

Gazifère Inc.
Impact on Gazifère's Rates resulting from the Decision D-2012-163
Cause tarifaire 2013

2013 Final Distribution Rates

Following the Régie's decision D-2012-163, the Company has designed distribution rates to recover a distribution revenue requirement of \$25,281,700 with a deficiency of \$1,622,600. The distribution rates are effective January 1, 2013. The rates are designed in accordance to the evidence filed at exhibits GI-20, document 1 and GI-21, document 1 and incorporate the findings of the Régie's decision D-2012-163:

- Reduction in DSM budget;
- Reduction in ROE to 7.82%;
- Z-Factor on cash basis versus accrual.

The exhibits supporting the 2013 distribution rates and the resulting revenue to cost ratios can be found at exhibits GI-21, documents 1.1, 1.2 and 1.3 and GI-20, document 2, revised on December 12, 2012 following the decision D-2012-163. The revenue deficiency of \$1,622,600 results in the following average rate increase for each rate class:

<u>Rate Class</u>	<u>Sales Service</u>	<u>T-Service</u>
Rate 1	1.2%	1.8%
Rate 2	4.7%	6.2%
Rate 3	0.2%	0.4%
Rate 5	n/a	1.0%
Rate 9	n/a	0.8%

The Company maintained the revenue to costs ratios as depicted in the original filing at exhibit GI-20 document 2.

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January 1, 2013 Commodity, Load Balancing, Transportation and Distribution Rates

In addition to the 2013 final distribution rates, the Company has designed rates to reflect the impact of the gas cost consequences stemming from the approval of the 2013 volumetric forecast, contract demand and lost and unaccounted for gas forecast. The impact of the gas cost changes results in a revenue sufficiency of \$(6,300) for a total deficiency inclusive of gas costs of \$1,616,300 effective January 1, 2013. The \$(6,300) is based on October 1, 2012 Rate 200 gas costs. The derivation of the \$(6,300) was presented in evidence at exhibit GI-22, document 1, revised on October 30, 2012. The rates including the October gas costs resulting from the decision D-2012-163 can be found at exhibit GI-28, document 4.

The Company will be filing a QRAM application to reflect new gas costs which will be effective on January 1, 2013. The rates including the decision D-2012-163 and the effects of the January 1, 2013 gas costs will be implemented in the first billing cycle in January 2013.