

GAZIFERE INC.
ALLOCATION OF THE COSTS OF SERVICE
December 31, 2016

(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
<u>GAS COSTS</u>											
1.1	Annual Commodity	15,794.5	72.3	15,864.5	7,152.6	8,359.3	47.4	0.0	0.0	305.1	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	1.4
1.	Total Gas Cost	15,794.5	72.3	15,864.5	7,152.6	8,359.3	47.4	0.0	0.0	305.1	
<u>LOAD BALANCING</u>											
<u>TRANSMISSION</u>											
2.1	Seasonal / Interruptible Credit	1,179.9	5.4	1,185.3	538.8	604.3	1.1	0.0	0.0	41.0	3.2
2.1	Peak	2,485.5	11.4	2,496.9	1,162.7	1,238.1	2.6	0.0	93.6	0.0	3.3
2.2	Annual	1,460.3	54.6	1,514.9	639.9	673.2	2.6	0.0	89.1	110.1	1.3
2.3	Upstream Transportation	10,456.8	0.0	10,456.8	4,266.5	4,308.6	24.4	0.0	1,101.5	755.8	1.6
2.	Total Transmission	15,582.5	71.3	15,653.9	6,607.9	6,824.1	30.8	0.0	1,284.2	906.9	
<u>STORAGE</u>											
3.1	Deliverability	919.0	4.2	923.2	441.1	476.2	0.0	0.0	5.9	0.0	3.1
3.2	Space	851.2	3.9	855.1	388.7	435.9	0.8	0.0	0.0	29.6	3.2
3.3	Annual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
3.	Total Storage	1,770.2	8.1	1,778.3	829.8	912.1	0.8	0.0	5.9	29.6	
<u>FACILITIES' COSTS</u>											
<u>DISTRIBUTION FACILITIES</u>											
4.1	Capacity	2,537.2	1,656.0	4,193.1	1,883.7	2,003.9	4.3	0.0	157.1	144.2	2.1
4.2	Commodity & UUF Deferral	318.7	1.7	320.4	127.9	127.6	0.7	0.0	32.6	31.6	1.2
4.3	DSM Direct + Fees +SSM	355.2	0.0	355.2	275.3	80.2	(0.0)	0.0	(0.1)	(0.2)	
4.4	DSM Indirect + Deferral + SPEI	531.6	0.0	531.6	368.6	162.8	0.2	0.0	0.0	0.0	1.2
4.5	Weather Normalization Deferral	(421.0)	0.0	(421.0)	(197.8)	(223.0)	(0.3)	0.0	0.0	0.0	1.5
4.	Total Distribution	3,321.7	1,657.7	4,979.4	2,457.7	2,151.6	4.9	0.0	189.6	175.6	
<u>CUSTOMER RELATED</u>											
5.1	Meters	0.0	172.5	172.5	40.5	130.9	0.1	0.0	0.2	0.9	4.1
5.2	Sales Stations	0.0	38.5	38.5	6.1	29.7	0.0	0.0	0.1	2.6	4.2
5.3	Services	502.0	2,680.0	3,182.0	248.0	2,923.2	0.4	0.0	0.2	10.2	4.3
5.4	Customer Plant	763.1	625.4	1,388.5	106.8	1,281.5	0.1	0.0	0.0	0.1	4.4
5.5	Comm/Ind. Customers	589.6	0.0	589.6	588.4	0.0	0.5	0.0	0.2	0.5	4.6
5.6	Residential Customers	633.7	0.0	633.7	0.0	633.7	0.0	0.0	0.0	0.0	4.7
5.7	Total Customers	7,039.9	898.8	7,938.7	610.6	7,326.8	0.6	0.0	0.2	0.6	4.5
5.8	Readings Processed	895.4	0.0	895.4	89.9	790.8	6.3	0.0	2.1	6.3	4.8 & 4.9
5.9	GST/QST Revenues	0.0	(4.1)	(4.1)	(1.9)	(2.2)	(0.0)	0.0	0.0	(0.1)	Revenues
5.	Total Customer Related	10,423.7	4,411.1	14,834.8	1,688.3	13,114.4	7.9	0.0	3.0	21.1	
6.1	Return	5,684.3	0.0	5,684.3	1,387.6	4,109.1	2.9	0.0	90.5	94.1	5
6.2	Taxes	1,301.0	0.0	1,301.0	317.6	940.5	0.7	0.0	20.7	21.5	5
6.	Total Return and Taxes	6,985.3	0.0	6,985.3	1,705.2	5,049.6	3.5	0.0	111.3	115.7	
7.	Total Facilities	20,730.6	6,068.8	26,799.4	5,851.1	20,315.5	16.4	0.0	303.9	312.4	
8.	Total before Earnings Sharing	53,877.8	6,220.5	60,096.1	20,441.4	36,411.1	95.5	0.0	1,594.0	1,554.0	
9.	Earnings Sharing	(363.7)	0.0	(363.7)	(123.7)	(220.4)	(0.6)	0.0	(9.6)	(9.4)	Total before ES
10.	Total Costs of Service	53,514.1	6,220.5	59,732.4	20,317.7	36,190.7	94.9	0.0	1,584.4	1,544.6	