

Escalating Marginal Costs using GDPLEV from Bureau of Economic Analysis data:

- 1) Go to -> <http://www.bea.gov/national/index.htm#gdp> web page;
- 2) Click on the link for *Current-Dollar and "Real" Gross Domestic Product*;
- 3) Update annual GDP "current dollars" and "chained 2005 dollars" data in the table below;
- 4) Forward year GDP estimates use EIA Energy Outlook projections (1.9% in early release overview report, Table 20);  
Go to -> <http://www.eia.doe.gov/oiaf/aeo/index.html> web page;
- 5) Update prior to start of each contract year.

**Adjustment escalators to Marginal Costs**

	GDP in billions of current dollars	GDP in billions of chained 2005 dollars	% of Chained 2005	GDP-IPD	Marginal Cost Study Escalation Factor Calculation
1993	6,667.4	8,516.2			
1994	7,085.2	8,863.1	0.7021	0.7994	
1995	7,414.7	9,086.0	0.7198	0.8161	
1996	7,838.5	9,425.8	0.7467	0.8316	
1997	8,332.4	9,845.9	0.7800	0.8463	
1998	8,793.5	10,274.7	0.8140	0.8558	
1999	9,353.5	10,770.7	0.8533	0.8684	
2000	9,951.5	11,216.4	0.8886	0.8872	
2001	10,286.2	11,337.5	0.8982	0.9073	
2002	10,642.3	11,543.1	0.9144	0.9220	
2003	11,142.2	11,836.4	0.9377	0.9414	
2004	11,853.3	12,246.9	0.9702	0.9679	
2005	12,623.0	12,623.0	1.0000	1.0000	
2006	13,377.2	12,958.5	1.0266	1.0323	
2007	14,028.7	13,206.4	1.0462	1.0623	
2008	14,291.5	13,161.9	1.0427	1.0858	
2009	13,973.7	12,757.9	1.0107	1.0953	
2010	14,498.9	13,063.0	1.0349	1.1099	
2011	15,075.7	13,299.1	1.0536	1.1336	1.1336
2012	15,684.8	13,593.2	1.0769	1.1539	
2013	16,186.4	13,794.0	1.0928	1.173	
2014	16,890.3	14,194.2	1.1245	1.190	1.2036 (Midpoint of contract year (September 2014))
2015	17,735.4	14,879.4	1.1629	1.208	
Calculation of Escalation Factor ->					1.0618

**Marginal Cost Estimate**

A	B	C	D	E	F	G
			2011 MCS(1)	2013 Est		Notes
1	Escalation Factor			1.0618		
2	Marginal Cost Data					
3	Customer Charge					D3 x E1
4	Pressure Support					D4 x E1
5	Main Reinforcement					D5 x E1
6	Main Extension					D6 x E1
7						
8	Customer Data					
9	Annual Usage				Dth	2012 Annual Usage
10	Design Day Usage				Dth	Customer MDTQ
11						
12	Marginal Revenue Requirement					
13	Customer Charge					E3 x 12
14	Pressure Support					E4 x E10
15	Main Reinforcement					E5 x E10
16	Main Extension					E6 x E10
17	Total					Sum(E13..E16)
18						
19	Marginal Cost Floor - All Components					
20	Revenue Requirement					E17
21	Customer Charge					E3 x 12
22	Remaining Revenue					E20 - E21
23	Volumetric Charge					E22 / E9

Go to -> [http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data\\_tool=latest\\_numbers&series\\_id=CUUR0000SA0&output\\_view=pct\\_1mth](http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=CUUR0000SA0&output_view=pct_1mth)

Filter formatting options - 12 month, February to February, html format, comma delimited

CPI Table Paste Area

Data extracted on: March 19, 2012 (09:03:04 AM)

**Consumer Price Index - All Urban Consumers**

12-Month Percent Change  
 Series Id: CUUR0000SA0

Not Seasonally Adjusted  
 Area: U.S. city average  
 Item: All items  
 Base Period: 1982-84=100

Year	Feb
2000	169.800
2001	175.800
2002	177.800
2003	183.100
2004	186.200
2005	191.800
2006	198.700
2007	203.499
2008	211.693
2009	212.193
2010	216.741
2011	221.309
2012	227.663
2013	232.166

Inflation Factor Template			Annual Special Contract Rate Adjustment Template						
CPI-U Year	CPI-U, NSA, 12 months, Feb. - Feb.	Inflation Factor	March 1 Contract Rate Year	Monthly Customer Charge	First 200,000 Therms	Delivery Rate 200,001-300,000	Delivery Rate 300,001-400,000	Delivery Rate Over 400,001	Notes
2005	191.800								Actual billed rates
2006	198.700	3.60%							Actual billed rates
2007	203.499	2.42%							Actual billed rates
2008	211.693	4.03%							Actual billed rates
2009	212.193	0.24%							Actual billed rates
2010	216.741	2.14%							Actual billed rates
2011	221.309	2.11%							Actual billed rates
2012	227.663	2.87%							Actual billed rates
2013	232.166	1.98%							Actual billed rates
2014	0.000	-100.00%							

Note: Updated 2014 contract rates will be determined when February 2014 CPI-U data is available, approximately the end of March 2014.