

GAZIFERE INC.
ALLOCATION OF THE COSTS OF SERVICE
December 31, 2017

(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	<u>14,385.1</u>	<u>74.1</u>	<u>14,459.2</u>	<u>6,501.2</u>	<u>7,574.9</u>	<u>37.5</u>	0.0	0.0	<u>345.6</u>	1.1
1.2	System Gas Sales	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	1.4
1.	Total Gas Cost	<u>14,385.1</u>	<u>74.1</u>	<u>14,459.2</u>	<u>6,501.2</u>	<u>7,574.9</u>	<u>37.5</u>	0.0	0.0	<u>345.6</u>	
<u>LOAD BALANCING</u>											
<u>TRANSMISSION</u>											
2.1	Seasonal / Interruptible Credit	<u>1,823.7</u>	<u>9.4</u>	<u>1,833.1</u>	<u>825.2</u>	<u>919.2</u>	1.7	0.0	0.0	<u>87.1</u>	3.2
2.2	Peak	<u>2,400.3</u>	<u>12.4</u>	<u>2,412.7</u>	<u>1,115.1</u>	<u>1,205.8</u>	2.4	0.0	<u>89.3</u>	<u>0.0</u>	3.3
2.3	Annual	<u>1,296.3</u>	<u>54.6</u>	<u>1,350.9</u>	<u>568.4</u>	<u>594.4</u>	2.1	0.0	<u>78.0</u>	<u>108.0</u>	1.3
2.4	Upstream Transportation	<u>9,302.6</u>	<u>0.0</u>	<u>9,302.6</u>	<u>3,791.4</u>	<u>3,801.3</u>	18.8	0.0	<u>980.1</u>	<u>711.0</u>	1.6
2.	Total Transmission	<u>14,822.9</u>	<u>76.4</u>	<u>14,899.3</u>	<u>6,300.1</u>	<u>6,520.8</u>	25.0	0.0	<u>1,147.4</u>	<u>906.1</u>	
<u>STORAGE</u>											
3.1	Deliverability	<u>1,199.5</u>	<u>6.2</u>	<u>1,205.7</u>	<u>564.2</u>	<u>633.4</u>	0.3	0.0	7.8	0.0	3.1
3.2	Space	<u>877.0</u>	<u>4.5</u>	<u>881.5</u>	<u>396.8</u>	<u>442.0</u>	0.8	0.0	0.0	41.9	3.2
3.3	Annual	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0	0.0	0.0	0.0	
3.	Total Storage	<u>2,076.5</u>	<u>10.7</u>	<u>2,087.2</u>	<u>961.0</u>	<u>1,075.4</u>	1.1	0.0	7.8	41.9	
<u>FACILITIES' COSTS</u>											
<u>DISTRIBUTION FACILITIES</u>											
4.1	Capacity	<u>3,039.4</u>	<u>1,722.5</u>	<u>4,761.9</u>	<u>2,121.3</u>	<u>2,290.7</u>	4.7	0.0	<u>176.3</u>	<u>168.9</u>	2.1
4.2	Commodity & UUF Deferral	<u>58.4</u>	<u>1.8</u>	<u>60.3</u>	<u>24.0</u>	<u>23.8</u>	0.1	0.0	<u>6.1</u>	<u>6.2</u>	1.2
4.3	DSM Direct + Fees	<u>851.2</u>	<u>0.0</u>	<u>851.2</u>	<u>370.7</u>	<u>329.6</u>	1.4	0.0	<u>74.3</u>	<u>75.1</u>	
4.4	DSM Indirect + Deferral + SPEDE	<u>161.2</u>	<u>0.0</u>	<u>161.2</u>	<u>101.7</u>	<u>59.4</u>	0.0	0.0	0.0	0.0	1.2
4.5	Weather Normalization Deferral	<u>(2,065.6)</u>	<u>0.0</u>	<u>(2,065.6)</u>	<u>(1,000.5)</u>	<u>(1,059.6)</u>	(5.4)	0.0	0.0	0.0	1.5
