%
12/20/2012	10.50%	2.84%	7.66%
12/26/2012	9.80%	2.83%	6.97%
2/22/2013	9.60%	2.86%	6.74%
3/14/2013	9.30%	2.89%	6.41%
3/27/2013	9.80%	2.91%	6.89%
4/23/2013	9.80%	2.95%	6.85%
5/10/2013	9.25%	2.96%	6.29%
6/13/2013	9.40%	3.01%	6.39%
6/18/2013	9.28%	3.02%	6.26%
6/18/2013	9.28%	3.02%	6.26%
6/25/2013	9.80%	3.04%	6.76%
9/23/2013	9.60%	3.32%	6.28%
11/6/2013	10.20%	3.42%	6.78%
11/13/2013	9.84%	3.44%	6.40%
11/14/2013	10.25%	3.44%	6.81%
11/22/2013	9.50%	3.47%	6.03%
12/5/2013	10.20%	3.50%	6.70%
12/13/2013	9.60%	3.52%	6.08%
12/16/2013	9.73%	3.52%	6.21%
12/17/2013	10.00%	3.53%	6.47%
12/18/2013	9.08%	3.53%	5.55%
12/23/2013	9.72%	3.54%	6.18%
12/30/2013	10.00%	3.57%	6.43%
1/21/2014	9.65%	3.65%	6.00%
1/22/2014	9.18%	3.66%	5.52%
2/20/2014	9.30%	3.71%	5.59%
2/21/2014	9.85%	3.71%	6.14%
2/28/2014	9.55%	3.72%	5.83%
3/16/2014	9.72%	3.73%	5.99%
4/21/2014	9.50%	3.73%	5.77%
4/22/2014	9.80%	3.73%	6.07%
5/8/2014	9.10%	3.71%	5.39%
5/8/2014	9.59%	3.71%	5.88%
6/6/2014	10.40%	3.66%	6.74%
6/12/2014	10.10%	3.66%	6.44%
6/12/2014	10.10%	3.66%	6.44%
6/12/2014	10.10%	3.66%	6.44%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
7/7/2014	9.30%	3.63%	5.67%
7/25/2014	9.30%	3.60%	5.70%
7/31/2014	9.90%	3.59%	6.31%
9/4/2014	9.10%	3.51%	5.59%
9/24/2014	9.35%	3.46%	5.89%
9/30/2014	9.75%	3.45%	6.30%
10/29/2014	10.80%	3.37%	7.43%
11/6/2014	10.20%	3.35%	6.85%
11/14/2014	10.20%	3.33%	6.87%
11/14/2014	10.30%	3.33%	6.97%
11/26/2014	10.20%	3.31%	6.89%
12/3/2014	10.00%	3.29%	6.71%
1/13/2015	10.30%	3.16%	7.14%
1/21/2015	9.05%	3.13%	5.92%
1/21/2015	9.05%	3.13%	5.92%
4/9/2015	9.50%	2.88%	6.62%
5/11/2015	9.80%	2.82%	6.98%
6/17/2015	9.00%	2.79%	6.21%
8/21/2015	9.75%	2.78%	6.97%
10/7/2015	9.55%	2.82%	6.73%
10/13/2015	9.75%	2.83%	6.92%
10/15/2015	9.00%	2.83%	6.17%
10/30/2015	9.80%	2.86%	6.94%
11/19/2015	10.00%	2.89%	7.11%
12/3/2015	10.00%	2.91%	7.09%
12/9/2015	9.60%	2.92%	6.68%
12/11/2015	9.90%	2.92%	6.98%
12/18/2015	9.50%	2.93%	6.57%
1/6/2016	9.50%	2.96%	6.54%
1/6/2016	9.50%	2.96%	6.54%
1/28/2016	9.40%	2.97%	6.43%
2/10/2016	9.60%	2.95%	6.65%
2/16/2016	9.50%	2.94%	6.56%
2/29/2016	9.40%	2.92%	6.48%
4/29/2016	9.80%	2.83%	6.97%
5/5/2016	9.49%	2.82%	6.67%
6/1/2016	9.55%	2.80%	6.75%
6/3/2016	9.65%	2.79%	6.86%
6/15/2016	9.00%	2.77%	6.23%
6/15/2016	9.00%	2.77%	6.23%
9/2/2016	9.50%	2.57%	6.93%
9/23/2016	9.75%	2.52%	7.23%
9/27/2016	9.50%	2.51%	6.99%
9/29/2016	9.11%	2.50%	6.61%
10/13/2016	10.20%	2.48%	7.72%
10/28/2016	9.70%	2.47%	7.23%
11/9/2016	9.80%	2.47%	7.33%
11/18/2016	10.00%	2.49%	7.51%
12/9/2016	10.10%	2.52%	7.58%
12/15/2016	9.00%	2.53%	6.47%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/15/2016	9.00%	2.53%	6.47%
12/20/2016	9.75%	2.53%	7.22%
12/22/2016	9.50%	2.54%	6.96%
1/24/2017	9.00%	2.59%	6.41%
2/21/2017	10.55%	2.63%	7.92%
