

GAZIFERE INC.
ALLOCATION OF THE COSTS OF SERVICE
SEPT 30, 2004

(THOUSANDS OF DOLLARS)

ITEM NO.	DESCRIPTION	Col. 1 O&M COSTS	Col. 2 NET INV. COSTS	Col. 3 TOTAL	Col. 4 TARIF 1	Col. 5 TARIF 2	Col. 6 TARIF 3	Col. 7 TARIF 4	Col. 8 TARIF 5	Col. 9 TARIF 9	ALLOCATION FACTOR
GAS COSTS											
1.1	Annual Commodity	25,853.6	27.1	25,880.7	10,916.5	14,203.1	107.4	653.6	0.0	0.0	1.1
1.2	System Gas Sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.5
1.	Total Gas Cost	25,853.6	27.1	25,880.7	10,916.5	14,203.1	107.4	653.6	0.0	0.0	
LOAD BALANCING											
TRANSMISSION											
2.1	Space	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.2
2.1	Peak	2,756.7	0.3	2,757.0	1,140.0	1,441.4	3.7	64.0	108.0	0.0	3.1
2.2	Annual	6,432.4	34.3	6,466.7	2,094.2	2,402.4	18.1	235.1	428.1	1,288.8	1.2
2.	Total Transmission	9,189.1	34.6	9,223.7	3,234.2	3,843.8	21.8	299.1	536.1	1,288.8	
STORAGE											
3.1	Deliverability	542.8	0.1	542.9	224.5	283.8	0.7	12.6	21.3	0.0	3.1
3.2	Space	281.5	0.0	281.5	114.4	148.5	0.3	3.5	0.3	14.5	3.2
3.3	Annual	492.5	0.0	492.6	159.5	183.0	1.4	17.9	32.6	98.2	3.3
3.	Total Storage	1,316.8	0.1	1,316.9	498.4	615.3	2.4	34.0	54.2	112.7	
FACILITIES' COSTS											
DISTRIBUTION FACILITIES											
4.1	Capacity	1,523.2	1,142.6	2,665.8	1,012.1	1,274.9	3.5	59.1	104.3	211.9	2.1
4.2	Commodity	(188.1)	(0.0)	(188.1)	(60.9)	(69.9)	(0.5)	(6.8)	(12.5)	(37.5)	1.2
4.3	DSM Direct	2.2	0.0	2.2	33.0	2.2	0.1	1.6	2.8	5.7	4.5/2.1
4.4	DSM Indirect	143.8	0.0	143.8	33.0	100.6	0.1	1.6	2.8	5.7	4.5/2.1
4.	Total Distribution	1,481.1	1,142.6	2,623.7	984.2	1,307.8	3.1	53.8	94.7	180.2	
CUSTOMER RELATED											
5.1	Meters	0.0	155.6	155.6	36.9	116.5	0.1	0.7	0.3	1.2	4.1
5.2	Sales Stations	0.0	81.4	81.4	13.0	63.0	0.0	2.0	0.2	3.3	4.2
5.3	Services	139.0	1,560.1	1,699.1	135.5	1,547.4	0.4	4.9	0.2	10.7	4.3
5.4	Customer Plant	298.2	460.1	758.3	60.2	697.8	0.1	0.1	0.0	0.1	4.4
5.5	Comm/Ind. Customers	402.6	0.0	402.6	329.2	71.9	0.4	0.4	0.1	0.4	4.6
5.6	Residential Customers	453.0	0.0	453.0	0.0	453.0	0.0	0.0	0.0	0.0	4.7
5.7	Total Customers	2,684.6	(217.8)	2,466.8	196.0	2,269.9	0.3	0.3	0.1	0.3	4.5
5.8	Readings Processed	297.9	0.0	297.9	53.2	235.7	2.7	2.7	0.9	2.7	4.8 & 4.9
5.9	GST/QST Revenues	0.0	(3.6)	(3.6)	(1.5)	(2.0)	(0.0)	(0.1)	0.0	0.0	Revenues
5.	Total Customer Related	4,275.2	2,035.7	6,311.0	822.4	5,453.2	4.0	10.9	1.8	18.6	
6.1	Return	4,861.0	0.0	4,861.0	1,028.3	3,526.6	3.3	52.1	77.7	173.1	5
6.2	Taxes	1,416.0	0.0	1,416.0	299.5	1,027.3	0.9	15.2	22.6	50.4	5
6.	Return and Taxes	6,277.0	0.0	6,277.0	1,327.8	4,553.9	4.2	67.3	100.4	223.5	
7.	Total Facilities	12,033.3	3,178.3	15,211.6	3,134.4	11,314.9	11.3	132.0	196.8	422.3	
8.	Total Costs of Service	48,392.8	3,240.2	51,633.0	17,783.5	29,977.1	142.8	1,118.7	787.1	1,823.8	