

ALLOWED REVENUE AND SUFFICIENCY/(DEFICIENCY)
2016 TEST YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9
	EB-2012-0459 Total 2016 Allowed Revenue Placeholder (\$Millions)	2016 Required Updates (\$Millions)	Total Final 2016 Test Year Allowed Revenue (\$Millions)	2016 Settlement Proposal Adjustments	EB-2015-0114 Interim Rate Order Total 2016 Test Year Allowed Revenue (\$Millions)	2016 Final Rate Order Adjustments	Total Final Rate Order 2016 Test Year Allowed Revenue (\$Millions)	Explanation See Page 2	EB-2015-0114 Evidence Exhibit Reference
Cost of capital									
1.	5,696.0	116.3	5,812.3	(4.8)	5,807.5	(0.6)	5,806.9	a)	B Series of Exhibits
2.	7.00	(0.63)	6.37	0.03	6.40	0.00	6.40	b)	E Series of Exhibits
3.	398.6	(28.3)	370.3	1.6	371.9	-	371.9		
Cost of service									
4.	1,632.5	134.8	1,767.3	(2.5)	1,764.8	-	1,764.8	c)	D1-1-1 and D1-2-1 to D1-2-8
5.	431.1	32.6	463.7	(28.5)	435.2	21.4	456.6	d)	D1-1-1 and D1-3-1 to D1-5-1
6.	288.9	-	288.9	-	288.9	-	288.9		
7.	1.9	-	1.9	-	1.9	-	1.9		
8.	45.5	-	45.5	-	45.5	-	45.5		
9.	2,399.9	167.4	2,567.3	(31.0)	2,536.3	21.4	2,557.7		
Misc. operating and non-operating revenue									
10.	(42.7)	-	(42.7)	-	(42.7)	-	(42.7)		
11.	-	-	-	-	-	-	-		
12.	(0.1)	-	(0.1)	-	(0.1)	-	(0.1)		
13.	(42.8)	-	(42.8)	-	(42.8)	-	(42.8)		
Income taxes on earnings									
14.	47.1	(3.9)	43.2	7.8	51.0	(5.7)	45.3	e)	D1-1-1 and D1-6-1 to D1-6-2
15.	(49.6)	2.6	(47.0)	(0.2)	(47.2)	-	(47.2)	e)	D1-1-1 and D1-6-1 to D1-6-2
16.	(2.5)	(1.3)	(3.8)	7.6	3.8	(5.7)	(1.9)		
Taxes on sufficiency / (deficiency)									
17.	(77.9)	(25.8)	(103.7)	28.7	(75.0)	(21.3)	(96.3)		
18.	(57.3)	(19.0)	(76.2)	21.1	(55.2)	(15.6)	(70.8)		
19.	20.6	6.8	27.5	(7.6)	19.9	5.6	25.5	e)	D1-1-1 and D1-6-1 to D1-6-2
20.	2,773.8	144.6	2,918.5	(29.4)	2,889.1	21.3	2,910.4		
21.	0.8	-	0.8	-	0.8	-	0.8		
22.	<u>2,774.6</u>	<u>144.6</u>	<u>2,919.3</u>	<u>(29.4)</u>	<u>2,889.9</u>	<u>21.3</u>	<u>2,911.2</u>		
Revenue at existing Rates									
23.	2,464.5	85.5	2,550.0	(0.6)	2,549.4	-	2,549.4	f)	C Series of Exhibits
24.	217.1	42.2	259.3	-	259.3	-	259.3	f)	C Series of Exhibits
25.	1.8	0.1	1.9	-	1.9	-	1.9		
26.	-	0.1	0.1	(0.1)	-	-	-		
27.	2,683.4	127.9	2,811.3	(0.7)	2,810.6	-	2,810.6		
28.	<u>(91.2)</u>	<u>(16.7)</u>	<u>(108.0)</u>	<u>28.7</u>	<u>(79.3)</u>	<u>(21.3)</u>	<u>(100.6)</u>		F Series of Exhibits

App.B Pg.1 Ref.	Required updates to 2016 Placeholder Allowed Revenue per Appendix E of the EB-2012-0459 Final Rate Order
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
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 2016 gas volume forecast
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 all other Board required / permitted adjustments to achieve final 2016 Allowed Revenue
f)	Adjustment to revenue forecasts resulting from updating the 2016 volume forecast and use of July 1, 2015 Board Approved rates

