

FUNCTIONALIZATION OF
GAZIFERE UTILITY O&M
YEAR ENDED SEPT 30, 2005

(THOUSANDS OF DOLLARS)

	Col. 1 TOTAL COSTS	Col. 2 FRINGE BENEFITS	Col. 3 SUB TOTAL	Col. 4 SUPERVISION	Col. 5 SUB TOTAL	Col. 6 A & G OVERHEAD	Col. 7 TOTAL
1. GAS COSTS	42,356.7		42,356.7		42,356.7	507.3	42,864.0
<u>DISTRIBUTION COSTS</u>							
<u>OPERATING COSTS</u>							
2.1.1	CHART PROCESSING	21.4	21.4	0.9	22.3	8.9	31.2
2.1.2	SUB-TOTAL	21.4	21.4	0.9	22.3	8.9	31.2
2.1.3	SUPERVISION M&R	12.8	12.8	(12.8)			
2.1.4	SYSTEM OPERATION	278.1	18.8	296.9	13.1	310.0	123.7
2.1.5	SUB-TOTAL	312.2	18.8	331.1	1.2	332.3	132.7
2.1.6	SUPERVISION DIST OP	1.2	1.2	(1.2)			
2.1	TOTAL OPERATING COSTS	313.5	18.8	332.3	0.0	332.3	132.7
<u>MAINTENANCE COSTS</u>							
2.2.1	SUPERVISION M&R	58.9	58.9	(58.9)			
2.2.2	MAINS	68.8	13.8	82.7	247.1	329.8	131.7
2.2.3	SUB-TOTAL MNTCE	127.7	13.8	141.6	188.2	329.8	131.7
2.2.4	SUPERVISION DIST MNTCE	165.5	22.8	188.2	(188.2)		
2.2	TOTAL MAINTENANCE COSTS	293.2	36.6	329.8	0.0	329.8	131.7
<u>CUSTOMER SERVICE COSTS</u>							
<u>OPERATING COSTS</u>							
3.1.1	HEATING EQUIPMENT SERVICE	10.7	0.2	10.8	8.4	19.2	7.7
3.1.2	OTHER SERVICE WORK	163.0	18.3	181.4	140.2	321.5	128.4
3.1.3	INSPECT APPL INST.	67.0	10.5	77.5	59.9	137.3	54.8
3.1.4	SUB-TOTAL SERVICE WORK	240.7	29.0	269.7	208.4	478.1	190.8
3.1.5	MTR LOCKS,UNLKS,EXCHNGS	91.7	2.1	93.8	72.5	166.4	66.4
3.1.6	SUB-TOTAL	332.4	31.2	363.5	280.9	644.4	257.3
3.1.7	TRAINING & SUPERVISION	294.1	42.1	336.2	(336.2)		
3.1	TOTAL OPERATING COSTS	626.4	73.3	699.7	(55.3)	644.4	257.3

FUNCTIONALIZATION OF
GAZIFERE UTILITY O&M
YEAR ENDED SEPT 30, 2005

(THOUSANDS OF DOLLARS)

<u>CUSTOMER SERVICE COSTS CON'T</u>		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
		TOTAL	FRINGE	SUB	SUPERVISION	SUB	A & G	TOTAL
		COSTS	BENEFITS	TOTAL		TOTAL	OVERHEAD	TOTAL
<u>MAINTENANCE COSTS</u>								
3.2.1	SERVICE LINES	58.3	13.2	71.5	55.3	126.8	50.6	177.4
3.2	TOTAL MAINTENANCE COSTS	58.3	13.2	71.5	55.3	126.8	50.6	177.4
<u>SALES PROMOTION COSTS</u>								
4.1	RESIDENTIAL PROMOTION	256.1	14.7	270.8	265.5	536.3	214.1	750.4
4.2	COMMERCIAL PROMOTION	125.4	16.4	141.8	139.0	280.7	112.1	392.8
4.3	RES/COMM PROMOTION	0.0		0.0	0.0	0.0	0.0	0.0
4.4	GENERAL SALES PROMOTION	0.0		0.0	0.0	0.0	0.0	0.0
4.5	SUB-TOTAL	381.5	31.1	412.6	404.4	817.0	326.2	1,143.2
4.6	GENERAL SUPERVISION	334.4	70.0	404.4	(404.4)			
4.7	DSM PROGRAM	31.4	0.0	31.4	0.0	31.4	12.5	43.9
4.8	DSM GENERAL	129.0	0.0	129.0	0.0	129.0	51.5	180.4
4.	TOTAL SALES COSTS	876.3	101.1	977.4	0.0	977.4	390.2	1,367.6
<u>CUSTOMER ACCOUNTING COSTS</u>								
5.1	BILLING	633.8	91.5	725.3	477.9	1,203.1	480.3	1,683.4
5.2	SERVICE & BILLING ENQUIRY							
5.3	METER READING	112.8	0.0	112.8	74.3	187.1	74.7	261.8
5.4	CREDIT & COLLECTION	177.2	49.5	226.7	149.4	376.1	150.1	526.2
5.5	SUB-TOTAL	923.8	140.9	1,064.8	701.6	1,766.3	705.1	2,471.5
5.6	SUPERVISION	701.6	0.0	701.6	(701.6)			
5.7	UNCOLLECTIBLES	155.0		155.0		155.0	61.9	216.9
5.	TOTAL CUST ACCOUNTING COSTS	1,780.4	140.9	1,921.3	0.0	1,921.3	767.0	2,688.4
6.	FRINGE BENEFITS	569.7	(569.7)					
7.	ADMIN & GEN OVERHEAD	2,051.1	185.5	2,236.6		2,236.6	(2,236.6)	
8.	TOTAL OPERATING & MAINTENANCE COSTS	48,925.6	(0.2)	48,925.4	0.0	48,925.4	0.0	48,925.4

