

RECONCILIATION OF AUDITED EGDI
CONSOLIDATED INCOME TO UTILITY INCOME
2011 HISTORICAL YEAR

	Col. 1	Col. 2	Col. 3	Col. 4
Line no.	Audited Consolidated Income (\$millions)	Utility Income (\$millions)	Difference (\$millions)	Reference
1. Gas commodity and distribution revenue	2,010.2	1,978.4	(31.8)	a)
2. Transportation of gas for customers	352.1	411.2	59.1	b)
3.	2,362.3	2,389.6	27.3	
4. Gas commodity and distribution costs	1,341.7	1,383.7	42.0	c)
5. Gas distribution margin	1,020.6	1,005.9	(14.7)	
6. Other revenue	104.4	42.9	(61.5)	d)
7.	1,125.0	1,048.8	(76.2)	
Expenses				
8. Operation and maintenance	418.8	360.5	(58.3)	e)
9. Earnings sharing	13.0	-	(13.0)	f)
10. Depreciation	281.0	276.6	(4.4)	g)
11. Municipal and other taxes	40.5	37.6	(2.9)	h)
12. Company share of IR agreement tax savings	-	22.3	22.3	i)
13.	753.3	697.0	(56.3)	
14. Income before undernoted items	371.7	351.8	(19.9)	
15. Financing income	62.7	-	(62.7)	j)
16. Interest and financing expenses	(172.4)	(3.1)	169.3	k)
17. Income before income taxes	262.0	348.7	86.7	
18. Income taxes	50.7	57.0	6.3	l)
19. Net Income	211.3	291.7	80.4	

Witness: K. Culbert

RECONCILIATION OF 2011
AUDITED EGD I CONSOLIDATED INCOME TO UTILITY INCOME

<u>Ref.s</u>	<u>Amount</u> (\$million)	<u>Reclassification and elimination of revenue / expense items</u>
a)	2,010.2	Consolidated gas commodity and distribution revenue
	(32.3)	Amounts related to St. Lawrence Gas
	(1.1)	Normalization adjustment
	1.4	Gazifere T-service regrouped to gas commodity and distribution revenue
	0.2	Remove adjustment relating to the updated tax saving sharing agreement included in the 2011 financials, but already reflected in the 2010 ESM calculation
	<u>1,978.4</u>	Utility gas commodity and distribution revenue
b)	352.1	Consolidated transportation of gas for customers
	(6.9)	Amounts related to St. Lawrence Gas
	(1.4)	Normalization adjustment
	(1.4)	Gazifere T-service regrouped to gas commodity and distribution revenue
	68.8	Western T-Service Credits regrouped to gas costs
	<u>411.2</u>	Utility transportation of gas for customers
c)	1,341.7	Consolidated gas commodity and distribution costs
	(25.7)	Elimination of amounts related to St. Lawrence Gas and unregulated storage
	(1.1)	Normalization adjustment
	68.8	Western T-Service Credits regrouped to gas costs
	<u>1,383.7</u>	Utility gas commodity and distribution costs

Witness: K. Culbert

RECONCILIATION OF 2011
AUDITED EGDI CONSOLIDATED INCOME TO UTILITY INCOME

<u>Ref.s</u>	<u>Amount</u> (\$million)	<u>Reclassification and elimination of revenue / expense items</u>
d)	104.4	Consolidated other revenue
	(21.5)	Amounts related to St. Lawrence Gas, unregulated storage, oil and gas, and solar projects
	(13.6)	Open Bill O&M expenses regrouped against program revenues
	(5.1)	ABC administration and bad debt costs regrouped against program revenues from O&M
	(0.1)	ABC interest charges regrouped against program revenues
	5.2	Allowable interest during construction regrouped to revenues from interest and financing expenses
	(7.3)	Electric CDM costs regrouped against program revenues from O&M
	0.1	NGV program revenue imputation
	(4.4)	Elimination of transactional services revenue above base amount included in rates
	0.2	Elimination of the shareholder portion of the OBSDA and OBAVA write-off
	(0.2)	Elimination of the shareholder portion of net ex-franchise Open Bill revenues
	(1.6)	Elimination of Open Bill revenues to reflect the shareholder incentive
	(0.3)	Elimination of the shareholder portion of net electric CDM revenues
	(1.3)	Elimination of affiliate and 3rd party asset use revenue considered non-utility
	(5.9)	Elimination of net ABC revenue considered non-utility
	(0.5)	Elimination of interest income from investments not included in rate base
	<u>(5.2)</u>	Elimination of allowable interest during construction
	<u>42.9</u>	Utility other revenue
e)	418.8	Consolidated operation and maintenance
	(11.5)	Amounts related to St. Lawrence Gas, unregulated storage, oil and gas, and solar projects
	(13.6)	Open Bill expenses regrouped against program revenues
	(5.1)	ABC administration and bad debt costs regrouped against program revenues and eliminated
	(7.3)	Electric CDM expenses regrouped against program revenues
	1.0	Interest on security deposits added to utility O&M
	(3.0)	Elimination of donations
	(1.8)	Elimination of non-utility costs of supporting the ABC program
	(16.7)	Elimination of Corporate Cost Allocations above RCAM amount
	(0.1)	Elimination of non-utility green energy costs
	(0.2)	Incremental unregulated storage allocation resulting from the incorporation of the B&V Study
	<u>360.5</u>	Utility operation and maintenance
f)	13.0	Consolidated earnings sharing
	<u>(13.0)</u>	Elimination of earnings sharing amounts within year end financials from utility income calculation
	<u>-</u>	Utility earnings sharing
g)	281.0	Consolidated depreciation
	(3.9)	Amounts related to St. Lawrence Gas, unregulated storage, oil and gas, and solar projects
	(0.2)	Elimination of depreciation on disallowed Mississauga Southern Link
	<u>(0.3)</u>	Elimination of depreciation related to shared assets
	<u>276.6</u>	Utility depreciation

