

**REVENUE REQUIREMENT
 ALBION PIPELINE**

Line No.	(\$000's)	2015	2016	2017
Cost of capital				
1.	Rate base	66,369.9	312,664.6	302,499.7
2.	Required rate of return	<u>6.81%</u>	<u>6.81%</u>	<u>6.81%</u>
3.	Cost of capital	4,520.2	21,294.1	20,601.9
Cost of service				
5.	Operation and Maintenance	55.5	266.6	266.6
6.	Depreciation and amortization	1,694.4	10,166.5	10,166.6
7.	Municipal and other taxes	<u>199.7</u>	<u>958.3</u>	<u>958.3</u>
8.	Cost of service	1,949.6	11,391.5	11,391.5
Income taxes on earnings				
12.	Excluding tax shield	(2,762.6)	(5,006.8)	(4,720.8)
13.	Tax shield provided by interest expense	<u>(618.7)</u>	<u>(2,914.6)</u>	<u>(2,819.8)</u>
14.	Income taxes on earnings	(3,381.3)	(7,921.4)	(7,540.7)
Taxes on (def) / suff.				
15.	Gross (def.) / suff.	(4,202.0)	(33,692.9)	(33,269.0)
16.	Net (def.) / suff.	<u>(3,088.5)</u>	<u>(24,764.2)</u>	<u>(24,452.7)</u>
17.	Taxes on (def.) / suff.	1,113.5	8,928.6	8,816.3
18.	Revenue requirement	<u>4,202.0</u>	<u>33,692.9</u>	<u>33,269.0</u>

Notes:

- (1) Revenue requirement estimate is for the entire Albion Pipeline.
- (2) Above estimate based in 2013 dollars and on 2013 feasibility parameters.