3/1/2017	9.25%	2.65%	6.60%
4/11/2017	9.50%	2.77%	6.73%
4/20/2017	8.70%	2.79%	5.91%
4/28/2017	9.50%	2.81%	6.69%
5/23/2017	9.60%	2.88%	6.72%
6/6/2017	9.70%	2.90%	6.80%
6/22/2017	9.70%	2.93%	6.77%
6/30/2017	9.60%	2.94%	6.66%
7/20/2017	9.55%	2.97%	6.58%
7/31/2017	10.10%	2.98%	7.12%
9/13/2017	9.40%	2.93%	6.47%
9/19/2017	9.70%	2.92%	6.78%
9/22/2017	11.88%	2.92%	8.96%
9/27/2017	10.20%	2.92%	7.28%
10/20/2017	9.60%	2.90%	6.70%
10/26/2017	10.20%	2.90%	7.30%
10/30/2017	10.05%	2.90%	7.15%
12/5/2017	9.50%	2.86%	6.64%
12/7/2017	9.80%	2.86%	6.94%
12/13/2017	9.25%	2.85%	6.40%
12/28/2017	9.50%	2.84%	6.66%
1/31/2018	9.80%	2.83%	6.97%
2/21/2018	9.80%	2.84%	6.96%
2/21/2018	9.80%	2.84%	6.96%
2/28/2018	9.50%	2.85%	6.65%
3/15/2018	9.00%	2.87%	6.13%
3/26/2018	10.19%	2.88%	7.31%
4/26/2018	9.50%	2.90%	6.60%
4/27/2018	9.30%	2.91%	6.39%
5/2/2018	9.50%	2.91%	6.59%
5/3/2018	9.70%	2.91%	6.79%
5/29/2018	9.40%	2.95%	6.45%
6/6/2018	9.80%	2.96%	6.84%
6/14/2018	8.80%	2.97%	5.83%
7/16/2018	9.60%	2.98%	6.62%
7/20/2018	9.40%	2.99%	6.41%
8/24/2018	9.28%	3.02%	6.26%
8/28/2018	10.00%	3.02%	6.98%
9/13/2018	10.00%	3.04%	6.96%
9/14/2018	10.00%	3.04%	6.96%
9/19/2018	9.85%	3.05%	6.80%
9/20/2018	9.80%	3.05%	6.75%
9/26/2018	9.40%	3.06%	6.34%
9/26/2018	10.20%	3.06%	7.14%
9/28/2018	9.50%	3.07%	6.43%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
9/28/2018	9.50%	3.07%	6.43%
10/5/2018	9.61%	3.08%	6.53%
10/15/2018	9.80%	3.09%	6.71%
10/26/2018	9.40%	3.11%	6.29%
10/29/2018	9.60%	3.11%	6.49%
11/1/2018	9.87%	3.11%	6.76%
11/8/2018	9.70%	3.12%	6.58%
11/8/2018	9.70%	3.12%	6.58%
12/11/2018	9.70%	3.14%	6.56%
12/12/2018	9.30%	3.14%	6.16%
12/13/2018	9.60%	3.14%	6.46%
12/19/2018	9.30%	3.14%	6.16%
12/21/2018	9.35%	3.14%	6.21%
12/24/2018	9.25%	3.14%	6.11%
12/24/2018	9.25%	3.14%	6.11%
1/4/2019	9.80%	3.14%	6.66%
1/18/2019	9.70%	3.14%	6.56%
3/14/2019	9.00%	3.12%	5.88%
3/27/2019	9.70%	3.12%	6.58%
4/30/2019	9.73%	3.11%	6.62%
5/7/2019	9.65%	3.10%	6.55%
5/21/2019	9.80%	3.10%	6.70%
9/4/2019	10.00%	2.76%	7.24%
9/26/2019	9.90%	2.69%	7.21%
10/2/2019	9.73%	2.67%	7.06%
10/2/2019	9.90%	2.67%	7.23%
10/8/2019	9.40%	2.65%	6.75%
10/15/2019	9.70%	2.62%	7.08%
10/21/2019	9.40%	2.61%	6.79%
10/31/2019	9.70%	2.57%	7.13%
10/31/2019	10.00%	2.57%	7.43%
10/31/2019	10.00%	2.57%	7.43%
10/31/2019	10.20%	2.57%	7.63%
11/7/2019	9.35%	2.55%	6.80%
11/13/2019	9.60%	2.54%	7.06%
11/13/2019	9.60%	2.54%	7.06%
12/6/2019	9.87%	2.47%	7.40%
12/11/2019	9.40%	2.46%	6.94%
12/17/2019	9.75%	2.45%	7.30%
12/18/2019	9.60%	2.44%	7.16%
12/18/2019	9.60%	2.44%	7.16%
12/19/2019	10.05%	2.44%	7.61%
12/19/2019	10.20%	2.44%	7.76%
12/19/2019	10.25%	2.44%	7.81%
12/20/2019	9.20%	2.44%	6.76%
12/26/2019	9.75%	2.43%	7.32%
1/15/2020	9.35%	2.38%	6.97%
1/16/2020	8.80%	2.37%	6.43%
1/24/2020	9.44%	2.35%	7.09%
