

**A POSTERIORI PROFITABILITY OF THE 2013 DEVELOPMENT PLAN
AFTER 3 YEARS**

RESIDENTIAL AND BUSINESS MARKETS

Gaz Métro Limited Partnership (“Gaz Métro”) presents, in the 2016 Annual Report, a comparison between the *a posteriori* and *a priori* profitability of the 2013 development plan for both residential and business markets.

Gaz Métro also presents an analysis of the significant variances in response to the request made by the Régie de l'énergie (the “Régie”) in its Decision D-2014-165, which stated the following:

[TRANSLATION] “[79] *The Régie requests that Gaz Métro presents systematically, in the upcoming review files of the annual report, an analysis of the significant variances between the a priori and a posteriori results of the development plan, after 3 years and 6 years.*”

Pursuant to Decision D-2015-125 (par. 121), Gaz Métro is dispensed from producing and adducing the *a posteriori* follow-up to the 2010 development plan (six years after its *a priori* presentation).

**1 PARAMETERS AND HYPOTHESIS USED IN CALCULATING THE A POSTERIORI
PROFITABILITY**

Pursuant to Decision D-2012-071 (par. 68) of the Régie, Gaz Métro presents in Section 1.1 the calculation hypotheses used to establish the *a posteriori* profitability of the 2013 development plan. The hypotheses are the same as those presented in the 2015 Annual Report (R-3951-2015, B-0036, Gaz Métro-14, Document 4, Section 1.1).

1.1 HYPOTHESES

- 1) Customers who begin consumption will continue to consume throughout the following years, with the exception of temporary heating customers: these generally cease consumption in year 1 or 2.
- 2) For business and residential customers with load additions, measurement of the actual volume of consumption starts six months after the conclusion of the sale.
- 3) Volume and revenue projections for customers who have reached one year of consumption is calculated based on consumption over the twelve-month period prior

- to June 30 of the year in which the *a posteriori* follow-up must be submitted to the Régie.
- 4) For customers who have cumulated less than a year of consumption, the *a posteriori* profitability of the development plan is determined using the projected volume data presented in the *a priori* development plan.
 - 5) The actual data with respect to new customers reflects the methodology presented in the table in Schedule 1: *Residential market and business market – New customers, Calculation methodology for actual data per component of required revenue.*
 - 6) The actual data with respect to load additions reflects the methodology presented in the table in Schedule 2: *Residential market and business market – Load additions, Calculation methodology for actual data per component of required revenue.*
 - 7) The calculation of the *a posteriori* profitability for the residential market and business market is based on the parameters of the original required revenue, using, on the one hand, revenue adjusted according to the original rate schedule and, on the other hand, the actual rates as requested by the Régie in Decision D-2012-071 (par. 65).
 - 8) The actual data with respect to volumes and revenues is extracted as at June 30 and actual investments, as at September 30 of the year in which the *a posteriori* follow-up is submitted to the Régie.
 - 9) The calculation of *a posteriori* volumes and revenues for non-measured files with load additions in the business and residential markets is based on the actual achievement rate of volumes and revenues for measured files in the same market segments.

1.2 ABANDONMENT COSTS

The abandonment costs included in the *a posteriori* analysis of the 2013 development plan totaled \$51,436, or 0.13% of *a posteriori* capital investments of \$40.3 million.

2 RESIDENTIAL MARKET – OVERALL

2.1 COMPARATIVE RESULTS OF THE RESIDENTIAL MARKET – OVERALL

The table in Schedule 3 – *Comparison of the residential development plan – new customers and load additions* presents the *a priori* and *a posteriori* profitability for the 2013 development plan

with respect to the overall residential market. Based on the original rate schedule, the *a posteriori* rate of return (IRR) is 9.10% and the break-even point is 1 year, compared to an *a priori* IRR of 10.06% and a break-even point of 6.32 years. This decrease of the IRR by 0.96% is attributable mainly to a decrease in volumes by 2,477 10³m³ or 21%, which is partially mitigated by a decrease in investments of \$2.2 million or 10%. This decrease in investments and their distribution over time explains in large part the favorable variance of 5.32 years observed between the *a posteriori* break-even point and the *a priori* break-even point.

Based on the actual rates, the *a posteriori* IRR is 10.12% and the break-even point is 1 year.

Gaz Métro must point out that the economic context in Québec with which customers were confronted during the 2013-2016 period compared unfavourably with forecasts. Indeed, as the table below demonstrates, actual gross domestic product (GDP) growth over four years shows dramatically slower evolution than expected. This economic downturn may have impacted the behaviour of Gaz Métro's customers and could explain, in part, the unfavourable variances in volume and in the number of customers.

GDP Growth¹

	2012-2013	2013-2014	2014-2015	2015-2016
Forecast	1.7%	2.0%	1.8%	1.9%
Actual	1.2%	1.4%	1.3%	1.3%

2.2 ANALYSIS OF THE SIGNIFICANT VARIANCES OF THE RESIDENTIAL MARKET – OVERALL

The unfavorable variance stemming from a decrease in volume by 2,477 10³m³ and a decrease in investments by \$2.2 million is attributable in large part to the new customer segment, whose volume of consumption fell below expectations (2,417 10³m³) and whose investments were lower than anticipated, in the amount of \$2.3 million.

3 RESIDENTIAL MARKET – NEW CUSTOMERS

3.1 COMPARATIVE RESULTS OF THE RESIDENTIAL MARKET FOR NEW CUSTOMERS

The table in Schedule 4: *Comparison of the residential development plan – New customers* presents the profitability between the *a priori* and *a posteriori* information for the 2013

¹ Conference Board of Canada, Gross domestic product at basic prices, by industry, all industries, Québec.

development plan with respect to new customers in the residential market. The *a posteriori* IRR based on the original rate schedule is 9.10% and the break-even point is 1 year, compared with an *a priori* IRR of 9.97% and a break-even point of 6.59 years. This decrease of the IRR by 0.87% is mainly due to a decrease in volume by 21% or 2,477 10³m³. The unfavorable effect of this decrease in volume on profitability is mitigated in part by a reduction in total investments of 11% or \$2.3 million and their distribution over time. The latter two elements concerning investments explain in large part the favorable variance of 5.59 years between the *a posteriori* break-even point and the *a priori* break-even point.

Based on the actual rates, the *a posteriori* IRR is 10.03% and the break-even point is 1 year.

3.2 ANALYSIS OF THE SIGNIFICANT VARIANCES OF THE RESIDENTIAL MARKET FOR NEW CUSTOMERS

In the fifth year, the number of *a posteriori* customers is 24% below projections, which represents 1,192 customers out of a projected 5,020 customers. For this same year, volumes dropped by 21%, which represents 2,417 10³m³ of a projected volume of 11,339 10³m³. These variances are attributable mainly to sales growth being below projections for a group of 53 residential projects in the new residential construction segment, which comprises 122 projects in total. The group of 53 projects itself generated an unfavorable variance of 1,257 customers and a variance of 1,868 10³m³.

As mentioned in Section 2.1, the economic context in Québec with which customers were confronted during the 2013-2016 period compared unfavourably with forecasts. For new residential construction projects, this can affect the results of the *a posteriori* follow-up of the 2013 development plan by way of a decrease in the number of actual/projected customers in years 1 through 5 for many residential projects (i.e., connections initially projected to occur between years 1 and 5 would not be carried out, or would be carried out after year 5). In this case, no projections are made by Gaz Métro in its *a posteriori* profitability with regard to new customers after year 5.

