

PDS 401(k) Plan Fee Analysis

In light of the increased public focus on arrangements affecting plan expenses, we want to review the cost elements of the PDS 401(k) Plan programs (“Programs”) that relate to the services provided by the Merrill Lynch Retirement Group. In general terms we are involved with the Programs as a provider of both administrative services as described in our various agreements (“Administrative Services”) and investment related services (“Investment Services”). We understand that there are additional Plan costs beyond those arising from our services (notably the cost for legal and consulting services and insurance coverage). Your analysis of the total cost associated with the Programs will need to add those matters to the information that is set forth herein.

The Administrative Services provided to the Plan are established by written agreement. Under the terms of those agreements, Merrill Lynch is compensated for its services through a combination of fees that are paid either by the Plan or the Plan Sponsor (“Direct Fees”), and payments from third parties related to Program investments (“Indirect Compensation”). Depending on your requirements, the Administrative Services may include:

- Plan Administration, including recordkeeping
- Employee and Plan Communications
- Compliance and Audit
- Other administrative services as provided

Direct Fees are assessed in one of three ways:

- Asset-based: These fees are based on the amount of assets in the plan expressed as percentages or basis points. Investment management fees and trustee fees typically are assessed on an asset basis.
- Per Participant Fees: These fees are based upon the number of eligible employees or participants in the plan.
- Transaction-based: These fees are based on the execution of specific plan-related or participant-related activities.

Direct Fees can be calculated using one or any combination of the above and may also include pass-through expenses such as postage or printing. As previously noted, Merrill Lynch also receives compensation for the Administrative Services from other sources (“Indirect Compensation”). We are a “bundled” service provider and our Direct Fee schedule, in combination with the Indirect Compensation elements related to your Programs, is designed to provide an appropriate level of compensation for our services.

The following worksheets represent the projected Direct Fees for Merrill Lynch’s servicing of the Programs, and the credits we calculated for the Indirect Compensation related to the Programs. The Direct Fees payments and the Indirect Compensation credits are Merrill Lynch’s aggregate compensation for the Administrative Services.

There are a number of studies available to plan sponsors that provide guidance on fees. The DOL has provided guidance on fees through their web site: <http://www.dol.gov/dol/pwba/public/pubs/401kt799.htm>.

Note: This fee analysis is intended to be an estimate of the compensation paid to Merrill Lynch for providing the Administrative Services to the Programs. The analysis is based upon current assets and annualized administrative expenses for the PDS 401(k) Plan currently administered by Merrill Lynch. Fees incurred by Piping Design Services, Inc. or the PDS 401(k) Plan that are associated with other vendors providing services such as administration, legal, consulting, contract, compliance, audit or insurance are not included.

Fees may be higher or lower for any specific plan year based upon changes in the PDS 401(k) Plan programs such as market-value of assets, changes in the number of plans and participants serviced, increase in the number of transaction or activity related services, changes in investment or administrative related charges, etc.

PDS 401(k) Plan					
Fee Analysis Worksheet					
Prepared by Merrill Lynch for the 2005 Plan Year					
Plan Assets: \$36,107,775					
Number of Plan Participants: 3,200					
Average Participant Balance: \$11,284					
Direct Fees	Fee Calculation Methodology	Employee Paid	Paid by Plan	Paid by Company	Total Direct Fees
Recordkeeping Fees	Per Participant		\$8		\$25,600
Trustee Fees	Asset Based				\$0
Distribution Fees	Transaction Based				\$0
Communication Fees	Pass Through				\$0
Compliance – ADP/ACP Testing	Flat Fee				\$0
Compliance – Form 5500 Preparation	Flat Fee				\$0
Self Direct Accounts	Per Participant (21)	\$125			\$2,625
Loan Fees	Transaction Based (49)	\$50			\$2,450
Totals					\$30,675