2/3/2020	9.40%	2.33%	7.07%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
2/24/2020	9.10%	2.27%	6.83%
2/25/2020	9.50%	2.27%	7.23%
2/28/2020	9.70%	2.25%	7.45%
3/25/2020	9.40%	2.15%	7.25%
3/26/2020	9.48%	2.15%	7.33%
4/21/2020	9.80%	2.02%	7.78%
5/19/2020	9.20%	1.94%	7.26%
6/16/2020	9.65%	1.87%	7.78%
7/8/2020	9.40%	1.81%	7.59%
8/4/2020	9.50%	1.70%	7.80%
8/20/2020	9.90%	1.64%	8.26%
8/21/2020	9.35%	1.64%	7.71%
9/10/2020	9.90%	1.58%	8.32%
9/23/2020	9.60%	1.53%	8.07%
9/25/2020	9.25%	1.52%	7.73%
9/25/2020	9.25%	1.52%	7.73%
10/4/2020	9.80%	1.50%	8.30%
10/7/2020	9.70%	1.49%	8.21%
10/12/2020	9.20%	1.48%	7.72%
10/16/2020	9.40%	1.47%	7.93%
10/30/2020	9.90%	1.44%	8.46%
11/7/2020	9.60%	1.43%	8.17%
11/19/2020	8.80%	1.42%	7.38%
11/19/2020	8.80%	1.42%	7.38%
11/19/2020	9.90%	1.42%	8.48%
11/24/2020	9.80%	1.42%	8.38%
12/9/2020	9.10%	1.43%	7.67%
12/10/2020	9.40%	1.43%	7.97%
12/16/2020	9.38%	1.44%	7.94%
12/16/2020	9.65%	1.44%	8.21%
12/23/2020	10.00%	1.45%	8.55%
1/6/2021	9.40%	1.47%	7.93%
1/6/2021	9.60%	1.47%	8.13%
1/13/2021	9.67%	1.49%	8.18%
1/26/2021	9.50%	1.51%	7.99%
2/16/2021	9.80%	1.56%	8.24%
2/19/2021	9.86%	1.57%	8.29%
2/24/2021	9.25%	1.58%	7.67%
3/25/2021	10.00%	1.67%	8.33%
3/25/2021	10.00%	1.67%	8.33%
3/25/2021	10.00%	1.67%	8.33%
4/9/2021	9.70%	1.73%	7.97%
5/5/2021	9.30%	1.83%	7.47%
5/18/2021	9.40%	1.87%	7.53%
5/19/2021	8.80%	1.88%	6.92%
6/17/2021	10.24%	1.97%	8.27%
6/30/2021	9.43%	1.99%	7.44%
7/27/2021	9.54%	2.03%	7.51%
7/30/2021	9.30%	2.03%	7.27%
8/12/2021	8.80%	2.05%	6.75%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
8/12/2021	8.80%	2.05%	6.75%
9/1/2021	9.40%	2.07%	7.33%
9/8/2021	9.67%	2.08%	7.59%
9/9/2021	9.85%	2.08%	7.77%
9/14/2021	9.50%	2.08%	7.42%
9/27/2021	9.40%	2.09%	7.31%
9/29/2021	9.80%	2.09%	7.71%
9/30/2021	9.70%	2.10%	7.60%
10/6/2021	9.70%	2.10%	7.60%
10/27/2021	9.37%	2.12%	7.25%
11/17/2021	9.60%	2.11%	7.49%
11/17/2021	9.80%	2.11%	7.69%
11/18/2021	9.00%	2.11%	6.89%
11/18/2021	9.75%	2.11%	7.64%
11/18/2021	10.00%	2.11%	7.89%
11/18/2021	10.00%	2.11%	7.89%
11/23/2021	9.80%	2.10%	7.70%
11/30/2021	9.40%	2.09%	7.31%
12/3/2021	9.65%	2.08%	7.57%
12/9/2021	9.90%	2.07%	7.83%
12/13/2021	9.20%	2.06%	7.14%
12/28/2021	9.35%	2.03%	7.32%
12/28/2021	9.38%	2.03%	7.35%
12/28/2021	9.60%	2.03%	7.57%
1/3/2022	9.25%	2.03%	7.22%
1/6/2022	9.60%	2.02%	7.58%
1/20/2022	9.00%	2.02%	6.98%
1/21/2022	9.60%	2.01%	7.59%
3/22/2022	9.40%	2.02%	7.38%
3/22/2022	9.40%	2.02%	7.38%
4/14/2022	9.20%	2.08%	7.12%
5/19/2022	9.23%	2.23%	7.00%
6/16/2022	9.25%	2.36%	6.89%
7/7/2022	9.90%	2.45%	7.45%
7/20/2022	9.30%	2.50%	6.80%
7/27/2022	9.85%	2.53%	7.32%
8/2/2022	9.40%	2.55%	6.85%
8/17/2022	9.60%	2.62%	6.98%
8/18/2022	9.39%	2.62%	6.77%
8/23/2022	9.40%	2.65%	6.75%
9/15/2022	9.30%	2.79%	6.51%
10/10/2022	9.60%	2.93%	6.67%