The *a posteriori* cost of capital assets fell by \$0.6 million, a favorable variance of 4%. This amount comprises savings of \$0.3 million on service line costs, and savings of \$1.3 million on connection costs, stemming from unrealized sales with respect to the 53 residential projects previously mentioned. These savings are mitigated in part by higher than expected connection

costs: \$0.8 million for customers that Gaz Métro had anticipated connecting to the gas system, and \$0.2 for additional customers in residential projects.

The *a posteriori* amount of subsidies from the Rebate Consumption Program (RCP) presents a favorable variance of \$2 million, or 23%. The reduction of the RCP amount is attributable in large part to the aforementioned 53 residential projects (\$1.8 million).

The amount of the *a posteriori* customer contributions fell by \$0.3 million, that is to say an unfavorable variance of 18% which is attributable mainly to the aforementioned 53 projects.

4 RESIDENTIAL MARKET – LOAD ADDITIONS

4.1 COMPARATIVE RESULTS OF THE RESIDENTIAL MARKET FOR LOAD ADDITIONS

The table in Schedule 5: *Comparison of the residential development plan – Load additions* presents the profitability between the *a priori* and *a posteriori* information of the 2013 development plan for the residential market. The *a posteriori* IRR based on the original rate schedule is 8.81% and the break-even point is 12.04 years, compared with an *a priori* IRR of 20.71% and a break-even point of 1 year. This decrease of the IRR by 11.90% is attributable to a drop in volume of 60 10³m³ and an increase of \$0.1 million in total investments.

According to the actual rates, the *a posteriori* IRR is 14.61% and the break-even point is 1 year.

Files that are non-valuated account for 2% of files, and volumes associated with non-valuated files account for 5% of the *a priori* signed volumes.

4.2 ANALYSIS OF THE SIGNIFICANT VARIANCES OF THE RESIDENTIAL MARKET – LOAD ADDITIONS

As mentioned in Section 4.1, the decrease by 11.90% of the IRR is attributable to total investments being \$0.1 million above the projected amount, and to volumes being 60 10³m³ below projections.

5 BUSINESS MARKET – OVERALL

5.1 COMPARATIVE RESULTS OF THE BUSINESS MARKET – OVERALL

The table in Schedule 6: *Comparison of the business development plan – New customers and load additions* presents the *a priori* and *a posteriori* profitability for the 2013 development plan with respect to the overall business market. Based on the original rate schedule, the *a posteriori* IRR is 19.22% and the break-even point is 1 year, compared with an *a priori* IRR of 24.39% and a

break-even point of 1 year. This decrease of the IRR by 5.17% is mainly attributable to a decrease in volumes by 24% or 16,288 10³m³ and an increase in the cost of capital assets by 13% or \$3.0 million.

Based on the actual rates, the *a posteriori* IRR is 22.17% and the break-even point is 1 year.

Gaz Métro must reiterate that the economic context in Québec with which customers were confronted during the 2013-2016 period compared unfavourably with forecasts. Indeed, as the table in section 2.1 demonstrates, actual GDP growth over four years shows dramatically slower evolution than expected. This economic downturn may have impacted the behaviour of Gaz Métro's customers and could explain, in part, the unfavourable variances in volume and in the number of customers. In addition, the out-of-program measures customers implemented to improve energy efficiency may explain some unfavourable variances in volumes.

5.2 ANALYSIS OF THE SIGNIFICANT VARIANCES OF THE BUSINESS MARKET – OVERALL

The decrease of 16,288 10³m³ in *a posteriori* volumes in the fifth year is attributable to a drop in volume of 9,698 10³m³ for new customers and a decrease in volume of 6,590 10³m³ for load additions.

6 BUSINESS SEGMENT – NEW CUSTOMERS

6.1 COMPARATIVE RESULTS FOR THE BUSINESS MARKET – NEW CUSTOMERS

The table in Schedule 7: *Comparison of the business development plan – New customers* presents the profitability between *a priori* and *a posteriori* information for the 2013 development plan with respect to new customers in the business market. The *a posteriori* IRR based on the original rate schedule is 17.08% and the break-even point is 1 year, compared with an *a priori* IRR of 21.42% and a break-even point of 1 year. This decrease of the IRR by 4.34% is attributable in large part to a decrease in volume by 21% or 9,698 10³m³ and an increase of 14% or \$2.9 million in capital asset costs.

Based on the actual rates, the *a posteriori* IRR is 18.86% and the break-even point is 1 year.

6.2 ANALYSIS OF SIGNIFICANT VARIANCES FOR THE BUSINESS MARKET – NEW CUSTOMERS

The *a posteriori* volumes for the fifth year lag are 9,698 10³m³ lower, which translates into a 21% drop. This variance includes a volume of 2,189 10³m³ stemming from cancelled sales, and a

volume of 4,087 10³m³ attributable to a small group of 22 projects. Following an analysis of these situations, Gaz Métro drew the following conclusions: the customer had failed to achieve the anticipated production levels; the customer had suspended its production; the customer had changed the configuration of its building; the project did not achieve the anticipated number of customers; and the devices installed did not consume as much energy as anticipated.

Capital asset costs present an unfavorable variance of \$2.9 million, or 14%. This variance comprises mainly an amount of \$1.1 million attributable to service line costs for a group of six (6) projects and the connection costs, in the amount of \$1.5 million, with respect to a group of 94 customers, out of a total of 2,085. Gaz Métro analyzed the cause of this cost increase and its findings point to, among other things, work that was more complex than anticipated and longer connections than those anticipated. Savings of \$0.7 million stemming from cancelled sales mitigate the unfavorable effect of the increase in capital asset costs.

The *a posteriori* cost of subsidies (RCP) fell by \$0.2 million or 3%; this is attributable mainly to cancelled projects.

7 BUSINESS MARKET – LOAD ADDITIONS

7.1 COMPARATIVE RESULTS FOR THE BUSINESS MARKET – LOAD ADDITIONS

The table in Schedule 8: *Comparison of the business development plan – Load additions* presents the *a priori* and *a posteriori* profitability for the 2013 development plan with respect to load additions in the business market. For all load addition files, and based on the original rate schedule, the *a posteriori* IRR is 35.46% and the break-even point is 1 year, compared to an *a priori* IRR of 45.98% and a break-even point of 1 year. This decrease of the IRR by 10.52% is attributable mainly to a decrease in volumes by 30% or 6,590 10³m³.

Based on the actual rates, the *a posteriori* IRR is 48.29% and the break-even point is 1 year.

Non-valuated files account for 26% of files, and volumes associated with these non-valuated files account for 23% of the total *a priori* signed volumes.

7.2 ANALYSIS OF THE SIGNIFICANT VARIANCES FOR THE BUSINESS MARKET – LOAD ADDITIONS

For the 414 measured customers, the *a posteriori* volume is lower by 29% or 4,850 10³m³. Of this variance, a volume of 381 10³m³ is attributable to 13 cancelled sales. In addition, Gaz Métro has identified six (6) sales whose *a posteriori* volumes were below the *a priori* volumes

by 3,379 10³m³. After an analysis of these respective situations, Gaz Métro's findings point to, among other things, a decrease in production against projections, the transfer of a customer to an interruptible rate, and the complete closure of a factory.

For all load addition files, total *a posteriori* investments have increased by \$0.1 million or 2%. This increase is attributable to an increase of \$0.1 million in connection costs.

CONCLUSION

Three years after presenting the *a priori* 2013 development plan, Gaz Métro evaluates the *a posteriori* profitability of both residential and business markets. Based on the original rate schedule, the *a posteriori* IRR for the entire residential market has decreased by 0.96%. This decrease is the net result of decreases in volumes and total investments. The IRR for the entire business market fell by 5.17%, a decrease that is essentially attributable to a decrease in volumes and an increase in capital asset costs.

