

COST OF SERVICE  
2017 UPDATED FORECAST (INCLUDING CIS & CUSTOMER CARE)

Line No.	Col. 1 EB-2012-0459 2017 Utility Placeholder Costs and Expenses (\$Millions)	Col. 2 2017 CIR Update Adjustments (\$Millions)	Col. 3 2017 Updated Forecast Utility Costs and Expenses (\$Millions)
1. Gas costs	1,632.5	(29.4)	1,603.1
2. Operation and maintenance	436.9	23.0	459.9
3. Depreciation and amortization expense	297.7	-	297.7
4. Fixed financing costs	1.9	-	1.9
5. Municipal and other taxes	47.9	-	47.9
6. Interest and financing amortization expense	-	-	-
7. Other interest expense	-	-	-
8. Total costs and expenses	<u>2,416.9</u>	<u>(6.4)</u>	<u>2,410.5</u>

Witness: R. Small

EXPLANATION OF ADJUSTMENTS TO UTILITY COSTS AND EXPENSES  
2017 UPDATED FORECAST (INCLUDING CIS & CUSTOMER CARE)

Line No.	Adj'd Adjustments (\$Millions)	Explanation			
1.	(29.4)	Gas costs			
		Adjustment to 2017 placeholder gas costs to reflect the updated 2017 volume forecast (inclusive of the allocation of LUF to Unregulated Storage), gas supply plan, and July 1, 2016 QRAM prices.			
2.	23.0	Operation and maintenance			
			2017 Update	2017 Placeholder	Change
		Pension and OPEB accrual cost update	24.7	28.5	(3.8)
		DSM cost update	62.9	34.2	28.7
		Customer Care/CIS cost update	102.5	104.4	(1.9)
					<u>23.0</u>

Witness: R. Small