10/12/2022	9.60%	2.95%	6.65%
10/24/2022	9.40%	3.04%	6.36%
10/25/2022	9.20%	3.05%	6.15%
10/27/2022	9.70%	3.07%	6.63%
10/27/2022	9.80%	3.07%	6.73%
11/3/2022	10.20%	3.12%	7.08%
11/17/2022	9.65%	3.22%	6.43%
11/30/2022	9.38%	3.29%	6.09%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
12/15/2022	9.80%	3.35%	6.45%
12/21/2022	9.60%	3.38%	6.22%
12/22/2022	9.40%	3.38%	6.02%
12/22/2022	9.80%	3.38%	6.42%
12/23/2022	9.60%	3.39%	6.21%
12/29/2022	9.80%	3.41%	6.39%
12/29/2022	9.80%	3.41%	6.39%
1/19/2023	9.60%	3.48%	6.12%
1/23/2023	9.30%	3.48%	5.82%
1/24/2023	10.25%	3.49%	6.76%
1/26/2023	9.60%	3.49%	6.11%
3/23/2023	9.57%	3.63%	5.94%
3/28/2023	9.50%	3.64%	5.86%
5/4/2023	9.30%	3.73%	5.57%
6/30/2023	9.50%	3.81%	5.69%
7/20/2023	9.25%	3.80%	5.45%
8/30/2023	9.80%	3.85%	5.95%
8/30/2023	9.90%	3.85%	6.05%
8/31/2023	9.40%	3.85%	5.55%
9/20/2023	9.35%	3.90%	5.45%
9/20/2023	9.49%	3.90%	5.59%
10/5/2023	9.30%	3.96%	5.34%
10/6/2023	9.80%	3.96%	5.84%
10/12/2023	9.20%	3.99%	5.21%
10/12/2023	9.20%	3.99%	5.21%
10/25/2023	9.55%	4.05%	5.50%
10/26/2023	9.50%	4.06%	5.44%
10/26/2023	9.65%	4.06%	5.59%
11/1/2023	9.60%	4.09%	5.51%
11/3/2023	9.70%	4.10%	5.60%
11/7/2023	9.65%	4.11%	5.54%
11/9/2023	9.80%	4.12%	5.68%
11/9/2023	9.80%	4.12%	5.68%
11/9/2023	10.15%	4.12%	6.03%
11/16/2023	9.38%	4.14%	5.24%
11/16/2023	9.38%	4.14%	5.24%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
11/16/2023	9.44%	4.14%	5.30%
11/16/2023	9.51%	4.14%	5.37%
12/4/2023	9.80%	4.18%	5.62%
12/14/2023	9.45%	4.20%	5.25%
12/14/2023	9.50%	4.20%	5.30%
12/15/2023	9.65%	4.21%	5.44%
12/21/2023	9.75%	4.21%	5.54%
12/22/2023	10.50%	4.21%	6.29%
1/17/2024	9.85%	4.26%	5.59%
1/31/2024	9.70%	4.29%	5.41%
3/24/2024	9.30%	4.38%	4.92%
4/8/2024	9.50%	4.41%	5.09%
4/8/2024	9.50%	4.41%	5.09%
4/8/2024	11.88%	4.41%	7.47%
4/17/2024	9.75%	4.44%	5.31%
6/26/2024	9.80%	4.48%	5.32%
6/28/2024	9.40%	4.48%	4.92%
7/18/2024	9.50%	4.45%	5.05%
7/23/2024	9.90%	4.44%	5.46%
7/25/2024	9.38%	4.43%	4.95%
7/31/2024	9.75%	4.43%	5.32%
8/15/2024	9.35%	4.40%	4.95%
8/15/2024	9.35%	4.40%	4.95%
9/17/2024	9.65%	4.38%	5.27%
9/18/2024	9.45%	4.38%	5.07%
9/26/2024	9.86%	4.38%	5.48%
10/1/2024	9.85%	4.38%	5.47%
10/9/2024	9.60%	4.38%	5.22%
10/17/2024	10.08%	4.38%	5.70%
10/25/2024	9.35%	4.39%	4.96%
10/25/2024	9.40%	4.39%	5.01%
10/31/2024	9.90%	4.39%	5.51%
11/6/2024	10.00%	4.40%	5.60%
11/7/2024	9.80%	4.40%	5.40%
11/7/2024	9.90%	4.40%	5.50%
11/7/2024	9.90%	4.40%	5.50%
11/18/2024	9.15%	4.40%	4.75%
11/18/2024	9.15%	4.40%	4.75%
11/20/2024	9.70%	4.40%	5.30%
11/21/2024	9.60%	4.40%	5.20%
11/21/2024	9.60%	4.40%	5.20%
11/21/2024	9.85%	4.40%	5.45%
12/19/2024	9.70%	4.42%	5.28%
12/19/2024	9.80%	4.42%	5.38%
12/19/2024	9.80%	4.42%	5.38%
12/19/2024	9.80%	4.42%	5.38%
12/20/2024	9.80%	4.42%	5.38%
12/30/2024	9.75%	4.43%	5.32%