<p>Gaz Métro respectfully asks the Régie to acknowledge the follow-up with respect to the <i>a posteriori</i> profitability, three years later, of the 2013 development plan for the residential and business markets.</p>

Schedule 1						
Residential market and business market – New customers						
Calculation methodology for actual data per component of required revenue						
Components	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Number of customers	n/a	▶ Number of customers who have cumulated 1 year of actual consumption as at June 30, or ¹ ▶ Number of customers who are part of projects for which the first meter was commissioned over a year prior to June 30 ¹	▶ Number of customers who have cumulated 2 years of actual consumption as at June 30, or ¹ ▶ Number of customers who are part of projects for which the first meter was commissioned over two years prior to June 30 ¹	Same for the above-referenced year	Same for the above-referenced year	Same for the above-referenced year
Volumes (m ³)	n/a	Actual customer volumes for the above-referenced year	Actual customer volumes or customer volumes to account for ² for the above-referenced year	Idem	Idem	Idem
Revenue D (\$)	n/a	Revenue (actual or adjusted according to the original rate schedule) ³ with respect to the volumes for the above-referenced year	Idem	Idem	Idem	Idem
Line costs	Actual costs prior to the beginning of Year 1 of the extension projects	Actual costs for the above-referenced year of the extension projects	Idem	Idem	Idem	Idem
▶ Connection costs ▶ Customer contributions ▶ CASEP-Cap. assets ▶ Subsidies (RCP)	Actual costs prior to the beginning of Year 1	Actual costs for the above-referenced year	Idem	Idem	Idem	Idem

1. Customers using temporary heating stop consumption during year 1 or year 2.

2. The volume to account for, if applicable, is the actual volume for the 12-month period preceding June 30 of the year in which the *a posteriori* follow-up is submitted to the Régie.

3. Revenue adjusted according to the original rate schedule: Actual revenue adjusted with the variance between the invoiced rate schedule and the original rate schedule used for the *a priori* profitability, based on rates approved by the Régie.

Gaz Métro Limited Partnership
Annual Report as at September 30, 2016, R-3992-2016

Schedule 2 Residential market and business market – Load additions Calculation methodology for actual data per component of required revenue						
Components	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Number of customers		Valuated files: Number of customers with a signed load addition in the <i>a priori</i> development plan and for whom the <i>a posteriori</i> valuation is made by Gaz Métro. ¹ Non-validated files: Number of customers with a signed load addition in the <i>a priori</i> development plan and for whom one or several load addition sales were signed after the year of the <i>a priori</i> development plan.	Idem	Idem	Idem	Idem
Volumes (m ³)		Valuated files: Difference between the actual total volume of the above-referenced year ² and the actual volume for the 12-month period preceding the conclusion of the sale. Non-validated files: Application of the actual volume realization rate to files valuated on the <i>a priori</i> forecast volume for the above-referenced year.	Idem	Idem	Idem	Idem
Revenue D (\$)		Valuated files: Revenue (actual or adjusted according to the original rate schedule ³) associated with actual volumes of load additions for the above-referenced year. Revenue is calculated based on the marginal distribution rate per customer. ³ Non-validated files: Application of the actual revenue realization rate to files valuated (actual or adjusted according to the original rate schedule ³) on the <i>a priori</i> forecast revenue for the above-referenced year.	Idem	Idem	Idem	Idem
▶ Connection costs ▶ Customer contributions ▶ Subsidies (RCP)	Valuated files and non valuated files: Actual costs prior to the beginning of Year 1	Valuated files and non valuated files: Actual costs for the above-referenced year	Idem	Idem	Idem	Idem

1. *A posteriori* valuated files are those for which no other sale of additional load has been concluded after the year of the *a priori* development plan.
2. The calculation of actual consumption volume for year 1 begins six months after the conclusion of the additional load sale.
3. Revenue adjusted according to the original rate schedule: Actual revenue adjusted with the variance between the invoiced rate schedule and the original rate schedule used for the *a priori* profitability, based on rates approved by the Régie.

Gaz Métro Limited Partnership
Annual Report as at September 30, 2016, R-3992-2016

Schedule 3
COMPARISON OF THE RESIDENTIAL DEVELOPMENT PLAN - NEW CUSTOMERS AND LOAD ADDITIONS
2013 A PRIORI VS 2013 A POSTERIORI

Description	A priori ¹			A posteriori ²			Variance a priori vs a posteriori			Data applied a posteriori			
	New (1)	Additions (2)	Total (3)	New (4)	Additions (5)	Total (6)	New (7)	Additions (8)	Total (9)	Actual (10)	Actual % (11)	Forecast (12)	Forecast % (13)
Number of customers Year 1	2,600	360	2,960	2,391	358	2,749	(209)	(2)	(211)	2,740	100%	9	0%
Number of customers Year 2 (cumulative)	3,750	360	4,110	2,884	358	3,242	(866)	(2)	(868)	3,233	100%	9	0%
Number of customers Year 3 (cumulative)	4,532	360	4,892	3,163	358	3,521	(1,369)	(2)	(1,371)	3,482	99%	39	1%
Number of customers Year 4 (cumulative)	4,939	360	5,299	3,411	358	3,769	(1,528)	(2)	(1,530)	3,504	93%	265	7%
Number of customers Year 5 (cumulative)	5,020	360	5,380	3,828	358	4,186	(1,192)	(2)	(1,194)	3,504	84%	682	16%
Volumes (10³m³) Year 1	9,068	287	9,354	8,499	243	8,742	(569)	(44)	(612)	8,734	100%	8	0%
Volumes (10 ³ m ³) Year 2 (cumulative)	8,558	287	8,845	7,809	241	8,050	(750)	(45)	(795)	7,733	96%	317	4%
Volumes (10 ³ m ³) Year 3 (cumulative)	9,864	287	10,151	7,576	226	7,802	(2,288)	(60)	(2,349)	6,595	85%	1,207	15%
Volumes (10 ³ m ³) Year 4 (cumulative)	10,873	287	11,159	7,981	226	8,207	(2,892)	(60)	(2,952)	6,393	78%	1,814	22%
Volumes (10 ³ m ³) Year 5 (cumulative)	11,339	287	11,625	8,921	226	9,148	(2,417)	(60)	(2,477)	6,393	70%	2,755	30%
Capital assets (thousands of \$) Year 0	11,073	19	11,093	7,582	134	7,716	(3,491)	115	(3,377)	7,709	100%	7	0%
Capital assets (thousands of \$) Year 1	1,419	0	1,419	3,640	11	3,651	2,221	11	2,232	3,651	100%	0	0%
Capital assets (thousands of \$) Year 2	958	0	958	834	1	835	(125)	1	(124)	831	100%	3	0%
Capital assets (thousands of \$) Year 3	525	0	525	631	0	631	(105)	0	(105)	455	72%	176	28%
Capital assets (thousands of \$) Year 4	119	0	119	665	0	665	545	0	545	66	10%	598	90%
Capital assets (thousands of \$) Year 5	0	0	0	167	0	167	167	0	167	0	100%	167	0%
Total capital assets (including general expenses)	14,095	19	14,114	13,518	146	13,664	(577)	127	(451)	12,713	93%	951	7%
RCP subsidy (thousands of \$) Year 1	4,871	203	5,075	2,785	186	2,971	(2,086)	(17)	(2,104)	2,950	99%	20	1%
RCP subsidy (thousands of \$) Year 2	1,705	0	1,705	1,476	1	1,477	(229)	1	(228)	1,175	80%	302	20%
RCP subsidy (thousands of \$) Year 3	1,180	0	1,180	901	0	901	(279)	0	(279)	605	67%	296	33%
RCP subsidy (thousands of \$) Year 4	759	0	759	759	0	759	(0)	0	(0)	222	29%	537	71%
RCP subsidy (thousands of \$) Year 5	128	0	128	697	0	697	569	0	569	0	100%	697	0%
Total RCP subsidy	8,643	203	8,847	6,618	187	6,805	(2,025)	(16)	(2,042)	4,952	73%	1,853	27%
Customer contributions³ (thousands of \$) Year 0	(243)	(3)	(246)	(248)	(3)	(251)	(5)	0	(5)	(251)	100%	0	0%
Customer contributions (thousands of \$) Year 1	(803)	0	(803)	(559)	0	(559)	244	0	244	(556)	100%	(3)	0%
Customer contributions (thousands of \$) Year 2	(361)	0	(361)	(283)	0	(283)	78	0	78	(283)	100%	0	0%
Customer contributions (thousands of \$) Year 3	(231)	0	(231)	(134)	0	(134)	97	0	97	(118)	88%	(16)	12%
Customer contributions (thousands of \$) Year 4	(121)	0	(121)	(107)	0	(107)	14	0	14	(19)	17%	(88)	83%
Customer contributions (thousands of \$) Year 5	(24)	0	(24)	(134)	0	(134)	(110)	0	(110)	0	100%	(134)	0%
Total customer contributions	(1,782)	(3)	(1,785)	(1,465)	(3)	(1,468)	318	0	318	(1,227)	84%	(241)	16%
Total investments (thousands of \$) Year 0	10,830	16	10,847	7,334	131	7,465	(3,496)	115	(3,382)	7,458	100%	7	0%
Total investments (thousands of \$) Year 1	5,488	203	5,691	5,866	197	6,063	379	(6)	372	6,045	100%	18	0%
Total investments (thousands of \$) Year 2	2,302	0	2,302	2,027	2	2,029	(275)	2	(273)	1,723	85%	306	15%
Total investments (thousands of \$) Year 3	1,475	0	1,475	1,398	0	1,398	(77)	0	(77)	942	67%	456	33%
Total investments (thousands of \$) Year 4	758	0	758	1,317	0	1,317	559	0	559	269	20%	1,047	80%
Total investments (thousands of \$) Year 5	104	0	104	730	0	730	626	0	626	0	100%	730	0%
Total investments	20,955	219	21,175	18,671	330	19,001	(2,285)	111	(2,174)	16,438	87%	2,563	13%
ORIGINAL RATE SCHEDULE⁴													
Impact on rates													
Internal rate of return	190	(13)	177	(398)	(13)	(411)	(588)	0	(587)				
Internal rate of return	387	(57)	330	(24)	11	(13)	(411)	68	(343)				
Internal rate of return	9.97%	20.71%	10.06%	9.10%	8.81%	9.10%	-0.87%	-11.90%	-0.96%				
Break-even rate (years)	6.59	1.00	6.32	1.00	12.04	1.00	(5.59)	11.04	(5.32)				
ACTUAL RATES													
Impact on rates													
For the first year (thousands of \$)	190	(13)	177	(475)	(29)	(503)	(664)	(16)	(680)				
For the first five years (thousands of \$)	387	(57)	330	(751)	(78)	(829)	(1,138)	(21)	(1,159)				
Internal rate of return	9.97%	20.71%	10.06%	10.03%	14.61%	10.12%	0.06%	-6.10%	0.06%				
Break-even rate (years)	6.59	1.00	6.32	1.00	1.00	1.00	(5.59)	0.00	(5.32)				

