

Barristers and Solicitors

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ONTARIO ENERGY ED

### VIA EMAIL AND DELIVERED

March 3, 2010

Kirsten Walli Board Secretary
Ontario Energy Board
P.O. Box 2319, 26<sup>th</sup> Floor
2300 Yonge Street
Toronto, Ontario
M4P 1E4

Dear Ms Walli:

Re:

Enbridge Gas Distribution Inc. - 2010 Rate Adjustment Process

EB-2009-0172

Attached are two copies of the Appendix to the Settlement Agreement, setting out the updated Distribution Revenue Requirement that results from the Settlement Agreement.

If you have any questions, please do not hesitate to contact us.

Yours very truly,

David Stevens

AIRD & BERLIS LLP

DS/

Encl.

CC:

Colin Schuch and Donna Campbell, OEB

Norm Ryckman and Robert Bourke, Enbridge

All Intervenors

## 2010 REVENUE PER CUSTOMER CAP, DISTRIBUTION AND TOTAL REVENUE DETERMINATION

|     |  |         | Col. 1   | Col. 2      |    | Col. 3       |
|-----|--|---------|----------|-------------|----|--------------|
|     |  | ı       | Jodated  | Settlement  |    | 2010         |
|     |  |         | B.T1.S2  | Agreement   |    | Ex. N1       |
| Row |  | 1       | 2010     | Adjustments |    | App. A       |
|     | <b>-</b>   |         |          |             |    |              |
| 1.  | 2009 Total Approved Revenue  |         | 3,363.8  |             |    | 3,363.8      |
| 2.  | Gas Costs to operations (at Oct. 1, 2008 ref. price)                         |         | 2,389.7  |             |    | 2,389.7      |
| 3.  | 2009 Approved Distribution Revenue   |         | 974.1    |             |    | 974.1        |
| 4.  | 2009 Gas in storage related carrying costs (at Oct. 1, 2008 ref. price)      |         | (50.4)   |             |    | (50.4)       |
| 5.  | DSM 2009 amount  |         | (24.3)   |             |    | (24.3)       |
| 6.  | CIS / Cust. Care 2009 amount   |         | (94.1)   |             |    | (94.1)       |
| 7.  | Power generation projects 2009 amount  |         | (3.2)    |             |    | (3.2)        |
| 8.  | Distribution Revenue Sub-total   |         | 802.1    |             |    | 802.1        |
| 9.  | Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,S4)             |         | (6.6)    |             |    | (6.6)        |
| 10. | Distribution Revenue base (subject to the escalation formula, \$millions)    |         | 795.5    |             |    | 795.5        |
| 11. | Average Number of Customers (Beginning)                                      | 1       | ,906,437 |             | ,  | 1,906,437    |
| 12. | Distribution Revenue per Customer 2010 (Beginning)                           | \$      | 417.27   |             | \$ | 417.27       |
| 13. | GDP IPI FDD  |         | 2.73%    |             |    | 2.73%        |
| 14. | Inflation Coefficient (allowed % of GDP IPI FDD)                             |         | 55.00%   |             |    | 55.00%       |
| 15. | Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.) |         | 101.50%  |             |    | 101.50%      |
| 16. | Distribution Revenue per Customer 2010 (Ending)                              | \$      | 423.53   |             | \$ | 423.53       |
| 17. | Average Number of Customers (Ending)   | 1       | ,931,528 |             | ,  | 1,931,528    |
| 18. | Distribution Revenue (resulting from the escalation formula, \$millions)     |         | 818.06   |             |    | 818.06       |
|     | Y-Factors  |         |          |             |    |              |
| 19. | 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)      |         | 36.70    |             |    | 36.70        |
| 20. | 2010 DSM Y-factor amount   |         | 26.70    |             |    | 26.70        |
| 21. | CIS / Customer Care 2010 approved amount                                     |         | 95.70    |             |    | 95.70        |
| 22. | Power generation projects 2010 amount  |         | 3.60     |             |    | 3.60         |
| 23. | Green energy initiatives amount  |         | -        |             |    | <del>-</del> |
| 24. | Total 2010 Y-Factors   |         | 162.70   |             |    | 162.70       |
|     | Z-Factors  |         |          |             |    |              |
| 25. | 2010 Pension funding requirement   |         | 18.90    | (18.90)     |    | -            |
| 26. | 2010 Sewer Lateral / Cross Bore program requirement                          |         | 3.60     | (3.60)      |    | -            |
| 27. | Total 2010 Z-Factors   |         | 22.50    | (22.50)     |    | -            |
| 28. | Total 2010 Distribution Revenues   |         | 1,003.26 | (22.50)     |    | 980.76       |
| 29. | 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)                    |         | 1,453.50 |             |    | 1,453.50     |
| 30. | 2010 Total Revenue   |         | 2,456.76 | (22.50)     |    | 2,434.26     |
| 00. | MOTO TOTAL TOTAL TOTAL   | ******* | _, ,000  | \22.00/     |    | 2,101.20     |