[6]	[7]	[8]	[9]
Date of Gas Rate Case	Return on Equity	30-Year Treasury Yield	Risk Premium
1/7/2025	9.80%	4.43%	5.37%
1/15/2025	9.90%	4.44%	5.46%
2/13/2025	9.60%	4.45%	5.15%
2/24/2025	9.50%	4.46%	5.04%
3/20/2025	9.75%	4.47%	5.28%
3/27/2025	9.84%	4.47%	5.37%
4/10/2025	9.90%	4.48%	5.42%
4/22/2025	9.80%	4.50%	5.30%
5/13/2025	9.80%	4.55%	5.25%
5/15/2025	9.75%	4.56%	5.19%
5/23/2025	9.50%	4.59%	4.91%
6/12/2025	9.50%	4.65%	4.85%
6/17/2025	9.80%	4.66%	5.14%
6/18/2025	9.60%	4.67%	4.93%
6/24/2025	9.55%	4.68%	4.87%
6/24/2025	9.65%	4.68%	4.97%
6/26/2025	9.79%	4.69%	5.10%
7/1/2025	9.75%	4.70%	5.05%
8/11/2025	9.75%	4.76%	4.99%
8/14/2025	9.50%	4.76%	4.74%
8/14/2025	9.50%	4.76%	4.74%
8/26/2025	9.30%	4.79%	4.51%
8/29/2025	9.60%	4.79%	4.81%
		# of Cases:	1,356