ALLOWED REVENUE AND SUFFICIENCY/(DEFICIENCY)
2016 FISCAL YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
	EB-2015-0114 Interim Rate Order Excl. CIS 2016 Allowed Revenue (\$Millions)	EB-2015-0114 Interim Rate Order CIS 2016 Allowed Revenue (\$Millions)	EB-2015-0114 Interim Rate Order Total 2016 Allowed Revenue (\$Millions)	Excl. CIS Final Rate Order Adjustments (\$Millions)	CIS Final Rate Order Adjustments (\$Millions)	Final 2016 Allowed Revenue Excl. CIS (\$Millions)	Final 2016 CIS Allowed Revenue (\$Millions)	Total Final 2016 Allowed Revenue (\$Millions)
Cost of capital								
1. Rate base	5,775.1	32.4	5,807.5	(0.6)	-	5,774.5	32.4	5,806.9
2. Required rate of return	6.40	6.44	6.40	-	-	6.40	6.44	6.40
3.	369.8	2.1	371.9	-	-	369.8	2.1	371.9
Cost of service								
4. Gas costs	1,764.8	-	1,764.8	-	-	1,764.8	-	1,764.8
5. Operation and maintenance	335.9	99.3	435.2	21.4	-	357.3	99.3	456.6
6. Depreciation and amortization	276.2	12.7	288.9	-	-	276.2	12.7	288.9
7. Fixed financing costs	1.9	-	1.9	-	-	1.9	-	1.9
8. Municipal and other taxes	45.5	-	45.5	-	-	45.5	-	45.5
9.	2,424.3	112.0	2,536.3	21.4	-	2,445.7	112.0	2,557.7
Miscellaneous operating and non-operating revenue								
10. Other operating revenue	(42.7)	-	(42.7)	-	-	(42.7)	-	(42.7)
11. Interest and property rental	-	-	-	-	-	-	-	-
12. Other income	(0.1)	-	(0.1)	-	-	(0.1)	-	(0.1)
13.	(42.8)	-	(42.8)	-	-	(42.8)	-	(42.8)
Income taxes on earnings								
14. Excluding tax shield	43.1	7.9	51.0	(5.7)	-	37.4	7.9	45.3
15. Tax shield provided by interest expense	(46.8)	(0.4)	(47.2)	-	-	(46.8)	(0.4)	(47.2)
16.	(3.7)	7.5	3.8	(5.7)	-	(9.4)	7.5	(1.9)
Taxes on sufficiency / (deficiency)								
17. Gross sufficiency / (deficiency)	(75.0)	-	(75.0)	(21.3)	-	(96.3)	-	(96.3)
18. Net sufficiency / (deficiency)	(55.2)	-	(55.2)	(15.7)	-	(70.8)	-	(70.8)
19.	19.9	-	19.9	5.6	-	25.5	-	25.5
20. Sub-total revenue requirement	2,767.5	121.6	2,889.1	21.3	-	2,788.8	121.6	2,910.4
21. Customer Care Rate Smoothing V/A Adjustment	-	0.8	0.8	-	-	-	0.8	0.8
22. Allowed revenue	2,767.5	122.4	2,889.9	21.3	-	2,788.8	122.4	2,911.2
Revenue at existing Rates								
23. Gas sales	2,445.9	103.5	2,549.4	-	-	2,445.9	103.5	2,549.4
24. Transportation service	244.7	14.6	259.3	-	-	244.7	14.6	259.3
25. Transmission, compression and storage	1.9	-	1.9	-	-	1.9	-	1.9
26. Rounding adjustment	-	-	-	-	-	-	-	-
27. Revenue at existing rates	2,692.5	118.1	2,810.6	-	-	2,692.5	118.1	2,810.6
28. Gross revenue sufficiency / (deficiency)	(75.0)	(4.3)	(79.3)	(21.3)	-	(96.3)	(4.3)	(100.6)

EXPLANATION OF ADJUSTMENTS
2016 FISCAL YEAR

Line No.	Adj'd Adjustment (\$Millions)	Explanation
1.	(0.6)	Rate base The column 4 decrease is attributable to a \$0.6 million decrease in working cash allowance resulting from the DSM operation and maintenance cost adjustment described
5.	21.4	Operation and maintenance The column 4 increase results from the implementation of the final EB-2015-0049 approved 2016 DSM operation and maintenance budget of \$56.4 million, versus the \$35.0 million included within interim 2016 rates, as per the EB-2015-0114 Settlement
16.	(5.7)	Income taxes on earnings The column 4 decrease is due to lower taxable income resulting from the update of the 2016 DSM operation and maintenance budget described above.

