

ALLOWED REVENUE AND SUFFICIENCY/(DEFICIENCY)  
2018 TEST YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	
	EB-2012-0459 Total 2018 Allowed Revenue Placeholder (\$Millions)	2018 Required Updates (\$Millions)	Total Final 2018 Test Year Allowed Revenue (\$Millions)	Explanation See Page 2	Evidence Exhibit Reference	
<b>Cost of capital</b>						
1.	Rate base	6,152.6	93.5	6,246.1	a)	B Series of Exhibits
2.	Required rate of return	7.12	(0.97)	6.15	b)	E Series of Exhibits
3.		<u>438.1</u>	<u>(54.0)</u>	<u>384.1</u>		
<b>Cost of service</b>						
4.	Gas costs	1,632.5	122.4	1,754.9	c)	D1-1-1 and D1-2-1 to D1-2-11
5.	Operation and maintenance	442.8	24.7	467.5	d)	D1-1-1 and D1-3-1 to D1-5-1
6.	Depreciation and amortization	305.5	-	305.5		
7.	Fixed financing costs	1.9	-	1.9		
8.	Municipal and other taxes	50.4	-	50.4		
9.		<u>2,433.1</u>	<u>147.1</u>	<u>2,580.2</u>		
<b>Misc. operating and non-operating revenue</b>						
10.	Other operating revenue	(42.7)	-	(42.7)		
11.	Interest and property rental	-	-	-		
12.	Other income	(0.1)	-	(0.1)		
13.		<u>(42.8)</u>	<u>-</u>	<u>(42.8)</u>		
<b>Income taxes on earnings</b>						
14.	Excluding tax shield	68.3	14.3	82.6	e)	D1-1-1 and D1-6-1 to D1-6-2
15.	Tax shield provided by interest expense	(54.6)	6.2	(48.4)	e)	D1-1-1 and D1-6-1 to D1-6-2
16.		<u>13.7</u>	<u>20.5</u>	<u>34.2</u>		
<b>Taxes on sufficiency / (deficiency)</b>						
17.	Gross sufficiency / (deficiency)	(163.6)	82.1	(81.5)		
18.	Net sufficiency / (deficiency)	(120.3)	60.4	(59.9)		
19.		<u>43.4</u>	<u>(21.8)</u>	<u>21.6</u>	e)	D1-1-1 and D1-6-1 to D1-6-2
20.	<b>Sub-total revenue requirement</b>	2,885.5	91.8	2,977.3		
21.	Customer Care Rate Smoothing V/A Adjustment	5.0	(0.1)	4.9		
22.	<b>Allowed revenue</b>	<u>2,890.5</u>	<u>91.7</u>	<u>2,982.2</u>		
<b>Revenue at existing Rates</b>						
23.	Gas sales	2,496.2	129.0	2,625.2	f)	C Series of Exhibits
24.	Transportation service	205.0	46.8	251.8	f)	C Series of Exhibits
25.	Transmission, compression and storage	1.8	17.4	19.2		
26.	Rounding adjustment	0.3	(0.3)	-		
27.	Revenue at existing rates	<u>2,703.3</u>	<u>192.9</u>	<u>2,896.2</u>		
28.	<b>Gross revenue sufficiency / (deficiency)</b>	<u>(187.2)</u>	<u>101.2</u>	<u>(86.0)</u>		F Series of Exhibits

Witness: K. Culbert

App.B Pg.1  
Ref. Required adjustments to 2018 Placeholder Allowed Revenue per Appendix E of the EB-2012-0459 Final Rate Order, and other subsequent proceedings

- a) Adjustment to rate base arising from the gas cost and O&M updates and the related impact on gas in storage and working cash. The adjustment also reflects an allocation of base pressure gas to Unregulated Storage operations, as per the Board approved EB-2015-114 Settlement Proposal.
- b) Adjustment to forecast cost of capital rates, based upon the updated forecast ROE and updated forecast cost of debt.
- c) Adjustment to forecast gas cost based upon the updated gas cost forecast and the 2018 gas volume forecast. The adjustment also reflects an allocation of Lost and Unaccounted For (LUF) gas to Unregulated Storage operations, as per the Board approved EB-2015-114 Settlement Proposal.
- d) Adjustment to O&M in relation to updated forecasts of DSM, Pension/OPEB, and CIS/Customer Care costs.
- e) Adjustment to income taxes in relation to the Company's proposal to discontinue the site restoration cost Rider (Rider D), and all other Board required / permitted adjustments to achieve final 2018 Allowed Revenue.
- f) Adjustment to revenue forecasts resulting from updating the 2018 volume forecast and use of July 1, 2017 Board Approved rates.