Michigan Public Service Commission
DTE Gas Company
Capital Expenditure Analysis

Case: U-21973
Exhibit: A-14
Schedule: D5.7
Witness: J. E. Nelson

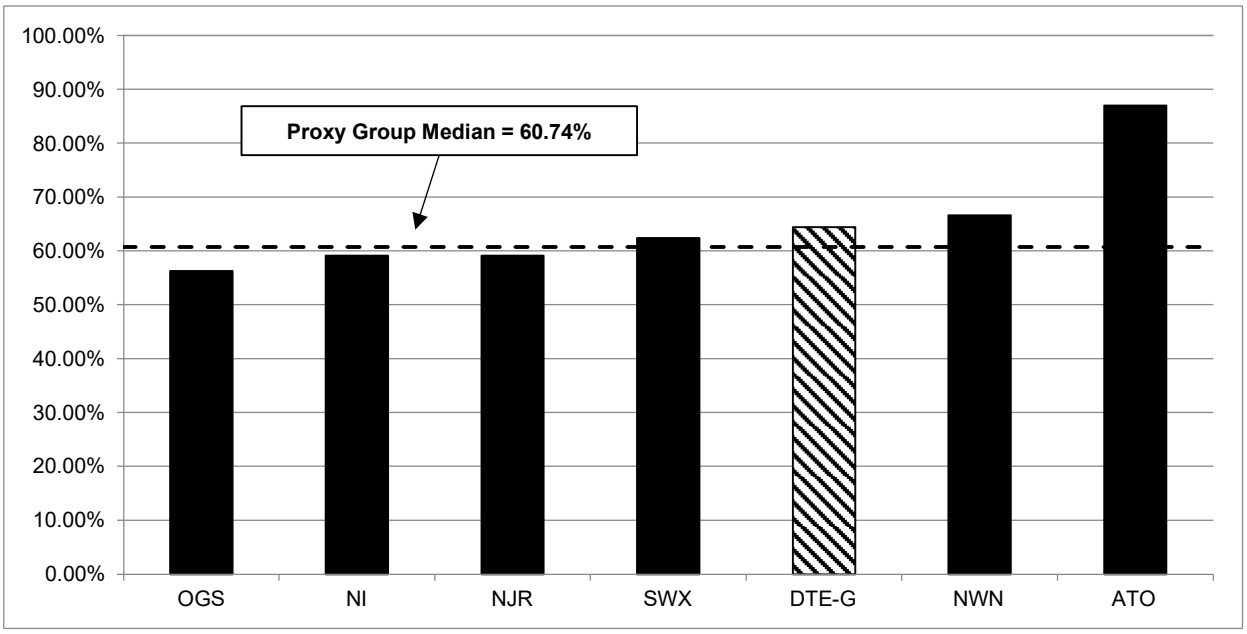
2025-2029 Capital Expenditures as a Percent of 2024 Net Plant
($ Millions)

