

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	15,866.8	7,153.7	8,360.5	47.4	0.0	0.0	305.2	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	15,866.8	7,153.7	8,360.5	47.4	0.0	0.0	305.2	
<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	2,361.7	1,717.3	4,079.0	1,832.4	1,949.3	4.1	0.0	152.8	140.2	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	351.1	0.0	351.1	272.6	79.2	(0.0)	0.0	(0.1)	(0.2)	
4.4	DSM Indirect + Deferral + SPEI	322.4	0.0	322.4	238.1	84.7	(0.1)	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	2,932.9	1,718.9	4,651.8	2,273.2	2,017.9	4.6	0.0	185.4	171.6	
<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	28.7	28.7	4.4	21.5	0.0	0.0	0.1	2.6	4.2
5.3	Services	499.5	2,757.6	3,257.1	253.8	2,992.2	0.4	0.0	0.2	10.4	4.3
5.4	Customer Plant	699.4	646.3	1,345.7	103.5	1,242.0	0.1	0.0	0.0	0.1	4.4
5.5	Comm/Ind. Customers	267.3	0.0	267.3	266.7	0.0	0.2	0.0	0.1	0.2	4.6
5.6	Residential Customers	814.0	0.0	814.0	0.0	814.0	0.0	0.0	0.0	0.0	4.7
5.7	Total Customers	6,784.0	898.8	7,682.8	590.9	7,090.6	0.6	0.0	0.2	0.6	4.5
5.8	Readings Processed	825.4	0.0	825.4	84.1	726.8	6.2	0.0	2.1	6.2	4.8 & 4.9
5.9	GST/QST Revenues	0.0	(4.1)	(4.1)	(1.8)	(2.1)	(0.0)	0.0	0.0	(0.1)	Revenues
5.	Total Customer Related	9,889.6	4,499.8	14,389.4	1,342.2	13,015.9	7.5	0.0	2.9	20.9	
6.1	Return	5,666.0	0.0	5,666.0	1,386.6	4,091.6	2.9	0.0	90.7	94.2	5
6.2	Taxes	1,352.0	0.0	1,352.0	330.9	976.3	0.7	0.0	21.6	22.5	5
6.	Return and Taxes	7,018.0	0.0	7,018.0	1,717.4	5,067.9	3.6	0.0	112.4	116.7	
7.	Total Facilities	19,840.5	6,218.8	26,059.2	5,332.8	20,101.7	15.7	0.0	300.6	309.3	
8.	Total before Earnings Sharing	52,987.7	6,370.5	59,358.2	19,924.1	36,198.4	94.7	0.0	1,590.7	1,550.9	
9.	Earnings Sharing	(363.7)	0.0	(363.7)	(122.1)	(221.8)	(0.6)	0.0	(9.7)	(9.5)	Total before ES
10.	Total Costs of Service	52,624.0	6,370.5	58,994.5	19,802.0	35,976.7	94.2	0.0	1,581.0	1,541.4	