1. The term a priori refers to the results of the 2013 development plan presented in the 2013 Annual Report (R-3831-2013, B-0066, Gaz Métro-13, Document 2).
2. The term a posteriori refers to the results of the analysis performed on the basis of actual volumes, revenue, investments, subsidies and contributions available to date, in addition to a forecast for the following years. This forecast is based on the actual data between July 1st, 2015 and June 30, 2016 or, on the a priori data for customers who have not yet cumulated 12 months of consumption. The required revenue model is the same as the one applied a priori, with the original parameters.
3. Customer contributions consolidate the \$300 connection contribution and other types of contributions (lump-sum, location and connection timeframe).
4. Results according to the original rate schedule are calculated based on actual revenue adjusted with the variation between the invoiced rate schedule and the original rate schedule used for the a priori profitability, based on rates approved by the Régie.

Gaz Métro Limited Partnership
Annual Report as at September 30, 2016, R-3992-2016

Schedule 4
COMPARISON OF THE RESIDENTIAL DEVELOPMENT PLAN - NEW CUSTOMERS
2013 A PRIORI VS 2013 A POSTERIORI

Description	<i>A priori</i> ¹	<i>A posteriori</i> ²	Variance <i>a priori</i> vs <i>a posteriori</i>	Variance <i>a priori</i> vs <i>a posteriori</i>	Actual	Data applied <i>a posteriori</i>		
	(1)	(2)	(3)	(4)		Actual %	Forecast	Forecast %
Number of customers Year 1	2,600	2,391	(209)	-8%	2,382	100%	9	0%
Number of customers Year 2 (cumulative)	3,750	2,884	(866)	-23%	2,875	100%	9	0%
Number of customers Year 3 (cumulative)	4,532	3,163	(1,369)	-30%	3,124	99%	39	1%
Number of customers Year 4 (cumulative)	4,939	3,411	(1,528)	-31%	3,146	92%	265	8%
Number of customers Year 5 (cumulative)	5,020	3,828	(1,192)	-24%	3,146	82%	682	18%
Volumes (10³m³) Year 1	9,068	8,499	(569)	-6%	8,491	100%	8	0%
Volumes (10 ³ m ³) Year 2 (cumulative)	8,558	7,809	(750)	-9%	7,492	96%	317	4%
Volumes (10 ³ m ³) Year 3 (cumulative)	9,864	7,576	(2,288)	-23%	6,369	84%	1,207	16%
Volumes (10 ³ m ³) Year 4 (cumulative)	10,873	7,981	(2,892)	-27%	6,167	77%	1,814	23%
Volumes (10 ³ m ³) Year 5 (cumulative)	11,339	8,921	(2,417)	-21%	6,167	69%	2,755	31%
Capital assets (thousands of \$) Year 0	11,073	7,582	(3,491)	-32%	7,575	100%	7	0%
Capital assets (thousands of \$) Year 1	1,419	3,640	2,221	157%	3,640	100%	0	0%
Capital assets (thousands of \$) Year 2	958	834	(125)	-13%	830	100%	3	0%
Capital assets (thousands of \$) Year 3	525	631	105	20%	455	72%	176	28%
Capital assets (thousands of \$) Year 4	119	665	545	458%	66	10%	598	90%
Capital assets (thousands of \$) Year 5	0	167	167	100%	0	0%	167	100%
Total capital assets (including general expenses)	14,095	13,518	(577)	-4%	12,567	93%	951	7%
RCP subsidy (thousands of \$) Year 1	4,871	2,785	(2,086)	-43%	2,764	99%	20	1%
RCP subsidy (thousands of \$) Year 2	1,705	1,476	(229)	-13%	1,174	80%	302	20%
RCP subsidy (thousands of \$) Year 3	1,180	901	(279)	-24%	605	67%	296	33%
RCP subsidy (thousands of \$) Year 4	759	759	(0)	0%	222	29%	537	71%
RCP subsidy (thousands of \$) Year 5	128	697	569	445%	0	0%	697	100%
Total RCP subsidy	8,643	6,618	(2,025)	-23%	4,765	72%	1,853	28%
Customer contributions³ (thousands of \$) Year 0	(243)	(248)	(5)	2%	(248)	100%	0	0%
Customer contributions (thousands of \$) Year 1	(803)	(559)	244	-30%	(556)	100%	(3)	0%
Customer contributions (thousands of \$) Year 2	(361)	(283)	78	-22%	(283)	100%	0	0%
Customer contributions (thousands of \$) Year 3	(231)	(134)	97	-42%	(118)	88%	(16)	12%
Customer contributions (thousands of \$) Year 4	(121)	(107)	14	-11%	(19)	17%	(88)	83%
Customer contributions (thousands of \$) Year 5	(24)	(134)	(110)	452%	0	0%	(134)	100%
Total customer contributions	(1,782)	(1,465)	318	-18%	(1,224)	84%	(241)	16%
Total investments (thousands of \$) Year 0	10,830	7,334	(3,496)	-32%	7,327	100%	7	0%
Total investments (thousands of \$) Year 1	5,488	5,866	379	7%	5,848	100%	18	0%
Total investments (thousands of \$) Year 2	2,302	2,027	(275)	-12%	1,721	85%	306	15%
Total investments (thousands of \$) Year 3	1,475	1,398	(77)	-5%	942	67%	456	33%
Total investments (thousands of \$) Year 4	758	1,317	559	74%	269	20%	1,047	80%
Total investments (thousands of \$) Year 5	104	730	626	605%	0	0%	730	100%
Total investments	20,955	18,671	(2,285)	-11%	16,108	86%	2,563	14%
ORIGINAL RATE SCHEDULE⁴ (2013)								
Impact on rates								
For the first year (thousands of \$)	190	(398)	(588)					
For the first five years (thousands of \$)	387	(24)	(411)					
Internal rate of return	9.97%	9.10%	-0.87%					
Break-even rate (years)	6.59	1.00	(5.59)					
ACTUAL RATES								
Impact on rates								
For the first year (thousands of \$)	190	(475)	(664)					
For the first five years (thousands of \$)	387	(751)	(1,138)					
Internal rate of return	9.97%	10.03%	0.06%					
Break-even rate (years)	6.59	1.00	(5.59)					