GAZIFERE INC.
CLASSIFICATION OF RATE BASE
SEPT 30, 2005

(THOUSANDS OF DOLLARS)

ITEM NO.	DESCRIPTION	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17	Col. 18	Col. 19
		TOTAL	ANNUAL COMMODITY	SPACE	PEAK	ANNUAL	PEAK	SPACE	ANNUAL	CAPACITY	COMMODITY	METERS	SALES STATIONS	SERVICES	CUST PLNT	RESID.	COMM/IND	TOTAL	READINGS PROCESSED	GST/QST REVENUES
1.	GAS SUPPLY Gas Supply	972.0	733.8	0.0	64.2	149.9	12.5	6.5	11.3	0.0	(6.2)									
2.	DISTRIBUTION Mains	33,616.5								23,531.5					10,084.9					
3.	Distr. Regulation	596.8								596.8										
4.	CUSTOMER Sales Station	842.3											842.3							
5.	Meters	3,160.3										3,160.3								
6.	Services	21,844.4												21,844.4						
7.	Sales Promotion	123.4								123.4										
8.	Customer Accounting	(84.4)																	(84.4)	
9.	Specific Costs	(519.4)																		(519.4)
10.	Sub-total	60,551.8	733.8	0.0	64.2	149.9	12.5	6.5	11.3	24,251.7	(6.2)	3,160.3	842.3	21,844.4	10,084.9	0.0	0.0	(84.4)	0.0	(519.4)
11.	Unidentifiable	216.8	2.6	0.0	0.2	0.5	0.0	0.0	0.0	86.1	(0.0)	11.2	3.0	77.5	35.8	0.0	0.0	(0.3)	0.0	
12.	Total Classified	60,768.6	736.4	0.0	64.5	150.4	12.5	6.5	11.4	24,337.7	(6.2)	3,171.5	845.3	21,921.9	10,120.7	0.0	0.0	(84.7)	0.0	(519.4)

GAZIFERE INC.
CLASSIFICATION OF NET INVESTMENT COSTS
SEPT 30, 2005

(THOUSANDS OF DOLLARS)

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17	Col. 18	Col. 19	
	--GAS COSTS--		-----TRANSMISSION-----		-----STORAGE-----			--- DISTRIBUTION COSTS ---			-----CUSTOMER RELATED INVESTMENTS-----			---NUMBER OF CUSTOMERS---						
ITEM NO.	DESCRIPTION	TOTAL	ANNUAL COMMODITY	SPACE	PEAK	ANNUAL	PEAK	SPACE	ANNUAL	CAPACITY	COMMODITY	METERS	SALES STATIONS	SERVICES	CUST PLNT	RESID.	COMM/IND	TOTAL	READINGS PROCESSED	GST/QST REVENUES
1.	GAS SUPPLY Gas Supply	67.4	28.4			39.0														
2.	DISTRIBUTION Mains	1,385.7	0.0							970.0	0.0	0.0	0.0	0.0	415.7	0.0	0.0	0.0	0.0	0.0
3.	Distr. Regulation	40.6	0.0							40.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	Sub-total	1,426.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,010.5	0.0	0.0	0.0	0.0	415.7	0.0	0.0	0.0	0.0	0.0
	CUSTOMER																			
4.	Sales Station	63.1											63.1							
5.	Meters	125.9									125.9									
6.	Services	1,521.0												1,521.0						
7.	Sales Promotion	21.1							21.1											
8.	Customer Accounting	(169.1)																	(169.1)	
9.	Specific Costs	0.0																		0.0
10.	Sub-total	1,562.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	21.1	0.0	125.9	63.1	1,521.0	0.0	0.0	0.0	(169.1)	0.0	0.0
11.	Unidentifiable	543.9	6.6	0.0	0.6	1.3	0.1	0.1	0.1	217.8	(0.1)	28.4	7.6	196.2	90.6	0.0	0.0	(0.8)	0.0	(4.6)
12.	Total Classified	3,599.5	35.0	0.0	0.6	40.3	0.1	0.1	0.1	1,249.5	(0.1)	154.3	70.7	1,717.2	506.3	0.0	0.0	(169.8)	0.0	(4.6)

