

GAZIFÈRE INC.
IMPACT OF THE CHANGE IN COST OF GAS ON THE REVENUE REQUIREMENT RESULTING FROM THE 2017 VOLUMES
COMPONENTS: Transportation, load balancing and commodity
2017 RATE CASE

| Line no | Description | Impact on revenue requirements (000\$) |
|---------|---|--|
| 1 | TRANSPORTATION, LOAD BALANCING AND COMMODITY | |
| 2 | | |
| 3 | Impact of the 2017 volumes on the cost of gas per Rate 200 effective | |
| 4 | July 1st, 201 <u>6</u> | |
| 5 | | |
| 6 | Cost of gas (Rate 200 + Niagara Gas) forecasted for 2017 | 29,573.7 (1) |
| 7 | | |
| 8 | Cost of gas (Rate 200 + Niagara Gas) assuming 201 <u>7</u> forecast volumes | |
| 9 | with 201 <u>6</u> assumptions for unbilled and unaccounted for gas (UUF), | |
| 10 | contract demand and cost of Niagara Gas presently recovered in | |
| 11 | Gazifère's rates | <u>29,494.5</u> (2) |
| 12 | | |
| 13 | Impact on the cost of gas resulting from the updated 201 <u>7</u> assumptions regarding | |
| 14 | the unaccounted for gas, contract demand and Niagara Gas cost | 79.2 (3) |
| 15 | | |
| 16 | Increase (decrease) due to volume, sales and transportation service and working cash | <u>16.8</u> (4) |
| 17 | | |
| 18 | Total | <u><u>96.0</u></u> (5) |

Notes: (1) Voir GI-21, document 2, page 1 de 1, ligne 28, colonne 13.

(2) Voir GI-21, document 3, page 1 de 1, ligne 28, colonne 13.

(3) This increase corresponds to the annual impact as per Rate 200 effective July 1st, 2016.

(4) Reflects impact of change in volumes by rate class, sales and transportation utilization and working cash in 2017 forecast recovery of gas costs compared to 2016 approved rates.

(5) This amount will be recovered from the customers through the rates once the Régie issues its decision in this present proceeding. The amount is calculated as follows:

| | |
|---|----------------------|
| Total Revenues excluding the distribution per Gazifère's Rates as of July 1st, 2016 | 29,477.7 |
| Minus: Cost of gas (Rate 200 + Niagara Gas) forecasted for 2017 | <u>29,573.7</u> |
| Sufficiency (Deficiency) related to the cost of gas | <u><u>(96.0)</u></u> |