

**TECUMSEH GAS**  
**ISOLATION OF TRANSMISSION RELATED COST OF SERVICE**  
**2017 TEST YEAR**

	Col.1	Col.2	Col.3	Col.4	Col.5	Col.6	Col.7	Col.8	Col.9	
	TOTAL COST OF SERVICE			ELIMINATION OF COMPRESSION COSTS			TRANSMISSION COSTS			
Item No.	Functional Allocation T/C	Pool	Utility Return & Expenses	Transmission & Compression	Pool Storage	Compression	Pool Storage	Transmission	Pool Storage	
			(\$000)	(\$000)	(\$000)					
<b>RATE BASE RETURN AMOUNT</b>										
1.1	Utility Return (net of fuel)	40%	60%	16,567.1	6,626.8	9,940.2	(3,675.8)	(9,940.2)	2,951.0	0.0
1.	Total Return	0%	0%	16,567.1	6,626.8	9,940.2	(3,675.8)	(9,940.2)	2,951.0	0.0
<b>EXPENSES - OPERATION</b>										
2.1.1	Labour	80%	20%	1,516.9	1,213.5	303.4	(1,213.5)	(303.4)	0.0	0.0
2.1.2	Supplies & Other	90%	10%	590.8	531.7	59.1	(531.7)	(59.1)	0.0	0.0
2.1.3	Compressor Station Fuel	100%	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.4	Compressor Station Fuel	100%	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.5	Other Fuel	100%	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.6	Other Fuel	100%	0%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.1.7	Hydro	100%	0%	374.0	374.0	0.0	(374.0)	0.0	0.0	0.0
2.1.8	Lease Rentals	0%	100%	1,646.3	0.0	1,646.3	0.0	(1,646.3)	0.0	0.0
2.1.9	Surface Rentals	0%	100%	353.1	0.0	353.1	0.0	(353.1)	0.0	0.0
2.1.10	Provision for LUF	69%	31%	3,399.0	2,345.3	1,053.7	(2,345.3)	(1,053.7)	0.0	0.0
2.1	Subtotal			7,880.1	4,464.5	3,415.6	(4,464.5)	(3,415.6)	0.0	0.0
<b>MAINTENANCE</b>										
2.2.1	Company	90%	10%	1,536.3	1,382.6	153.6	(1,366.9)	(153.6)	15.8	0.0
2.2.2	Contractor	80%	20%	1,608.3	1,286.6	321.7	(1,254.6)	(321.7)	32.0	0.0
2.2	Subtotal			3,144.5	2,669.3	475.3	(2,621.5)	(475.3)	47.8	0.0
<b>ADMINISTRATIVE &amp; GENERAL</b>										
2.3.1	General Office	80%	20%	3,367.6	2,694.1	673.5	(2,670.7)	(673.5)	23.4	0.0
2.3.2	Service Fees	80%	20%	2,517.0	2,013.6	503.4	(2,010.4)	(503.4)	3.3	0.0
2.3.3	Overhead Capitalized	80%	20%	(1,046.5)	(837.2)	(209.3)		209.3	(186.4)	0.0
2.3	Subtotal			4,838.2	3,870.5	967.6	(4,681.1)	(967.6)	(159.8)	0.0
<b>DEPRECIATION AND AMORTIZATION</b>										
2.4.1	Depreciation	59%	41%	6,891.1	4,036.9	2,854.2	(3,859.2)	(2,854.2)	177.7	0.0
2.4.2	Amortization	0%	100%	472.8	0.0	472.8	0.0	(472.8)	0.0	0.0
2.4	Subtotal			7,363.9	4,036.9	3,327.0	(3,859.2)	(3,327.0)	177.7	0.0
<b>TAXES - OTHER THAN INCOME</b>										
2.5.1	Municipal	80%	20%	1,538.3	1,230.7	307.7	(930.7)	(307.7)	300.0	0.0
2.5.2	Capital	40%	60%	0.0	0.0	0.0	0.0	0.0	0.0	0.0
2.5	Subtotal			1,538.3	1,230.7	307.7	(930.7)	(307.7)	300.0	0.0
2.	<b>TOTAL EXPENSES</b>			<u>24,765.0</u>	<u>16,271.9</u>	<u>8,493.1</u>	<u>(16,556.9)</u>	<u>(8,493.1)</u>	<u>365.7</u>	<u>0.0</u>
3.	<b>REVENUE REQUIREMENT BEFORE TAXES</b>			41,332.1	22,898.7	18,433.4	(20,232.7)	(18,433.4)	3,316.7	0.0

Witnesses: A. Kacicnik  
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