

GAZIFERE INC.
ALLOCATION OF THE COSTS OF SERVICE (WITH GAS COST) - CHANGE OF METHODOLOGY
December 31, 2018

(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 | 12,726.3 | 61.6 | 12,787.9 | 5,831.1 | 6,683.5 | 32.9 | 0.0 | 0.0 | 240.5 | 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 | 12,726.3 | 61.6 | 12,787.9 | 5,831.1 | 6,683.5 | 32.9 | 0.0 | 0.0 | 240.5 | |
| <u>LOAD BALANCING</u> | | | | | | | | | | | |
| <u>TRANSMISSION</u> | | | | | | | | | | | |
| 2.1 | Seasonal / Interruptible Credit | 1,703.7 | 8.2 | 1,712.0 | 773.3 | 877.9 | 1.7 | 4.3 | 0.0 | 54.8 | 3.2 |
| 2.2 | Peak | 2,304.6 | 11.2 | 2,315.8 | 1,046.7 | 1,159.2 | 2.3 | 24.8 | 82.8 | 0.0 | 3.3 |
| 2.3 | Annual | 1,252.5 | 41.9 | 1,294.3 | 537.3 | 580.3 | 2.0 | 18.4 | 74.1 | 82.3 | 1.3 |
| 2.4 | Upstream Transportation | 6,940.5 | 0.0 | 6,940.5 | 3,164.7 | 3,627.4 | 17.9 | 0.0 | 0.0 | 130.5 | 1.6 |
| 2.5 | Dawn Transportation | 457.8 | 0.0 | 457.8 | 74.6 | 0.0 | 0.0 | 44.4 | 198.3 | 140.4 | 1.7 |
| 2. | Total Transmission | 12,659.0 | 61.3 | 12,720.3 | 5,596.6 | 6,244.8 | 23.8 | 92.0 | 355.2 | 408.0 | |
| <u>STORAGE</u> | | | | | | | | | | | |
| 3.1 | Deliverability | 1,286.6 | 6.2 | 1,292.9 | 597.6 | 680.2 | 0.2 | 7.1 | 7.8 | 0.0 | 3.1 |
| 3.2 | Space | 957.6 | 4.6 | 962.2 | 434.7 | 493.4 | 0.9 | 2.4 | 0.0 | 30.8 | 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 | 2,244.2 | 10.9 | 2,255.1 | 1,032.2 | 1,173.6 | 1.2 | 9.5 | 7.8 | 30.8 | |
| <u>FACILITIES' COSTS</u> | | | | | | | | | | | |
| <u>DISTRIBUTION FACILITIES</u> | | | | | | | | | | | |
| 4.1 | Capacity | 2,788.9 | 1,683.3 | 4,472.2 | 1,960.0 | 2,370.9 | 4.6 | 51.0 | 51.4 | 34.3 | 2.1 |
| 4.2 | Commodity & UUF Deferral | 331.3 | 13.1 | 344.4 | 133.2 | 137.4 | 0.7 | 7.9 | 35.3 | 29.9 | 1.2 |
| 4.3 | DSM Direct + Fees | 830.6 | 0.0 | 830.6 | 547.3 | 198.9 | 0.8 | 9.0 | 40.3 | 34.2 | |
| 4.4 | DSM Indirect + Deferral + SPEDE | 195.3 | 0.0 | 195.3 | 183.9 | 11.4 | 0.0 | 0.0 | 0.0 | 0.0 | 1.2 |
| 4.5 | Weather Normalization Deferral | (893.5) | 0.0 | (893.5) | (414.4) | (476.7) | (2.4) | 0.0 | 0.0 | 0.0 | 1.5 |
| 4. | Total Distribution | 3,252.6 | 1,696.4 | 4,949.0 | 2,410.1 | 2,242.0 | 3.7 | 67.9 | 127.0 | 98.4 | |
| <u>CUSTOMER RELATED</u> | | | | | | | | | | | |
| 5.1 | Meters | 0.0 | 159.7 | 159.7 | 37.5 | 121.1 | 0.1 | 0.0 | 0.2 | 0.8 | 4.1 |
| 5.2 | Sales Stations | 0.0 | 37.3 | 37.3 | 33.7 | 0.0 | 0.0 | 0.0 | 0.2 | 3.4 | 4.2 |
| 5.3 | Services | 793.5 | 2,902.7 | 3,696.2 | 288.0 | 3,395.6 | 0.5 | 0.1 | 0.2 | 11.9 | 4.3 |
| 5.4 | Customer Plant | 864.1 | 611.8 | 1,475.9 | 112.8 | 1,362.8 | 0.1 | 0.0 | 0.0 | 0.1 | 4.4 |
| 5.5 | Comm/Ind. Customers | 397.1 | 0.0 | 397.1 | 396.2 | 0.0 | 0.4 | 0.1 | 0.1 | 0.4 | 4.6 |
| 5.6 | Residential Customers | 848.3 | 0.0 | 848.3 | 0.0 | 848.3 | 0.0 | 0.0 | 0.0 | 0.0 | 4.7 |
| 5.7 | Total Customers | 6,532.7 | 377.1 | 6,909.8 | 528.3 | 6,380.2 | 0.5 | 0.2 | 0.2 | 0.5 | 4.5 |
| 5.8 | Readings Processed | 837.4 | 0.0 | 837.4 | 83.6 | 737.8 | 6.0 | 2.0 | 2.0 | 6.0 | 4.8 & 4.9 |
| 5.9 | GST/QST Revenues | 0.0 | (3.4) | (3.4) | (1.5) | (1.8) | (0.0) | 0.0 | 0.0 | (0.1) | Revenues |
| 5. | Total Customer Related | 10,273.1 | 4,085.2 | 14,358.3 | 1,478.5 | 12,844.1 | 7.5 | 2.4 | 2.9 | 22.9 | |
| 6.1 | Return | 5,876.0 | 0.0 | 5,876.0 | 1,456.4 | 4,326.7 | 3.0 | 29.0 | 29.6 | 31.3 | 5 |
| 6.2 | Taxes | 994.0 | 0.0 | 994.0 | 246.4 | 731.9 | 0.5 | 4.9 | 5.0 | 5.3 | 5 |
| 6. | Return and Taxes | 6,870.0 | 0.0 | 6,870.0 | 1,702.8 | 5,058.7 | 3.5 | 33.9 | 34.6 | 36.6 | |
| 7. | Total Facilities | 20,395.7 | 5,781.6 | 26,177.3 | 5,591.3 | 20,144.7 | 14.6 | 104.2 | 164.5 | 157.9 | |
| 8. | Total before Earnings Sharing | 48,025.3 | 5,915.3 | 53,940.6 | 18,051.2 | 34,246.6 | 72.5 | 205.7 | 527.4 | 837.1 | |
| 9. | Earnings Sharing | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 | |
| 10. | Total Costs of Service | 48,025.3 | 5,915.3 | 53,941.8 | 18,051.2 | 34,247.8 | 72.5 | 205.7 | 527.4 | 837.1 | |