Witness: K. Culbert

RECONCILIATION OF 2011
AUDITED EGDI CONSOLIDATED INCOME TO UTILITY INCOME

<u>Ref.s</u>	<u>Amount</u> (\$million)	<u>Reclassification and elimination of revenue / expense items</u>
h)	40.5	Consolidated municipal and other taxes
	(1.7)	Amounts related to St. Lawrence Gas, unregulated storage, oil and gas, and solar projects
	(0.2)	Elimination of municipal taxes related to shared assets
	(1.0)	Adjustment to convert capital taxes to a utility "stand-alone" basis
	<u>37.6</u>	Utility municipal and other taxes
i)	-	Consolidated IR agreement tax savings
	22.3	Recognition of the Company's share of IR agreement tax savings, as determined in EB-2007-0615, and updated in EB-2009-0172, EB-2010-0146, and EB-2011-0008.
	<u>22.3</u>	Utility IR agreement tax savings
j)	62.7	Consolidated financing income
	(62.7)	Eliminate non-utility dividend income from the Board Approved financing transaction
	<u>-</u>	Utility financing income
k)	172.4	Consolidated interest and financing expenses
	(2.5)	Amounts related to St. Lawrence Gas, unregulated storage, oil and gas, and solar projects
	(26.8)	Eliminate non-utility interest expense from the Board Approved financing transaction
	5.2	Allowable interest during construction regrouped to revenues and eliminated
	(0.1)	ABC interest charges regrouped against program revenues and eliminated
	(145.1)	Elimination of interest expense and the amortization of debt issue and discount costs which are determined through the regulated capital structure
	<u>3.1</u>	Utility interest and financing expenses
l)	50.7	Consolidated income taxes
	(3.8)	Amounts related to St. Lawrence Gas, unregulated storage, oil and gas, and solar projects
	(46.9)	Elimination of corporate income taxes
	57.0	Addition of income taxes calculated on a utility "stand-alone" basis
	<u>57.0</u>	Utility income taxes

Witness: K. Culbert

RETURN ON EQUITY CALCULATION FOR 2013

1. The purpose of this evidence is to provide the return on equity (“ROE”) used for the calculation of the cost of capital.
2. The Ontario Energy Board (the “Board”) recently reset and refined the formulaic approach for determining a utility’s ROE, which was documented in the Report of the Board on the Cost of Capital for Ontario’s Regulated Utilities, issued December 11, 2009 (the Cost of Capital Report).
3. Based on the methodology set out in the Cost of Capital Report and the September 2011 data from the Bank of Canada, Consensus Forecasts and Bloomberg LLP, the Board has calculated the allowed ROE, for rates effective January 1, 2012, to be 9.42%.¹
4. EGD has asked Concentric Energy Advisors to provide an assessment of the reasonableness of 9.42%. That evidence can be found at Exhibit E2, Tab 2, Schedule 1. Concentric has concluded that the current ROE formula output is reasonable if applied to the Company’s requested equity ratio of 42%. Evidence outlining the requested equity ratio can be found at Exhibit E2, Tab 1, Schedule 2.
5. The Company will use the current formula output as a placeholder until such time as the data is available for an update. Updated formulaic inputs will be prepared in November 2012 on the basis of September 2012 data inputs to be included in a final rate order.

¹ Cost of Capital Parameter Updates for 2012 Cost of Service Applications for Rates Effective January 1, 2012, Ontario Energy Board, November 10, 2011.

Witness: R. Fischer
M. Lister
S. Murray

UPDATED EVIDENCE

6. This updated evidence provides an update to the calculation of the Board's 2009 ROE Formula from the Cost of Capital Report referenced above. This update is based on data from March 2012.
7. The updated ROE result is calculated based on the following formula (the Board's 2009 ROE Formula):

$$\text{ROE}_t = \text{Base ROE} + 0.5 \times (\text{LCBF}_t - \text{Base LCBF}) + 0.5 \times (\text{Utility Bond Spread}_t - \text{Base Utility Bond Spread})$$

Where,

Base ROE ("Return on Equity") = 9.75%;

Base LCBF ("Long Canada Bond Forecast") = 4.25%; and

Base Utility Bond Spread = 1.415%.