UTILITY RATE BASE
2016 FISCAL YEAR

Line No.	Col. 1 EB-2015-0114 Interim Rate Order Excl. CIS Rate Base (\$Millions)	Col. 2 EB-2015-0114 Interim Rate Order CIS Rate Base (\$Millions)	Col. 3 EB-2015-0114 Interim Rate Order Total 2016 Rate Base (\$Millions)	Col. 4 Excl. CIS Final Rate Order Adjustments (\$Millions)	Col. 5 CIS Final Rate Order Adjustments (\$Millions)	Col. 6 Final 2016 Rate Base Excl. CIS (\$Millions)	Col. 7 Final 2016 CIS Rate Base (\$Millions)	Col. 8 Total Final 2016 Rate Base (\$Millions)
<u>Property, Plant, and Equipment</u>								
1.	8,421.9	127.1	8,549.0	-	-	8,421.9	127.1	8,549.0
2.	(3,011.1)	(94.7)	(3,105.8)	-	-	(3,011.1)	(94.7)	(3,105.8)
3.	5,410.8	32.4	5,443.2	-	-	5,410.8	32.4	5,443.2
<u>Allowance for Working Capital</u>								
4.	1.4	-	1.4	-	-	1.4	-	1.4
5.	34.6	-	34.6	-	-	34.6	-	34.6
6.	-	-	-	-	-	-	-	-
7.	(64.6)	-	(64.6)	-	-	(64.6)	-	(64.6)
8.	1.0	-	1.0	-	-	1.0	-	1.0
9.	391.1	-	391.1	-	-	391.1	-	391.1
10.	0.8	-	0.8	(0.6)	-	0.2	-	0.2
11.	364.3	-	364.3	(0.6)	-	363.7	-	363.7
12.	5,775.1	32.4	5,807.5	(0.6)	-	5,774.5	32.4	5,806.9

WORKING CAPITAL COMPONENTS - WORKING CASH ALLOWANCE
2016 FISCAL YEAR

Line No.	Col. 1 Reference	Col. 2 Disburse- ments (\$Millions)	Col. 3 Net Lag-Days (Days)	Col. 4 Allowance (\$Millions)
1.	Gas purchase and storage and transportation charges	1,808.5	2.1	10.4
2.	Items not subject to working cash allowance (Note 1)	<u>(43.7)</u>		
3.	Gas costs charged to operations	<u>1,764.8</u>		
4.	Operation and Maintenance	357.3		
5.	Less: Storage costs	<u>(8.4)</u>		
6.	Operation and maintenance costs subject to working cash	348.9		
7.	Ancillary customer services	<u>-</u>		
8.		<u>348.9</u>	(10.9)	<u>(10.4)</u>
9.	Sub-total			<u>-</u>
10.	Storage costs	8.4	58.4	1.3
11.	Storage municipal and capital taxes	1.4	22.9	<u>0.1</u>
12.	Sub-total			<u>1.4</u>
13.	Harmonized sales tax			(1.2)
14.	Total working cash allowance			<u>0.2</u>

Note 1: Represents non cash items such as amortization of deferred charges,
accounting adjustments and the T-service capacity credit.