		[1]	[2]	[3]	[4]	[5]	[6]	[7]
		2024	2025	2026	2027	2028	2029	2025-2029 Cap. Ex. / 2024 Net Plant
Atmos Energy Corporation	ATO							
Capital Spending per Share			$23.00	$22.75	$22.37	$21.98	$21.60	
Common Shares Outstanding			161.00	167.00	173.00	179.00	185.00	
Capital Expenditures			$3,703.0	$3,799.3	$3,869.4	$3,935.0	$3,996.0	86.93%
Net Plant		$22,204.0						
New Jersey Resources Corporation	NJR							
Capital Spending per Share			$6.50	$5.75	$6.00	$6.25	$6.50	
Common Shares Outstanding			101.00	102.00	103.00	104.00	105.00	
Capital Expenditures			$656.5	$586.5	$618.0	$650.0	$682.5	59.10%
Net Plant		$5,403.2						
NiSource Inc.	NI							
Capital Spending per Share			$5.50	$6.00	$6.33	$6.67	$7.00	
Common Shares Outstanding			480.00	500.00	508.33	516.67	525.00	
Capital Expenditures			$2,640.0	$3,000.0	$3,219.4	$3,444.4	$3,675.0	59.08%
Net Plant		$27,044.0						
Northwest Natural Gas Company	NWN							
Capital Spending per Share			$9.50	$10.00	$10.50	$11.00	$11.50	
Common Shares Outstanding			42.00	45.00	46.67	48.33	50.00	
Capital Expenditures			$399.0	$450.0	$490.0	$531.7	$575.0	66.60%
Net Plant		$3,672.3						
ONE Gas, Inc.	OGS							
Capital Spending per Share			$11.65	$11.60	$11.45	$11.30	$11.15	
Common Shares Outstanding			61.50	63.00	65.33	67.67	70.00	
Capital Expenditures			$716.5	$730.8	$748.1	$764.6	$780.5	56.28%
Net Plant		$6,645.9						
Southwest Gas Corporation	SWX							
Capital Spending per Share			$12.50	$13.50	$13.83	$14.17	$14.50	
Common Shares Outstanding			73.00	73.00	73.67	74.33	75.00	
Capital Expenditures			$912.5	$985.5	$1,019.1	$1,053.1	$1,087.5	62.37%
Net Plant		$8,109.1						
DTE Gas	DTE-G							
Capital Expenditures (2025-2029) [8]							$4,000.00	64.44%
Net Plant [9]		$6,207.5						

	2024	2025	2026	2027	2028	2029	
DTE Gas CapEx Total (2025 - 2029)							$4,000.0
DTE Gas CapEx Annual Average							$800.0
Proxy Group Median							60.74%
DTE Gas / Proxy Group Median							1.06

Notes:
[1] - [6] Source: Value Line, dated August 22, 2025
[7] Equals (Col. [2] + [3] + [4] + [5] + [6]) / Col. [1]
[8] Source: DTE Investor Presentation, 2024 Year End Earnings Call, slide 8 (February 13, 2025)
[9] Source: S&P Capital IQ

2025-2029 Capital Expenditures as a Percent of 2024 Net Plant



Projected CAPEX / 2024 Net Plant

Rank	Company		2025-2029
1	ONE Gas, Inc.	OGS	56.28%
2	NiSource Inc.	NI	59.08%
3	New Jersey Resources Corporation	NJR	59.10%
4	Southwest Gas Corporation	SWX	62.37%
5	DTE Gas	DTE-G	64.44%
6	Northwest Natural Gas Company	NWN	66.60%
7	Atmos Energy Corporation	ATO	86.93%
	Proxy Group Median		60.74%
	DTE-G/Proxy Group		1.06

Notes:
Source: Exhibit A-14, Schedule D5.7, page 1 Col. [7]