1. The term *a priori* refers to the results of the 2013 development plan presented in the 2013 Annual Report ((R-3871-2013, B-0066, Gaz Métro-13, Document 2).

2. The term *a posteriori* refers to the results of the analysis performed on the basis of actual volumes, revenue, investments, subsidies and contributions available to date, in addition to a forecast for the following years. This forecast is based on the actual data between July 1st, 2015 and June 30, 2016 or, on the *a priori* data for customers who have not yet cumulated 12 months of consumption. The required revenue is the same as the one applied *a priori*, with the original parameters.

3. Customer contributions consolidate the \$300 connection contribution and other types of contributions (lump-sum, location and connection timeframe).

4. Results according to the original rate schedule are calculated using actual revenue adjusted with the variation between the invoiced rate schedule and the original rate schedule used for the *a priori* profitability, based on rates approved by the Régie.

Gaz Métro Limited Partnership
Annual Report as at September 30, 2016, R-3992-2016

Schedule 5
COMPARISON OF THE RESIDENTIAL DEVELOPMENT PLAN - LOAD ADDITIONS
2013 A PRIORIS VS 2013 A POSTERIORI

Description	Dossiers mesurés a posteriori ¹				Dossiers non mesurés a posteriori ²				Proportion (9)	Tous les dossiers ³			
	A priori (1)	A posteriori (2)	Variance a priori vs a posteriori (3)	Variance a priori vs a posteriori (4)	A priori (5)	A posteriori (6)	Variance a priori vs a posteriori (7)	Variance a priori vs a posteriori (8)		A priori (10)	A posteriori (11)	Variance a priori vs a posteriori (12)	Variance a priori vs a posteriori (13)
Number of customers Year 1	353	351	(2)	-1%	7	7	0	0%	2%	360	358	(2)	-1%
Number of customers Year 2 (cumulative)	353	351	(2)	-1%	7	7	0	0%	2%	360	358	(2)	-1%
Number of customers Year 3 (cumulative)	353	351	(2)	-1%	7	7	0	0%	2%	360	358	(2)	-1%
Number of customers Year 4 (cumulative)	353	351	(2)	-1%	7	7	0	0%	2%	360	358	(2)	-1%
Number of customers Year 5 (cumulative)	353	351	(2)	-1%	7	7	0	0%	2%	360	358	(2)	-1%
Volumes (10³m³) Year 1	272	231	(41)	-15%	14	12	(2)	-15%	5%	287	243	(44)	-15%
Volumes (10 ³ m ³) Year 2 (cumulative)	272	229	(43)	-16%	14	12	(2)	-16%	5%	287	241	(46)	-16%
Volumes (10 ³ m ³) Year 3 (cumulative)	272	215	(57)	-21%	14	11	(3)	-21%	5%	287	226	(61)	-21%
Volumes (10 ³ m ³) Year 4 (cumulative)	272	215	(57)	-21%	14	11	(3)	-21%	5%	287	226	(61)	-21%
Volumes (10 ³ m ³) Year 5 (cumulative)	272	215	(57)	-21%	14	11	(3)	-21%	5%	287	226	(61)	-21%
Capital assets (thousands of \$) Year 0	19	131	112	589%	0	3	3	100%	0%	19	134	115	605%
Capital assets (thousands of \$) Year 1	0	11	11	100%	0	0	0	100%	0%	0	11	11	100%
Capital assets (thousands of \$) Year 2	0	1	1	100%	0	0	0	100%	0%	0	1	1	100%
Capital assets (thousands of \$) Year 3	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Capital assets (thousands of \$) Year 4	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Capital assets (thousands of \$) Year 5	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total capital assets (including general expenses)	19	143	124	653%	0	3	3	100%	0%	19	146	127	668%
RCP subsidy (thousands of \$) Year 1	197	180	(17)	-9%	6	6	0	0%	3%	203	186	(17)	-8%
RCP subsidy (thousands of \$) Year 2	0	1	1	100%	0	0	0	100%	0%	0	1	1	100%
RCP subsidy (thousands of \$) Year 3	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
RCP subsidy (thousands of \$) Year 4	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
RCP subsidy (thousands of \$) Year 5	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total RCP subsidy	197	181	(16)	-8%	6	6	0	0%	3%	203	187	(16)	-8%
Customer contributions⁴ (thousands of \$) Year 0	(3)	(3)	0	0%	0	0	0	100%	0%	(3)	(3)	0	0%
Customer contributions (thousands of \$) Year 1	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Customer contributions (thousands of \$) Year 2	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Customer contributions (thousands of \$) Year 3	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Customer contributions (thousands of \$) Year 4	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Customer contributions (thousands of \$) Year 5	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total customer contributions	(3)	(3)	0	0%	0	0	0	100%	0%	(3)	(3)	0	0%
Total investments (thousands of \$) Year 0	16	128	112	700%	0	3	3	100%	0%	16	131	115	719%
Total investments (thousands of \$) Year 1	197	191	(6)	-3%	6	6	0	0%	3%	203	197	(6)	-3%
Total investments (thousands of \$) Year 2	0	2	2	100%	0	0	0	100%	0%	0	2	2	100%
Total investments (thousands of \$) Year 3	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total investments (thousands of \$) Year 4	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total investments (thousands of \$) Year 5	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total investments	213	321	108	51%	6	9	3	50%	3%	219	330	111	51%
ORIGINAL RATE SCHEDULE ⁵ (2013)													
Impact on rates													
For the first year (thousands of \$)	(66)	(11)	56		(2)	(2)	(0)			(13)	(13)	0	
For the first five years (thousands of \$)	(101)	17	118		(8)	(6)	3			(57)	11	68	
Internal rate of return	25.67%	9.28%	-16.39%		57.88%	23.35%	-34.53%			20.71%	8.81%	-11.90%	
Break-even rate (years)	1.00	11.62	10.62		1.00	1.00	0.00			1.00	12.04	11.04	
ACTUAL RATES													
Impact on rates													
For the first year (thousands of \$)	(66)	2	68		(2)	(3)	(1)			(13)	(29)	(16)	
For the first five years (thousands of \$)	(101)	(42)	59		(8)	(10)	(2)			(57)	(78)	(21)	
Internal rate of return	25.67%	13.97%	-11.70%		57.88%	34.80%	-23.08%			20.71%	14.61%	-6.10%	
Break-even rate (years)	1.00	1.11	0.11		1.00	1.00	0.00			1.00	1.00	0.00	

1. A posteriori valuated files are those for which no sales of additional load have been concluded after 2013.

2. A posteriori non valuated files are those for which there were sales of additional load after 2013.

3. All files refers to information for all the sales of additional loads concluded in the 2013 development plan for the residential market.