4.	Total Distribution	<u>2,044.6</u>	<u>1,724.3</u>	<u>3,769.0</u>	<u>1,617.2</u>	<u>1,643.9</u>	0.8	0.0	<u>256.7</u>	<u>250.2</u>	
<u>CUSTOMER RELATED</u>											
5.1	Meters	<u>0.0</u>	<u>160.8</u>	<u>160.8</u>	<u>37.7</u>	<u>122.0</u>	0.1	0.0	0.2	0.8	4.1
5.2	Sales Stations	<u>0.0</u>	<u>30.7</u>	<u>30.7</u>	<u>27.8</u>	<u>0.0</u>	0.0	0.0	0.2	2.8	4.2
5.3	Services	<u>773.2</u>	<u>2,725.1</u>	<u>3,498.3</u>	<u>272.6</u>	<u>3,213.8</u>	0.4	0.0	0.2	11.2	4.3
5.4	Customer Plant	<u>841.6</u>	<u>583.6</u>	<u>1,425.3</u>	<u>110.2</u>	<u>1,314.9</u>	0.1	0.0	0.0	0.1	4.4
5.5	Comm/Ind. Customers	<u>462.8</u>	<u>0.0</u>	<u>462.8</u>	<u>461.8</u>	<u>0.0</u>	0.4	0.0	0.1	0.4	4.6
5.6	Residential Customers	<u>732.3</u>	<u>0.0</u>	<u>732.3</u>	<u>0.0</u>	<u>732.3</u>	0.0	0.0	0.0	0.0	4.7
5.7	Total Customers	<u>7,242.6</u>	<u>274.7</u>	<u>7,517.2</u>	<u>581.0</u>	<u>6,935.0</u>	0.5	0.0	0.2	0.5	4.5
5.8	Readings Processed	<u>887.4</u>	<u>0.0</u>	<u>887.4</u>	<u>90.9</u>	<u>780.6</u>	6.8	0.0	2.3	6.8	4.8 & 4.9
5.9	GST/QST Revenues	<u>0.0</u>	<u>(3.7)</u>	<u>(3.7)</u>	<u>(1.6)</u>	<u>(1.9)</u>	(0.0)	0.0	0.0	(0.1)	Revenues
5.	Total Customer Related	<u>10,939.8</u>	<u>3,771.3</u>	<u>14,711.1</u>	<u>1,580.3</u>	<u>13,096.7</u>	<u>8.3</u>	0.0	3.2	<u>22.6</u>	
6.1	Return	<u>5,730.0</u>	<u>0.0</u>	<u>5,730.0</u>	<u>1,461.6</u>	<u>4,070.5</u>	2.8	0.0	<u>94.6</u>	<u>100.4</u>	5
6.2	Taxes	<u>986.0</u>	<u>0.0</u>	<u>986.0</u>	<u>251.5</u>	<u>700.4</u>	0.5	0.0	<u>16.3</u>	<u>17.3</u>	5
6.	Return and Taxes	<u>6,716.0</u>	<u>0.0</u>	<u>6,716.0</u>	<u>1,713.1</u>	<u>4,770.9</u>	3.3	0.0	<u>110.9</u>	<u>117.6</u>	
7.	Total Facilities	<u>19,700.4</u>	<u>5,495.6</u>	<u>25,196.0</u>	<u>4,910.7</u>	<u>19,511.5</u>	<u>12.5</u>	0.0	<u>370.8</u>	<u>390.4</u>	
8.	Total before Earnings Sharing	<u>50,984.9</u>	<u>5,656.8</u>	<u>56,641.7</u>	<u>18,673.0</u>	<u>34,682.6</u>	<u>76.0</u>	0.0	<u>1,526.0</u>	<u>1,684.0</u>	
9.	Earnings Sharing	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	0.0	0.0	0.0	
10.	Total Costs of Service	<u>50,984.9</u>	<u>5,656.8</u>	<u>56,641.7</u>	<u>18,673.0</u>	<u>34,682.6</u>	<u>76.0</u>	0.0	<u>1,526.0</u>	<u>1,684.0</u>	