Proxy Group Regulatory Risk Comparative Assessment

Company	Parent	Jurisdiction	Natural Gas Commodity [1]	Decoupling (F/P) [2]	New Capital Investment [3]	Energy Efficiency [4]	Other [5]	Jurisdiction Test Year Convention	Jurisdiction Rate Base Methodology	Formula-Based Rates / Annual Rate Review Mechanism
Atmos Energy	ATO	Colorado	✓	P	✓	✓	✓	Historical	Average	
Atmos Energy	ATO	Kansas	✓	P	✓		✓	Historical	Year End	
Atmos Energy	ATO	Kentucky	✓	P	✓	✓	✓	Historical	Year End	
Atmos Energy	ATO	Louisiana — PSC	✓	P	✓	✓	✓	Historical	Average	✓
Atmos Energy	ATO	Mississippi	✓	P	✓	✓	✓	Forecast Permitted	Average	✓
Atmos Energy	ATO	Tennessee	✓	P	✓		✓	Forecast	Average	✓
Atmos Energy	ATO	Texas — RRC	✓	P	✓	✓	✓	Historical	Year End	✓
Atmos Energy	ATO	Virginia	✓	P	✓			Forecast Permitted	Average	
New Jersey Natural Gas	NJR	New Jersey	✓	P	✓	✓	✓	Partially Forecast	Year End	
Northern Indiana Public Service Co.	NI	Indiana	✓	P	✓	✓	✓	Forecast Permitted	Year End	
Columbia Gas of Kentucky Inc	NI	Kentucky	✓	P	✓	✓	✓	Historical	Year End	
Columbia Gas of Maryland Inc.	NI	Maryland	✓	P	✓	✓	✓	Forecast Permitted	Average	
Columbia Gas of Ohio Inc.	NI	Ohio	NA	F	✓	✓	✓	Partially Forecast	Year End	
Columbia Gas of Pennsylvania Inc.	NI	Pennsylvania	✓	P	✓	✓	✓	Forecast	Year End	
Columbia Gas of Virginia Inc.	NI	Virginia	✓	F	✓	✓	✓	Forecast Permitted	Average	
Northwest Natural Gas Company	NWN	Oregon	✓	P	✓	✓	✓	Partially Forecast	Average	
Northwest Natural Gas Company	NWN	Washington	✓			✓	✓	Forecast Permitted	Average	
Kansas Gas Service	OGS	Kansas	✓	P	✓		✓	Historical	Year End	
Oklahoma Natural Gas	OGS	Oklahoma	✓	P	✓	✓	✓	Historical	Year End	✓
Texas Gas Service	OGS	Texas — RRC	✓	P	✓	✓	✓	Historical	Year End	
Southwest Gas Corp	SWX	Arizona	✓	F	✓	✓	✓	Historical	Year End	
Southwest Gas Corp	SWX	California	✓	F	✓	✓	✓	Forecast	Average	
Southwest Gas Corp	SWX	Nevada	✓	F	✓	✓	✓	Forecast Permitted	Year End	
	% of Proxy Group (Op Co)		100%	96%	96%	83%	96%	57%	43%	22%
DTE Gas		Michigan	✓	P	✓	✓	✓	Forecast	Average	

Notes:

A mechanism may cover one or more cost categories; therefore, designations may not indicate separate mechanisms for each category.

[1] Columbia Gas of Ohio does not have a supply obligation for retail customers.

[2] Full or partial decoupling (such as Straight-Fixed Variable rate design, weather normalization clauses, and recovery of lost revenues as a result of Energy Efficiency programs).

[3] Includes recovery of capital costs including infrastructure replacement programs and capital/plant additions.

[4] Utility-sponsored conservation, energy efficiency, or other demand side management programs.

[5] Pension expenses, bad debt costs, storm costs, environmental costs, regulatory fee, government franchise fees and taxes, economic development, and low income assistance programs.

Sources: Company SEC Form 10-Ks; Operating company tariffs; Regulatory Research Associates, *State Regulatory Evaluations Quarterly Update* , December 2024; Regulatory Research Associates, *Adjustment Clauses: A State-by-State Overview,* September 2025; Regulatory Research Associates, Alternative Ratemaking Frameworks in the U.S., April 16, 2020.