4. The term a posteriori refers to the results of the analysis performed on the basis of actual volumes, investments, subsidies and contributions available to date, in addition to a forecast for the following years. This forecast is based on the actual data between July 1st, 2015 and June 30, 2016. The required revenue model is the same as the one applied a priori, with the original parameters.

5. Results according to the original rate schedule are calculated using actual revenue adjusted with the variation between the invoiced rate schedule and the original rate schedule used for the a priori profitability, based on rates approved by the Régie.

Gaz Métro Limited Partnership
Annual Report as at September 30, 2016, R-3992-2016

Schedule 6
COMPARISON OF THE BUSINESS DEVELOPMENT PLAN - NEW CUSTOMERS AND LOAD ADDITIONS
2013 A PRIORI VS 2013 A POSTERIORI

Description	A priori ¹			A posteriori ²			Variance a priori vs a posteriori			Data applied a posteriori			
	New (1)	Additions (2)	Total (3)	New (4)	Additions (5)	Total (6)	New (7)	Additions (8)	Total (9)	Actual (10)	Actual % (11)	Forecast (12)	Forecast % (13)
Number of customers Year 1	2,256	708	2,964	2,080	554	2,634	(176)	(154)	(330)	2,601	99%	33	1%
Number of customers Year 2 (cumulative)	2,165	708	2,873	2,101	576	2,677	(64)	(132)	(196)	2,643	99%	34	1%
Number of customers Year 3 (cumulative)	2,195	708	2,903	2,110	586	2,696	(85)	(122)	(207)	2,650	98%	46	2%
Number of customers Year 4 (cumulative)	2,198	708	2,906	2,084	586	2,670	(114)	(122)	(236)	2,611	98%	59	2%
Number of customers Year 5 (cumulative)	2,198	708	2,906	2,085	586	2,671	(113)	(122)	(235)	2,611	98%	60	2%
Volumes (10³m³) Year 1	52,115	21,620	73,735	40,816	16,556	57,372	(11,299)	(5,064)	(16,363)	56,902	99%	469	1%
Volumes (10 ³ m ³) Year 2 (cumulative)	46,167	21,620	67,787	40,551	15,351	55,902	(5,616)	(6,269)	(11,885)	55,429	99%	473	1%
Volumes (10 ³ m ³) Year 3 (cumulative)	46,449	21,620	68,069	38,810	15,050	53,860	(7,639)	(6,570)	(14,209)	52,459	97%	1,401	3%
Volumes (10 ³ m ³) Year 4 (cumulative)	47,057	21,620	68,677	37,029	15,081	52,110	(10,029)	(6,539)	(16,567)	48,747	94%	3,363	6%
Volumes (10 ³ m ³) Year 5 (cumulative)	47,057	21,620	68,677	37,359	15,030	52,389	(9,698)	(6,590)	(16,288)	48,696	93%	3,693	7%
Capital assets (thousands of \$) Year 0	20,928	2,405	23,332	15,964	2,275	18,239	(4,963)	(130)	(5,093)	18,239	100%	0	0%
Capital assets (thousands of \$) Year 1	201	0	201	6,888	187	7,075	6,687	187	6,874	7,011	99%	64	1%
Capital assets (thousands of \$) Year 2	106	0	106	761	23	784	655	23	678	679	87%	104	13%
Capital assets (thousands of \$) Year 3	11	0	11	491	11	502	481	11	492	369	73%	133	27%
Capital assets (thousands of \$) Year 4	0	0	0	26	0	26	26	0	26	2	7%	24	93%
Capital assets (thousands of \$) Year 5	0	0	0	0	0	0	0	0	0	0	100%	0	0%
Total capital assets (including general expenses)	21,245	2,405	23,650	24,131	2,496	26,626	2,885	91	2,976	26,301	99%	325	1%
RCP subsidy (thousands of \$) Year 1	6,888	1,611	8,499	4,551	1,269	5,820	(2,337)	(342)	(2,679)	5,741	99%	79	1%
RCP subsidy (thousands of \$) Year 2	308	0	308	912	35	947	604	35	639	789	83%	158	17%
RCP subsidy (thousands of \$) Year 3	30	0	30	969	253	1,222	940	253	1,192	230	19%	992	81%
RCP subsidy (thousands of \$) Year 4	0	0	0	559	39	598	559	39	598	2	0%	596	100%
RCP subsidy (thousands of \$) Year 5	0	0	0	0	0	0	0	0	0	0	100%	0	0%
Total RCP subsidy	7,225	1,611	8,837	6,991	1,595	8,587	(234)	(16)	(250)	6,762	79%	1,825	21%
Customer contributions³ (thousands of \$) Year 0	(1,255)	(41)	(1,296)	(1,341)	(42)	(1,382)	(85)	(1)	(86)	(1,382)	100%	0	0%
Customer contributions (thousands of \$) Year 1	(303)	0	(303)	(122)	(0)	(122)	181	(0)	180	(122)	100%	0	0%
Customer contributions (thousands of \$) Year 2	(6)	0	(6)	(8)	0	(8)	(2)	0	(2)	(8)	100%	0	0%
Customer contributions (thousands of \$) Year 3	(7)	0	(7)	(1)	0	(1)	6	0	6	(1)	100%	0	0%
Customer contributions (thousands of \$) Year 4	0	0	0	0	0	0	0	0	0	0	100%	0	0%
Customer contributions (thousands of \$) Year 5	0	0	0	0	0	0	0	0	0	0	100%	0	0%
Total customer contributions	(1,571)	(41)	(1,612)	(1,472)	(42)	(1,514)	99	(1)	98	(1,514)	100%	0	0%
Total investments (thousands of \$) Year 0	19,672	2,364	22,036	14,624	2,233	16,857	(5,049)	(131)	(5,180)	16,857	100%	0	0%
Total investments (thousands of \$) Year 1	6,786	1,611	8,398	11,317	1,456	12,773	4,531	(156)	4,375	12,630	99%	142	1%
Total investments (thousands of \$) Year 2	408	0	408	1,665	58	1,723	1,257	58	1,315	1,460	85%	263	15%
Total investments (thousands of \$) Year 3	33	0	33	1,460	263	1,723	1,426	263	1,690	598	35%	1,125	65%
Total investments (thousands of \$) Year 4	0	0	0	585	39	624	585	39	624	4	1%	620	99%
Total investments (thousands of \$) Year 5	0	0	0	0	0	0	0	0	0	0	100%	0	0%
Total investments	26,900	3,976	30,875	29,650	4,049	33,699	2,751	73	2,824	31,549	94%	2,150	6%
ORIGINAL RATE SCHEDULE⁴													
Impact on rates													
For the first year (thousands of \$)	(4,155)	(1,482)	(5,637)	(4,025)	(1,321)	(5,346)	130	161	291				
For the first five years (thousands of \$)	(17,131)	(6,836)	(23,967)	(13,405)	(4,871)	(18,276)	3,726	1,965	5,691				
Internal rate of return	21.42%	45.98%	24.39%	17.08%	35.46%	19.22%	-4.34%	-10.52%	-5.17%				
Break-even rate (years)	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00				
ACTUAL RATES													
Impact on rates													
For the first year (thousands of \$)	(4,155)	(1,482)	(5,637)	(4,300)	(1,832)	(6,129)	(145)	(350)	(492)				
For the first five years (thousands of \$)	(17,131)	(6,836)	(23,967)	(15,835)	(7,036)	(22,848)	1,296	(199)	1,119				
Internal rate of return	21.42%	45.98%	24.39%	18.86%	48.29%	22.17%	-2.56%	2.31%	-2.22%				
Break-even rate (years)	1.00	1.00	1.00	1.00	1.00	1.00	0.00	0.00	0.00				

1. The term *a priori* refers to the results of the 2013 development plan presented in the 2013 Annual Report (R-3831-2013, B-0066, Gaz Métro-13, Document 2).