GAZIFERE INC.
CLASSIFICATION OF O&M EXPENSE
SEPT 30, 2005

(THOUSANDS OF DOLLARS)

ITEM NO.	DESCRIPTION	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11	Col. 12	Col. 13	Col. 14	Col. 15	Col. 16	Col. 17	Col. 18	Col. 19	Col. 20
		TOTAL	ANNUAL COMMODITY	SPACE	PEAK	ANNUAL	PEAK	SPACE	ANNUAL	CAPACITY	COMMODITY	DSM DIRECT	DSM INDIRECT	METERS	SALES STATIONS	SERVICES	CUST PLNT	RESID.	COMM/IND	TOTAL	READINGS PROCESSED
1.	Gas Purchased	42,864.0	31,977.2	0.0	2,799.7	6,532.6	543.5	281.8	493.1	507.3	(271.1)										
	DISTRIBUTION COSTS																				
	OPERATING COSTS																				
2.1	Chart Processing	31.2																			31.2
2.2	System Ops.	433.7								305.9							127.9				
	MAINTENANCE COSTS																				
2.3	Mains	461.5								325.4							136.0				
2.	Total Dist. Costs	926.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	631.3	0.0			0.0	0.0	0.0	263.9	0.0	0.0	0.0	31.2
	CUSTOMER SERVICE																				
	OPERATING COSTS																				
3.1	Heating Equip.	26.9																			26.9
3.2	Other Service Work	449.9																			449.9
3.3	Appliance Insp.	192.1																			192.1
3.4	Locks/Unlocks/Exch	232.8																			232.8
	MAINTENANCE COSTS																				
3.5	Service Lines	177.4														177.4					
3.	Total Customer Service	1,079.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0			0.0	0.0	177.4	0.0	0.0	0.0	901.7	0.0
	SALES PROMOTION																				
4.1	Residential	750.4																750.4			
4.2	Commercial	392.8																	392.8		
4.3	Res./Comm.	0.0																0.0			
4.4	General Promotions	0.0								0.0											
4.5	DSM Program	43.9									43.9										
4.6	DSM General	180.4										180.4									
4.	Total Promotions	1,367.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	43.9	180.4	0.0	0.0	0.0	0.0	750.4	392.8	0.0	0.0
	CUSTOMER ACCOUNTING																				
5.1	Billing	1,683.4																			1,683.4
5.2	Enquiry	0.0																			0.0
5.3	Readings	261.8																			261.8
5.4	Credit	526.2																			526.2
5.5	Uncollectibles	216.9																			216.9
5.	Total Cust. Acctg.	2,688.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,426.5	261.8
6.	Total O and M	48,925.4	31,977.2	0.0	2,799.7	6,532.6	543.5	281.8	493.1	1,138.6	(271.1)	43.9	180.4	0.0	0.0	177.4	263.9	750.4	392.8	3,328.2	293.0

GAZIFERE INC.
CLASSIFICATION OF GAS COSTS
SEPT 30, 2005

(THOUSANDS OF DOLLARS)

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10
		---GAS COSTS---	-----TRANSMISSION-----			-----STORAGE COSTS-----		-----DISTRIBUTION-----		
ITEM NO.	TOTAL COST	ANNUAL COMMODITY	SPACE	PEAK	ANNUAL	PEAK	SPACE	ANNUAL	CAPACITY	COMMODITY
1.1	DIST'N (BLOCKS)	1,386.6	0.0	416.0	970.6					
1.2	STORAGE	1,310.0				540.0	280.0	490.0		
1.3	LOAD BALANCING	6,223.1	0.0	1,866.9	4,356.2	0				
1.4	FUEL GAS	0.0			0.0					
1.5	GAS SUPPLY	31,773.8	31,773.8							
1.6	NIAGARA GAS	1,663.2		499.0	1,164.2					
1.	TOTAL	<u>42,356.7</u>	<u>31,773.8</u>	<u>0.0</u>	<u>2,781.9</u>	<u>6,491.0</u>	<u>540.0</u>	<u>280.0</u>	<u>490.0</u>	<u>0.0</u>
2.1	UUF ADJUSTMENT	0.0	203.4	0.0	17.8	41.5	3.5	1.8	3.1	(271.1)
2.	SUB-TOTAL	<u>42,356.7</u>	<u>31,977.2</u>	<u>0.0</u>	<u>2,799.7</u>	<u>6,532.6</u>	<u>543.5</u>	<u>281.8</u>	<u>493.1</u>	<u>0.0</u>
3.1	A & G	507.3							507.3	
3.	TOTAL	<u><u>42,864.0</u></u>	<u><u>31,977.2</u></u>	<u><u>0.0</u></u>	<u><u>2,799.7</u></u>	<u><u>6,532.6</u></u>	<u><u>543.5</u></u>	<u><u>281.8</u></u>	<u><u>493.1</u></u>	<u><u>507.3</u></u>