### Notes:

- 1.
- Adjustment as per the terms of the settlement of Issue 10 in the Settlement Agreement. Adjustment as per the terms of the settlement of Issue 11 in the Settlement Agreement. 2.

# 2010 REVENUE PER CUSTOMER CAP, DISTRIBUTION AND TOTAL REVENUE DETERMINATION

| Now   Pattern   Pattern |     |   |    | Col. 1   | Col. 2      |       | Col. 3    |  |  |
|---|-----|---|----|----------|-------------|-------|-----------|--|--|
| 1.       2009 Total Approved Revenue       3,363.8       3,363.8         2.       Gas Costs to operations (at Oct. 1, 2008 ref. price)       2,389.7       2,389.7         3.       2009 Approved Distribution Revenue       974.1       974.1         4.       2009 Gas in storage related carrying costs (at Oct. 1, 2008 ref. price)       (50.4)       (50.4)         5.       DSM 2009 amount       (24.3)       (24.3)         6.       CIS / Cust. Care 2009 amount       (3.2)       (3.2)         7.       Power generation projects 2009 amount       (3.2)       (3.2)         8.       Distribution Revenue Sub-total       802.1       802.1         9.       Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,S4)       (6.6)       (6.6)         10.       Distribution Revenue base (subject to the escalation formula, \$millions)       795.5       795.5         11.       Average Number of Customers (Beginning)       1,906,437       1,906,437         12.       Distribution Revenue per Customer 2010 (Beginning)       417.27       \$417.27         13.       GDP IPI FDD       2.73%       2.73%         14.       Inflation Coefficient (allowed % of GDP IPI FDD) bultiplied by the inflation coeff.)       101.50%       101.50%         15.       Distribution Revenue  |     |   |    | B.T1.S2  | Agreement   |       | Ex. N1    |  |  |
| 2. Gas Costs to operations (at Oct. 1, 2008 ref. price)         2,389.7         2,389.7           3. 2009 Approved Distribution Revenue         974.1         974.1           4. 2009 Gas in storage related carrying costs (at Oct. 1, 2008 ref. price)         (50.4)         (50.4)           5. DSM 2009 amount         (24.3)         (24.3)         (24.3)           6. CLS / Cust. Care 2009 amount         (94.1)         (94.1)         (94.1)           7. Power generation projects 2009 amount         (3.2)         (3.2)         (3.2)           8. Distribution Revenue Sub-total         602.1         802.1         802.1           9. Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,84)         (6.6)         (6.6)         (6.6)           10. Distribution Revenue base (subject to the escalation formula, \$millions)         795.5         795.5           11. Average Number of Customers (Beginning)         1,906,437         1,906,437           12. Distribution Revenue per Customer 2010 (Beginning)         417.27         \$417.27           13. GDP IPI FDD         2,73%         2,73%           14. Inflation Coefficient (allowed % of GDP IPI FDD)         55.00%         55.00%           15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)         101.50%         101.50%           16. Distribution Revenue per Customers (En  | Row | -   |    | 2010     | Adjustments |       | App. A    |  |  |
| 3.       2009 Approved Distribution Revenue       974.1       974.1         4.       2009 Gas in storage related carrying costs (at Oct. 1, 2008 ref. price)       (50.4)       (50.4)         5.       DSM 2009 amount       (24.3)       (24.3)       (24.3)         6.       CIS / Cust. Care 2009 amount       (3.2)       (3.2)       (3.2)         7.       Power generation projects 2009 amount       (3.2)       (3.2)       (3.2)         8.       Distribution Revenue Sub-total       802.1       802.1       802.1         9.       Ratepayer 50% share of 2010 incremental tax amounts (Ex.C.T1,S4)       (6.6)       (6.6)       (6.6)         10.       Distribution Revenue base (subject to the escalation formula, \$millions)       795.5       795.5       795.5         11.       Average Number of Customers (Beginning)       1,906,437       1,906,437       1,906,437         12.       Distribution Revenue per Customer 2010 (Beginning)       417.27       \$417.27         13.       GDP IPI FDD       2,73%       2,73%         14.       Inflation Coefficient (allowed % of GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         15.       Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%   |     |   |    |          |             |       |           |  |  |