2. The term *a posteriori* refers to the results of the analysis performed on the basis of actual volumes, investments, subsidies and contributions available to date, in addition to a forecast for the following years. This forecast is based on the actual data between July 1st, 2015 and June 30, 2016, or, on the *a priori* data for customers who have not yet cumulated 12 months worth of consumption. The required revenue model is the same as the one applied *a priori*, with the original parameters.

3. Customer contributions consolidate the \$300 connection contribution and other types of contributions (lump-sum, location and connection timeframe).

4. Results according to the original rate schedule are calculated using actual revenue adjusted with the variation between the invoiced rate schedule and the original rate schedule used for the *a priori* profitability, based on rates approved by the Régie.

Gaz Métro Limited Partnership
Annual Report as at September 30, 2016, R-3992-2016

Schedule 7
COMPARISON OF THE BUSINESS DEVELOPMENT PLAN - NEW CUSTOMERS
2013 A PRIORIS VS 2013 A POSTERIORI

Description	A priori ¹	A posteriori ²	Variance a priori vs a posteriori	Variance a priori vs a posteriori	Data applied a posteriori				
					Actual	Actual %	Forecast	Forecast %	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	
Number of customers Year 1	2,256	2,080	(176)	-8%	2,047	98%	33	2%	
Number of customers Year 2 (cumulative)	2,165	2,101	(64)	-3%	2,067	98%	34	2%	
Number of customers Year 3 (cumulative)	2,195	2,110	(85)	-4%	2,064	98%	46	2%	
Number of customers Year 4 (cumulative)	2,198	2,084	(114)	-5%	2,025	97%	59	3%	
Number of customers Year 5 (cumulative)	2,198	2,085	(113)	-5%	2,025	97%	60	3%	
Volumes (10³m³) Year 1	52,115	40,816	(11,299)	-22%	40,347	99%	469	1%	
Volumes (10 ³ m ³) Year 2 (cumulative)	46,167	40,551	(5,616)	-12%	40,078	99%	473	1%	
Volumes (10 ³ m ³) Year 3 (cumulative)	46,449	38,810	(7,639)	-16%	37,409	96%	1,401	4%	
Volumes (10 ³ m ³) Year 4 (cumulative)	47,057	37,029	(10,029)	-21%	33,666	91%	3,363	9%	
Volumes (10 ³ m ³) Year 5 (cumulative)	47,057	37,359	(9,698)	-21%	33,666	90%	3,693	10%	
Capital assets (thousands of \$) Year 0	20,928	15,964	(4,963)	-24%	15,964	100%	0	0%	
Capital assets (thousands of \$) Year 1	201	6,888	6,687	3323%	6,824	99%	64	1%	
Capital assets (thousands of \$) Year 2	106	761	655	618%	657	86%	104	14%	
Capital assets (thousands of \$) Year 3	11	491	480	4545%	358	73%	133	27%	
Capital assets (thousands of \$) Year 4	0	26	26	100%	2	7%	24	93%	
Capital assets (thousands of \$) Year 5	0	0	0	100%	0	100%	0	0%	
Total capital assets (including general expenses)	21,245	24,131	2,885	14%	23,805	99%	325	1%	
RCP subsidy (thousands of \$) Year 1	6,888	4,551	(2,337)	-34%	4,472	98%	79	2%	
RCP subsidy (thousands of \$) Year 2	308	912	604	196%	754	83%	158	17%	
RCP subsidy (thousands of \$) Year 3	30	969	940	3164%	225	23%	745	77%	
RCP subsidy (thousands of \$) Year 4	0	559	559	100%	2	0%	557	100%	
RCP subsidy (thousands of \$) Year 5	0	0	0	100%	0	100%	0	0%	
Total RCP subsidy	7,225	6,991	(234)	-3%	5,453	78%	1,539	22%	
Customer contributions³ (thousands of \$) Year 0	(1,255)	(1,341)	(85)	7%	(1,341)	100%	0	0%	
Customer contributions (thousands of \$) Year 1	(303)	(122)	181	-60%	(122)	100%	0	0%	
Customer contributions (thousands of \$) Year 2	(6)	(8)	(2)	36%	(8)	100%	0	0%	
Customer contributions (thousands of \$) Year 3	(7)	(1)	6	-81%	(1)	100%	0	0%	
Customer contributions (thousands of \$) Year 4	0	0	0	100%	0	100%	0	0%	
Customer contributions (thousands of \$) Year 5	0	0	0	100%	0	100%	0	0%	
Total customer contributions	(1,571)	(1,472)	99	-6%	(1,472)	100%	0	0%	
Total investments (thousands of \$) Year 0	19,672	14,624	(5,049)	-26%	14,624	100%	0	0%	
Total investments (thousands of \$) Year 1	6,786	11,317	4,531	67%	11,175	99%	142	1%	
Total investments (thousands of \$) Year 2	408	1,665	1,257	308%	1,402	84%	263	16%	
Total investments (thousands of \$) Year 3	33	1,460	1,427	4312%	582	40%	878	60%	
Total investments (thousands of \$) Year 4	0	585	585	100%	4	1%	581	99%	
Total investments (thousands of \$) Year 5	0	0	0	100%	0	100%	0	0%	
Total investments	26,900	29,650	2,751	10%	27,786	94%	1,864	6%	
ORIGINAL RATE SCHEDULE⁴ (2012)									
Impact on rates									
For the first year (thousands of \$)	(4,155)	(4,025)	130						
For the first five years (thousands of \$)	(17,131)	(13,405)	3,726						
Internal rate of return	21.42%	17.08%	-4.34%						
Break-even rate (years)	1.00	1.00	0.00						
ACTUAL RATES									
Impact on rates									
For the first year (thousands of \$)	(4,155)	(4,300)	(145)						
For the first five years (thousands of \$)	(17,131)	(15,835)	1,296						
Internal rate of return	21.42%	18.86%	-2.56%						
Break-even rate (years)	1.00	1.00	0.00						

1. The term *a priori* refers to the results of the 2013 development plan presented in the 2013 Annual Report (R-3871-2013, B-0066, Gaz Métro-13, Document 2).

2. The term *a posteriori* refers to the results of the analysis performed on the basis of actual volumes, revenue, investments, subsidies and contributions available to date, in addition to a forecast for the following years. This forecast is based on the actual data between July 1st, 2015 and June 30, 2016 or, on the *a priori* data for customers who have not yet cumulated 12 months worth of consumption. The required revenue is the same as the one applied *a priori*, with the original parameters.

3. Customer contributions consolidate the \$300 connection contribution and other types of contributions (lump-sum, location and connection timeframe).