UTILITY INCOME
2016 FISCAL YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
	EB-2015-0114 Interim Rate Order Excl. CIS 2016 Utility Income (\$Millions)	EB-2015-0114 Interim Rate Order CIS 2016 Utility Income (\$Millions)	EB-2015-0114 Interim Rate Order Total 2016 Utility Income (\$Millions)	Excl. CIS Final Rate Order Adjustments (\$Millions)	CIS Final Rate Order Adjustments (\$Millions)	Final 2016 Utility Income Excl. CIS (\$Millions)	Final 2016 CIS Utility Income (\$Millions)	Total Final 2016 Utility Income (\$Millions)
1. Gas sales	2,445.9	103.5	2,549.4	-	-	2,445.9	103.5	2,549.4
2. Transportation of gas	244.7	14.6	259.3	-	-	244.7	14.6	259.3
3. Transmission, compression and storage revenue	1.9	-	1.9	-	-	1.9	-	1.9
4. Other operating revenue	42.7	-	42.7	-	-	42.7	-	42.7
5. Interest and property rental	-	-	-	-	-	-	-	-
6. Other income	0.1	-	0.1	-	-	0.1	-	0.1
7. Total operating revenue	2,735.3	118.1	2,853.4	-	-	2,735.3	118.1	2,853.4
8. Gas costs	1,764.8	-	1,764.8	-	-	1,764.8	-	1,764.8
9. Operation and maintenance	335.9	99.3	435.2	21.4	-	357.3	99.3	456.6
10. Depreciation and amortization expense	276.2	12.7	288.9	-	-	276.2	12.7	288.9
11. Fixed financing costs	1.9	-	1.9	-	-	1.9	-	1.9
12. Municipal and other taxes	45.5	-	45.5	-	-	45.5	-	45.5
13. Interest and financing amortization expense	-	-	-	-	-	-	-	-
14. Other interest expense	-	-	-	-	-	-	-	-
15. Total costs and expenses	2,424.3	112.0	2,536.3	21.4	-	2,445.7	112.0	2,557.7
16. Ontario utility income before income taxes	311.0	6.1	317.1	(21.4)	-	289.6	6.1	295.7
17. Income tax expense	(3.7)	7.5	3.8	(5.7)	-	(9.4)	7.5	(1.9)
18. Utility net income	314.7	(1.4)	313.3	(15.7)	-	299.0	(1.4)	297.6

CALCULATION OF UTILITY TAXABLE INCOME AND INCOME TAX EXPENSE
2016 FISCAL YEAR

Line No.	Col. 1	Col. 2	Col. 3
	Rate Order Excl. CIS 2016 Utility Tax (\$Millions)	Excl. CIS Final Rate Order Adjustments (\$Millions)	Final 2016 Excl. CIS Utility Tax (\$Millions)
1.	311.0	(21.4)	289.6
Add			
2.	276.2	-	276.2
3.	34.6	-	34.6
4.	1.0	-	1.0
5.	311.8	-	311.8
6.	622.8	(21.4)	601.4
Deduct			
7.	315.4	-	315.4
8.	315.4	-	315.4
9.	46.6	-	46.6
10.	3.0	-	3.0
11.	2.2	-	2.2
12.	5.2	-	5.2
13.	0.2	-	0.2
14.	83.9	-	83.9
15.	7.1	-	7.1
16.	463.6	-	463.6
17.	463.6	-	463.6
18.	159.2	(21.4)	137.8
19.	159.2	(21.4)	137.8
20.	15.00%	0.00%	15.00%
21.	11.50%	0.00%	11.50%
22.	23.9	(3.2)	20.7
23.	18.3	(2.5)	15.8
24.	42.2	(5.7)	36.5
25.	0.9	-	0.9
26.	43.1	(5.7)	37.4
Tax shield on interest expense			
27.	5,775.1	(0.6)	5,774.5
28.	3.06%	0.00%	3.06%
29.	176.7	(0.1)	176.6
30.	26.50%	0.00%	26.50%
31.	(46.8)	0.0	(46.8)
32.	(3.7)	(5.7)	(9.4)

UTILITY CAPITAL STRUCTURE
2016 FISCAL YEAR

Line No.	Col. 1 Principal Excl. CC/CIS (\$Millions)	Col. 2 Component %	Col. 3 Indicated Cost Rate %	Col. 4 Return Component %	
1.	Long term debt	3,546.1	61.41	4.96	3.046
2.	Short term debt	<u>49.6</u>	<u>0.86</u>	1.57	<u>0.013</u>
3.		3,595.7	62.27		3.059
4.	Preference shares	100.0	1.73	2.16	0.037
5.	Common equity	<u>2,078.8</u>	<u>36.00</u>	9.19	<u>3.308</u>
6.		<u><u>5,774.5</u></u>	<u><u>100.00</u></u>		<u><u>6.404</u></u>
7.	Utility income	(\$Millions)			299.0
8.	Rate base	(\$Millions)			5,774.5
9.	Indicated rate of return				5.178%
10.	(Deficiency) in rate of return				(1.226)%
11.	Net (deficiency)	(\$Millions)			(70.8)
12.	Gross (deficiency)	(\$Millions)			(96.3)
13.	Customer Care/CIS deficiency	(\$Millions)			(4.3)
14.	Total gross (deficiency)	(\$Millions)			(100.6)
15.	Revenue at existing rates	(\$Millions)			2,810.6
16.	Allowed revenue	(\$Millions)			2,911.2
17.	Total gross revenue (deficiency)	(\$Millions)			(100.6)