| 4.       2009 Gas in storage related carrying costs (at Oct. 1, 2008 ref. price)       (50.4)       (50.4)         5.       DSM 2009 amount       (24.3)       (24.3)         6.       CIS / Cust. Care 2009 amount       (94.1)       (94.1)         7.       Power generation projects 2009 amount       (3.2)       (3.2)         8.       Distribution Revenue Sub-total       (6.6)       (6.6)       (6.6)         9.       Ratepayer 50% share of 2010 incremental tax amounts (Ex.C.T1,S4)       (6.6)       (6.6)       (6.6)         10.       Distribution Revenue base (subject to the escalation formula, \$millions)       795.5       795.5         11.       Average Number of Customers (Beginning)       1,906,437       1,906,437         12.       Distribution Revenue per Customer 2010 (Beginning)       \$417.27       \$417.27         13.       GDP IPI FDD       2,73%       2,73%         14.       Infliation Coefficient (allowed % of GDP IPI FDD) multiplied by the inflation coeff.       101.50%       101.50%         15.       Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.       101.50%       101.50%         16.       Distribution Revenue per Customers (Ending)       1,931,528       1,931,528         17.       Average Number of Customers (Ending)       1,931,5   |     |   |    |          |             |       |           |  |  |
| 5. DSM 2009 amount         (24.3)         (24.3)           6. CIS / Cust. Care 2009 amount         (94.1)         (94.1)           7. Power generation projects 2009 amount         (3.2)         (3.2)           8. Distribution Revenue Sub-total         802.1         802.1           9. Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,S4)         (6.6)         (6.6)           10. Distribution Revenue base (subject to the escalation formula, \$millions)         795.5         795.5           11. Average Number of Customers (Beginning)         1,906,437         1,906,437           12. Distribution Revenue per Customer 2010 (Beginning)         417.27         417.27           13. GDP IPI FDD         2.73%         2.73%           14. Inflation Coefficient (allowed % of GDP IPI FDD)         55.00%         55.00%           15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)         101.50%         101.50%           16. Distribution Revenue per Customer 2010 (Ending)         423.53         423.53           17. Average Number of Customers (Ending)         1,931,528         1,931,528           18. Distribution Revenue (resulting from the escalation formula, \$millions)         818.06         818.06           2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)         36.70         36.70  |     |   |    |          |             |       | =         |  |  |
| 6. CIS / Cust. Care 2009 amount         (94.1)         (94.1)           7. Power generation projects 2009 amount         (3.2)         (3.2)           8. Distribution Revenue Sub-total         802.1         802.1           9. Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,S4)         (6.6)         (6.8)           10. Distribution Revenue base (subject to the escalation formula, \$millions)         795.5         795.5           11. Average Number of Customers (Beginning)         1,906,437         1,906,437           12. Distribution Revenue per Customer 2010 (Beginning)         417.27         \$417.27           13. GDP IPI FDD         2.73%         2.73%           14. Inflation Coefficient (allowed % of GDP IPI FDD)         55.00%         55.00%           15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)         101.50%         101.50%           16. Distribution Revenue per Customers (Ending)         1,931,528         1,931,528           17. Average Number of Customers (Ending)         1,931,528         1,931,528           18. Distribution Revenue (resulting from the escalation formula, \$millions)         818.06         818.06           Y-Factors         2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)         36.70         36.70           20. Cy Cy Customer Care 2010 approved amount         26.70  |     |   |    | • ,      |             |       | , ,       |  |  |
| 8. Distribution Revenue Sub-total       802.1 (6.6)       802.1 (6.6)       802.1         9. Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,S4)       (6.6)       (6.6)       (6.6)         10. Distribution Revenue base (subject to the escalation formula, \$millions)       795.5       795.5         11. Average Number of Customers (Beginning)       1,906,437       1,906,437         12. Distribution Revenue per Customer 2010 (Beginning)       \$417.27       \$417.27         13. GDP IPI FDD       2.73%       2.73%         14. Inflation Coefficient (allowed % of GDP IPI FDD)       55.00%       55.00%         15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$423.53       \$423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       318.06       818.06         V-Factors       3010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         2010 DSM Y-factor amount       95.70       95.70       95.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Foen energy linitiatives amount       162.70       162.70<   |     |   |    | (94.1)   |             |       | (94.1)    |  |  |