4. Results according to the original rate schedule are calculated using actual revenue adjusted with the variation between the invoiced rate schedule and the original rate schedule used for in the *a priori* profitability, based on rates approved by the Régie.

Gaz Métro Limited Partnership
Annual Report as at September 30, 2016, R-3992-2016

Schedule 8
COMPARISON OF THE BUSINESS DEVELOPMENT PLAN - LOAD ADDITIONS
2013 A PRIORIVS 2013 A POSTERIORI

Description	A posteriori valuated files ¹				A posteriori non valuated files ²					All files ³			
	A priori (1)	A posteriori (2)	Variance a priori vs a posteriori (3)	Variance a priori vs a posteriori (4)	A priori (5)	A posteriori (6)	Variance a priori vs a posteriori (7)	Variance a priori vs a posteriori (8)	Proportion (9)	A priori (1)	A posteriori (2)	Variance a priori vs a posteriori (3)	Variance a priori vs a posteriori (4)
Number of customers Year 1	523	382	(141)	-27%	185	172	(13)	-7%	26%	708	554	(154)	-22%
Number of customers Year 2 (cumulative)	523	404	(119)	-23%	185	172	(13)	-7%	26%	708	576	(132)	-19%
Number of customers Year 3 (cumulative)	523	414	(109)	-21%	185	172	(13)	-7%	26%	708	586	(122)	-17%
Number of customers Year 4 (cumulative)	523	414	(109)	-21%	185	172	(13)	-7%	26%	708	586	(122)	-17%
Number of customers Year 5 (cumulative)	523	414	(109)	-21%	185	172	(13)	-7%	26%	708	586	(122)	-17%
Volumes (10³m³) Year 1	16,551	13,227	(3,324)	-20%	5,069	3,329	(1,740)	-34%	23%	21,620	16,556	(5,064)	-23%
Volumes (10 ³ m ³) Year 2 (cumulative)	16,551	12,022	(4,529)	-27%	5,069	3,329	(1,740)	-34%	23%	21,620	15,351	(6,269)	-29%
Volumes (10 ³ m ³) Year 3 (cumulative)	16,551	11,721	(4,830)	-29%	5,069	3,329	(1,740)	-34%	23%	21,620	15,050	(6,570)	-30%
Volumes (10 ³ m ³) Year 4 (cumulative)	16,551	11,752	(4,799)	-29%	5,069	3,329	(1,740)	-34%	23%	21,620	15,081	(6,539)	-30%
Volumes (10 ³ m ³) Year 5 (cumulative)	16,551	11,701	(4,850)	-29%	5,069	3,329	(1,740)	-34%	23%	21,620	15,030	(6,590)	-30%
Capital assets (thousands of \$) Year 0	1,754	1,742	(12)	-1%	651	533	(118)	-18%	27%	2,405	2,275	(130)	-5%
Capital assets (thousands of \$) Year 1	0	136	136	100%	0	51	51	100%	0%	0	187	187	100%
Capital assets (thousands of \$) Year 2	0	12	12	100%	0	11	11	100%	0%	0	23	23	100%
Capital assets (thousands of \$) Year 3	0	10	10	100%	0	1	1	100%	0%	0	11	11	100%
Capital assets (thousands of \$) Year 4	0	(0)	(0)	100%	0	0	0	100%	0%	0	(0)	(0)	100%
Capital assets (thousands of \$) Year 5	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total capital assets (including general expenses)	1,754	1,900	146	8%	651	596	(55)	-8%	27%	2,405	2,496	91	4%
Capital assets (thousands of \$) Year 0	1,182	937	(244)	-21%	430	332	(98)	-23%	27%	1,611	1,269	(342)	-21%
RCP subsidy (thousands of \$) Year 1	0	26	26	100%	0	9	9	100%	0%	0	35	35	100%
RCP subsidy (thousands of \$) Year 2	0	190	190	100%	0	63	63	100%	0%	0	253	253	100%
RCP subsidy (thousands of \$) Year 3	0	32	32	100%	0	7	7	100%	0%	0	39	39	100%
RCP subsidy (thousands of \$) Year 4	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
RCP subsidy (thousands of \$) Year 5	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total RCP subsidy	1,182	1,185	4	0%	430	410	(20)	-5%	27%	1,611	1,595	(16)	-1%
Customer contributions⁵ (thousands of \$) Year 0	(39)	(41)	(1)	3%	(1)	(1)	0	0%	3%	(41)	(42)	(1)	3%
Customer contributions (thousands of \$) Year 1	0	0	0	100%	0	(0)	(0)	100%	0%	0	(0)	(0)	100%
Customer contributions (thousands of \$) Year 2	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Customer contributions (thousands of \$) Year 3	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Customer contributions (thousands of \$) Year 4	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Customer contributions (thousands of \$) Year 5	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total customer contributions	(39)	(41)	(1)	3%	(1)	(2)	(0)	25%	3%	(41)	(42)	(1)	3%
Total investments (thousands of \$) Year 0	1,715	1,701	(13)	-1%	650	532	(118)	-18%	27%	2,364	2,233	(131)	-6%
Total investments (thousands of \$) Year 1	1,182	1,074	(108)	-9%	430	382	(48)	-11%	27%	1,611	1,456	(156)	-10%
Total investments (thousands of \$) Year 2	0	38	38	100%	0	20	20	100%	0%	0	58	58	100%
Total investments (thousands of \$) Year 3	0	200	200	100%	0	64	64	100%	0%	0	263	263	100%
Total investments (thousands of \$) Year 4	0	32	32	100%	0	7	7	100%	0%	0	39	39	100%
Total investments (thousands of \$) Year 5	0	0	0	100%	0	0	0	100%	0%	0	0	0	100%
Total investments	2,896	3,044	148	5%	1,079	1,005	(75)	-7%	27%	3,976	4,049	73	2%
ORIGINAL RATE SCHEDULE* (2012)													
Impact on rates													
For the first year (thousands of \$)	(1,129)	(1,094)	34		(354)	(227)	126			(1,482)	(1,321)	161	
For the first five years (thousands of \$)	(5,191)	(3,834)	1,357		(1,645)	(1,037)	608			(6,836)	(4,871)	1,965	
Internal rate of return	47.65%	36.75%	-10.90%		41.59%	31.74%	-9.85%			45.98%	35.46%	-10.52%	
Break-even rate (years)	1.00	1.00	0		1.00	1.00	0.00			1.00	1.00	0.00	
ACTUAL RATES													
Impact on rates													
For the first year (thousands of \$)	(1,129)	(1,499)	(370)		(354)	(334)	20			(1,482)	(1,832)	(350)	
For the first five years (thousands of \$)	(5,191)	(5,546)	(355)		(1,645)	(1,499)	155			(6,836)	(7,036)	(199)	
Internal rate of return	47.65%	50.48%	2.83%		41.59%	41.99%	0.40%			45.98%	48.29%	2.31%	
Break-even rate (years)	1.00	1.00	0		1.00	1.00	0.00			1.00	1.00	0.00	

1. A posteriori valuated files are those for which no sales of additional load have been concluded after 2013.
2. A posteriori non valuated files are those for which there were sales of additional loads after 2013.
3. All files refers to information for all sales of additional loads concluded in the 2013 development plan for the business market.
4. The term a posteriori refers to the results of the analysis performed on the basis of actual volumes, investments, subsidies and contributions available to date, in addition to a forecast for the following years. This forecast is based on the actual data between July 1st, 2015 and June 30, 2016. The required revenue model is the same as the one applied a priori, with the original parameters.
5. Results according to the original rate schedule are calculated using actual revenue adjusted with the variation between the invoiced rate schedule and the original rate schedule used for the a priori profitability, based on rates approved by the Régie.