Indirect Compensation Source	Assets & Participants		Fund Operating Expense [i]	Indirect Compensation Credits[ii]		Total Fund Operating Expense	Total Indirect Compensation
	Assets	Parts.	%	%	per part.		
Investments							
AIM Constellation Fund; Class A	\$ 1,764,986	497	1.27%	0.45%	\$16	\$ 22,415	\$ 15,894
AllianceBernstein Tech. Fund, Inc; Cl. A	\$ 1,658,830	341	1.65%	0.45%	\$16	\$ 27,371	\$ 12,921
Allianz PEA Target Fund; Class A	\$ 2,066,360	584	1.21%	0.45%	\$16	\$ 25,003	\$ 18,643
American Euro Pacific Growth Fund; Cl. R3	\$ 642,653	386	1.29%	0.65%	\$ -	\$ 8,290	\$ 4,177
American Inv. Co. of America Fund; Cl. R3	\$ 743,150	325	0.98%	0.65%	\$ -	\$ 7,283	\$ 4,830
BlackRock Aurora Fund; Class A	\$ 664,258	120	1.40%	0.45%	\$16	\$ 9,300	\$ 4,909
Davis New York Venture Fund; Class A	\$ 3,393,356	396	0.92%	0.45%	\$16	\$ 31,219	\$ 21,606
Federated Capital App. Fund; Cl. A	\$ 1,113,071	398	1.25%	0.45%	\$16	\$ 13,913	\$ 11,377
ING Emerging Countries Fund; Class A	\$ 331,741	126	2.20%	0.45%	\$16	\$ 7,298	\$ 3,509
MFS Gov't. Securities Fund; Class A	\$ 1,225,196	473	0.95%	0.45%	\$16	\$ 11,639	\$ 13,081
ML Balanced Capital Fund: Cl. I	\$ 3,369,389	340	0.58%	0.30%	\$16	\$ 19,542	\$ 15,548
ML Bond Fund - Core Bond Port; Cl. I	\$ 197,094	96	0.60%	0.28%	\$16	\$ 1,183	\$ 2,088
ML Equity Index Trust	\$ 2,595,921	298	0.30%	0.03%	\$ -	\$ 7,788	\$ 779
ML EuroFund; Cl. I	\$ 821,547	171	1.05%	0.41%	\$16	\$ 8,626	\$ 6,104
ML Global Alloc. Fund; Cl. I	\$ 1,185,739	218	0.88%	0.41%	\$16	\$ 10,435	\$ 8,350
ML Latin America Fund; Cl. I	\$ 884,540	160	1.60%	0.66%	\$16	\$ 14,153	\$ 8,398
ML Pacific Fund; Cl. I	\$ 381,595	137	0.89%	0.50%	\$16	\$ 3,396	\$ 4,100
ML Retirement Preservation Trust	\$ 4,722,640	1978	0.40%	0.33%	\$ -	\$ 18,891	\$ 15,585
Oppenheimer Global Fund; Class A	\$ 4,146,494	519	1.15%	0.45%	\$16	\$ 47,685	\$ 26,963

Oppenheimer Gold & Special Min. Fd.; Cl. A	\$ 335,759	183	1.27%	0.45%	\$16	\$ 4,264	\$ 4,439
PIMCO High Yield Fund; Class A	\$ 436,521	206	0.90%	0.45%	\$16	\$ 3,929	\$ 5,260
PIMCO Total Return Fund; Class A	\$ 2,340,533	512	0.90%	0.50%	\$ -	\$ 21,065	\$ 11,703
Seligman Comm. & Info. Fund, Inc; Cl. A	\$ 35,598	23	1.57%	0.45%	\$16	\$ 559	\$ 528
Self Direct Accounts	\$ 644,002	21				\$ -	\$ -
Loan Fund	\$ 406,801	43				\$ -	\$ -
Totals	\$ 36,107,775	3200				\$ 325,246	\$ 220,792

Totals		Total Operating Fund Expense	Total Direct Fees	Total Direct Fees and Fund Expense	Total Direct Fees and Indirect Compensation
Grand Totals		\$325,246	\$30,675	\$355,921	\$251,467
Grand Totals (% of Assets)		0.90%	0.08%	0.99%	0.70%
Grand Totals (Per Participant)		\$102	\$10	\$111	\$79

^[i] Source: Lipper, Inc. For more complete information on the investment options, including their management fees and other charges, please consult the prospectus and other comparable documents.

^[iii] The total fund operating expense charged investors by the mutual funds (MLIM and alliance funds) and collective trusts comprising the investment menu for the Plan are disclosed in the mutual fund prospectuses, collective trust fund agreements and the other documents governing the operation of each of those investments. The amount credited for purposes of this Worksheet is the amount received by Merrill Lynch Retirement Group, and in most cases, includes the indicated basis points on assets and an annualized \$16 per participant position held in a particular fund.

^[iiij] If applicable, the Merrill Lynch Retirement Preservation Trust is a collective investment trust maintained by Merrill Lynch Trust. Merrill Lynch Investment Managers, L.P. provides non-discretionary advice to Merrill Lynch Trust. The Trust seeks to maintain a constant \$1.00 net asset value per unit, although this cannot be assured. Investment in the Merrill Lynch Retirement Preservation Trust is neither insured nor guaranteed by the U.S. government and is not subject to the protection of the Securities Investors Protection Corporation (SIPC). Before investing in the Trust, Plan Sponsors should obtain and review the Declaration of Trust and the Purchase Agreement.

^[iiv] If applicable, the Merrill Lynch Equity Index Trust is a collective investment trust maintained by Merrill Lynch Trust. Merrill Lynch Investment Managers, L.P. provides non-discretionary advice to Merrill Lynch Trust with respect to the Trust. The Merrill Lynch Equity Index Trust is only offered to tax-qualified employee benefit plans.