| 9. Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,S4)       (6.6)       (6.6)         10. Distribution Revenue base (subject to the escalation formula, \$millions)       795.5       795.5         11. Average Number of Customers (Beginning)       1,906,437       1,906,437         12. Distribution Revenue per Customer 2010 (Beginning)       \$417.27       \$417.27         13. GDP IPI FDD       2,73%       2,73%         14. Inflation Coefficient (allowed % of GDP IPI FDD)       55.00%       55.00%         15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$423.53       \$423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       318.06       818.06         Y-Factors       30.00       36.70       36.70         20. 2010 DSM Y-factor amount       95.70       95.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       162.70       162.70         24. Total 2010 Y-Factors       162.70       162.70   | 7.  | Power generation projects 2009 amount                                     |    | (3.2)    |             |       |           |  |  |
| 11. Average Number of Customers (Beginning)       1,906,437       1,906,437         12. Distribution Revenue per Customer 2010 (Beginning)       \$417.27       \$417.27         13. GDP IPI FDD       2.73%       2.73%         14. Inflation Coefficient (allowed % of GDP IPI FDD)       55.00%       55.00%         15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$423.53       \$423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         25. 2010 Pension funding requirement       3.60       (3.60)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       - </td <td>8.</td> <td></td> <td></td> <td>802.1</td> <td></td> <td></td> <td colspan="3"></td>  | 8.  |   |    | 802.1    |             |       |           |  |  |
| 11. Average Number of Customers (Beginning)       1,906,437       1,906,437         12. Distribution Revenue per Customer 2010 (Beginning)       \$417.27       \$417.27         13. GDP IPI FDD       2.73%       2.73%         14. Inflation Coefficient (allowed % of GDP IPI FDD)       55.00%       55.00%         15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$423.53       \$423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         25. 2010 Pension funding requirement       3.60       (3.60)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       - </td <td>9.</td> <td>Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,S4)</td> <td></td> <td></td> <td></td> <td colspan="3">(6.6)</td>  | 9.  | Ratepayer 50% share of 2010 incremental tax amounts (Ex.C,T1,S4)          |    |          |             | (6.6) |           |  |  |
| 12. Distribution Revenue per Customer 2010 (Beginning)       \$ 417.27       \$ 417.27         13. GDP IPI FDD       2.73%       2.73%         14. Inflation Coefficient (allowed % of GDP IPI FDD)       55.00%       55.00%         15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$ 423.53       \$ 423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         Y-Factors       36.70       36.70         19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIs / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         25. 2010 Pension funding requirement       1.8.90       (18.90)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 20  | 10. | Distribution Revenue base (subject to the escalation formula, \$millions) |    | 795.5    |             |       | 795.5     |  |  |
| 13. GDP IPI FDD       2.73%       2.73%         14. Inflation Coefficient (allowed % of GDP IPI FDD)       55.00%       55.00%         15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$ 423.53       \$ 423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         Y-Factors       36.70       36.70         19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         Z-Factors       162.70       162.70         25. 2010 Pension funding requirement       18.90       (18.90)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Z-Factors       22.50       (22.50)       -         28. Total 2010 Gas Costs to operations (at Oc   | 11. | Average Number of Customers (Beginning)                                   | 1  | ,906,437 |             |       | 1,906,437 |  |  |
| 14. Inflation Coefficient (allowed % of GDP IPI FDD)       55.00%       55.00%         15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$ 423.53       \$ 423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         Y-Factors       818.06       818.06       818.06         19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70       26.70         20. 2010 DSM Y-factor amount       26.70       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       1.62.70       162.70         24. Total 2010 Y-Factors       162.70       162.70         25. 2010 Pension funding requirement       18.90       (18.90)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Z-Factors       22.50       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct  | 12. | Distribution Revenue per Customer 2010 (Beginning)                        | \$ | 417.27   |             | \$    | 417.27    |  |  |
| 14. Inflation Coefficient (allowed % of GDP IPI FDD)       55.00%       55.00%         15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$ 423.53       \$ 423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         Y-Factors       819.2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         25. 2010 Pension funding requirement       18.90       (18.90)       -         25. 2010 Pension funding requirement       3.60       (3.60)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations  | 13. | GDP IPI FDD   |    | 2.73%    |             |       | 2.73%     |  |  |
| 15. Escalation Factor, 100 plus (GDP IPI FDD multiplied by the inflation coeff.)       101.50%       101.50%         16. Distribution Revenue per Customer 2010 (Ending)       \$ 423.53       \$ 423.53         17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         Y-Factors       818.06       818.06         19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       162.70       162.70         24. Total 2010 Y-Factors       162.70       162.70         25. 2010 Pension funding requirement       18.90       (18.90)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Z-Factors       22.50       (22.50)       -         28. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50   | ,   | + + · · · · ·   |    | 55.00%   |             |       | 55.00%    |  |  |
| 17. Average Number of Customers (Ending)       1,931,528       1,931,528         18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         Y-Factors       2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         Z-Factors       18.90       (18.90)       -         25. 2010 Pension funding requirement       3.60       (3.60)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Z-Factors       22.50       (22.50)       -         28. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50       1,453.50   |     |   |    | 101.50%  |             |       | 101.50%   |  |  |
| 18. Distribution Revenue (resulting from the escalation formula, \$millions)       818.06       818.06         Y-Factors         19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         25. 2010 Pension funding requirement       18.90       (18.90)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Z-Factors       22.50       (22.50)       -         28. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50       1,453.50  | 16. | Distribution Revenue per Customer 2010 (Ending)                           | \$ | 423.53   |             | \$    | 423.53    |  |  |
| Y-Factors         19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         Z-Factors       25. 2010 Pension funding requirement       18.90       (18.90)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Z-Factors       22.50       (22.50)       -         28. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50       1,453.50   | 17. | Average Number of Customers (Ending)                                      | 1  | ,931,528 |             |       | 1,931,528 |  |  |
| 19. 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)       36.70       36.70         20. 2010 DSM Y-factor amount       26.70       26.70         21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         Z-Factors       25. 2010 Pension funding requirement       18.90       (18.90)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Z-Factors       22.50       (22.50)       -         28. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50       1,453.50   | 18. | Distribution Revenue (resulting from the escalation formula, \$millions)  |    | 818.06   |             |       | 818.06    |  |  |
| 20.       2010 DSM Y-factor amount       26.70       26.70         21.       CIS / Customer Care 2010 approved amount       95.70       95.70         22.       Power generation projects 2010 amount       3.60       3.60         23.       Green energy initiatives amount       -       -         24.       Total 2010 Y-Factors       162.70       162.70         Z-Factors       25.       2010 Pension funding requirement       18.90       (18.90)       -         26.       2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27.       Total 2010 Z-Factors       22.50       (22.50)       -         28.       Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29.       2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50       1,453.50   |     | Y-Factors   |    |          |             |       |           |  |  |
| 21. CIS / Customer Care 2010 approved amount       95.70       95.70         22. Power generation projects 2010 amount       3.60       3.60         23. Green energy initiatives amount       -       -         24. Total 2010 Y-Factors       162.70       162.70         Z-Factors       25. 2010 Pension funding requirement       18.90       (18.90)       -         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       -         27. Total 2010 Z-Factors       22.50       (22.50)       -         28. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50       1,453.50  | 19. | 2010 Gas in storage related carrying costs (at Oct. 1, 2009 ref. price)   |    |          |             |       |           |  |  |
| 22. Power generation projects 2010 amount 23. Green energy initiatives amount 24. Total 2010 Y-Factors  25. 2010 Pension funding requirement 26. 2010 Sewer Lateral / Cross Bore program requirement 27. Total 2010 Z-Factors  28. Total 2010 Distribution Revenues  29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)  3.60 3.60 3.60 3.60 3.60 3.60 3.60 3.6  | 20. | 2010 DSM Y-factor amount  |    |          |             |       |           |  |  |
| 23. Green energy initiatives amount 24. Total 2010 Y-Factors  25. 2010 Pension funding requirement 26. 2010 Sewer Lateral / Cross Bore program requirement 27. Total 2010 Z-Factors  28. Total 2010 Distribution Revenues  29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)  2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)  2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)  |     |   |    |          |             |       |           |  |  |
| 24. Total 2010 Y-Factors       162.70       162.70         Z-Factors       25. 2010 Pension funding requirement       18.90       (18.90)       - 1         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60       (3.60)       - 2         27. Total 2010 Z-Factors       22.50       (22.50)       -         28. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50       1,453.50   |     |   |    | 3.60     |             |       | 3.60      |  |  |
| Z-Factors  25. 2010 Pension funding requirement 26. 2010 Sewer Lateral / Cross Bore program requirement 27. Total 2010 Z-Factors  28. Total 2010 Distribution Revenues  29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)  2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)  |     |   |    | 400.70   |             |       | 400.70    |  |  |
| 25. 2010 Pension funding requirement       18.90 (18.90) - 1         26. 2010 Sewer Lateral / Cross Bore program requirement       3.60 (3.60) - 2         27. Total 2010 Z-Factors       22.50 (22.50) - 3         28. Total 2010 Distribution Revenues       1,003.26 (22.50) 980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50 1,453.50  | 24. | Total 2010 Y-Factors  |    | 162.70   |             |       | 162.70    |  |  |
| 25. 2010 Pension funding requirement 18.90 (16.90) - 26. 2010 Sewer Lateral / Cross Bore program requirement 3.60 (3.60) - 27. Total 2010 Z-Factors 22.50 (22.50) - 28. Total 2010 Distribution Revenues 1,003.26 (22.50) 980.76 29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price) 1,453.50 1,453.50  |     | Z-Factors   |    |          |             |       |           |  |  |
| 26. 2010 Sewer Lateral / Cross Bore program requirement       3.60 (3.60) -         27. Total 2010 Z-Factors       22.50 (22.50) -         28. Total 2010 Distribution Revenues       1,003.26 (22.50) 980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50 1,453.50   | 25. | 2010 Pension funding requirement  |    | 18.90    | (18.90)     |       | -         |  |  |
| 28. Total 2010 Distribution Revenues       1,003.26       (22.50)       980.76         29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)       1,453.50       1,453.50  | 26. | 2010 Sewer Lateral / Cross Bore program requirement                       |    |          |             |       | 2         |  |  |
| 29. 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price) 1,453.50 1,453.50   | 27. | Total 2010 Z-Factors  |    | 22.50    | (22.50)     |       | ·         |  |  |
| 20. 20.00000000000000000000000000000000   | 28. | Total 2010 Distribution Revenues  |    | 1,003.26 | (22.50)     |       | 980.76    |  |  |
| 20. 20.00000000000000000000000000000000   | 29  | 2010 Gas Costs to operations (at Oct. 1, 2009 ref. price)                 |    | 1,453.50 |             |       | 1,453.50  |  |  |
|   | 30. | 2010 Total Revenue  | -  | 2,456.76 | (22.50)     |       |           |  |  |

#### Notes:

- 1.
- Adjustment as per the terms of the settlement of Issue 10 in the Settlement Agreement. Adjustment as per the terms of the settlement of Issue 11 in the Settlement Agreement.