Thus the ROE adjustment formula is specified as:

$$\text{ROE}_t = 9.75\% + 0.5 \times (\text{LCBF}_t - 4.25\%) + 0.5 \times (\text{Utility Bond Spread}_t - 1.415\%)$$

8. The LCBF_t is calculated as follows:

$\text{LCBF}_t =$ (a) Avg Consensus long bond yield + (b) Canadian bond yield spread

Consensus Long Canada Bond (3-month forecast) ²	2.1%
Consensus Long Canada Bond (12-month forecast) ³	2.5%
Average	2.30%

² Consensus Economics Monthly Survey. March 2012 Edition, pg. 17. Survey Date: March 12, 2012.
³ Consensus Economics Monthly Survey. March 2012 Edition, pg. 17. Survey Date: March 12, 2012.

Witness: R. Fischer
M. Lister
S. Murray

30-day historical bond yields (30-years) ⁴	2.67%
30-day historical bond yields (10-years) ⁵	2.11%
Difference	0.56%

Therefore, $LCBF_t = 2.30\% + 0.56\% = 2.86\%$

9. Utility Bond Spread_t is calculated as follows:

30-Day Canadian Utility bond yields (30-years) ⁶	4.04%
30-day historical bond yields (30-years) ⁷	2.67%
Difference	1.37%

10. Plugging in the updated $LCBF_t$ and Utility Bond Spread_t terms results in the following:

$$ROE = 9.75\% + 0.5 \times (2.86\% - 4.25\%) + 0.5 \times (1.37\% - 1.415\%)$$

$$ROE = 9.03\%$$

11. Therefore, for the purposes of an update to the 2013 Test Year application, the Company will use 9.03% for the ROE.

12. As explained in the pre-filed evidence, however, the Company intends to use the current formula output as a placeholder only until such time as the data is available for an update at the time of a final rate order. Updated formulaic inputs will be prepared in November 2012 on the basis of September 2012 data inputs to be included in a final rate order.

⁴ Canadian Bonds yields from BoC website; identifier V39056; March 1 – March 30, 2012
⁵ Canadian Bonds yields from BoC website; identifier V39055; March 1 – March 30, 2012
⁶ A-Rate Cdn Utility bond yields March 1 – March 30, 2012; from Bloomberg
⁷ Canadian Bonds yields from BoC website; identifier V39056; March 1 – March 30, 2012

Witness: R. Fischer
M. Lister
S. Murray

UTILITY RATE BASE
COMPARISON OF 2011 HISTORICAL YEAR TO 2007 BOARD APPROVED

Line No.	Col. 1 2011 Historical Year	Col. 2 2007 Board Approved	Col. 3 Difference
	(\$Millions)	(\$Millions)	(\$Millions)
<u>Property, Plant, and Equipment</u>			
1. Cost or redetermined value	6,064.1	4,979.3	1,084.8
2. Accumulated depreciation	<u>(2,398.4)</u>	<u>(1,839.1)</u>	<u>(559.3)</u>
3.	<u>3,665.7</u>	<u>3,140.2</u>	<u>525.5</u>
<u>Allowance for Working Capital</u>			
4. Accounts receivable merchandise finance plan	-	0.1	(0.1)
5. Accounts receivable rebillable projects	1.6	6.9	(5.3)
6. Materials and supplies	30.1	21.0	9.1
7. Mortgages receivable	0.4	0.9	(0.5)
8. Customer security deposits	(75.6)	(42.8)	(32.8)
9. Prepaid expenses	1.5	2.7	(1.2)
10. Gas in storage	337.6	613.1	(275.5)
11. Working cash allowance	<u>(4.3)</u>	<u>3.6</u>	<u>(7.9)</u>
12. Total Working Capital	<u>291.3</u>	<u>605.5</u>	<u>(314.2)</u>
13. <u>Utility Rate Base</u>	<u><u>3,957.0</u></u>	<u><u>3,745.7</u></u>	<u><u>211.3</u></u>

Witness: K. Culbert

UTILITY PROPERTY, PLANT, AND EQUIPMENT
 SUMMARY STATEMENT - AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3
	Gross Property, Plant, and Equipment	Accumulated Depreciation	Net Property, Plant, and Equipment
	(\$Millions)	(\$Millions)	(\$Millions)
1. Underground storage plant	298.1	(109.0)	189.1
2. Distribution plant	5,387.6	(2,161.9)	3,225.7
3. General plant	385.7	(126.9)	258.8
4. Other plant	<u>0.5</u>	<u>(0.5)</u>	<u>-</u>
5. Total plant in service	6,071.9	(2,398.3)	3,673.6
6. Plant held for future use	<u>1.7</u>	<u>(1.0)</u>	<u>0.7</u>
7. Sub- total	6,073.6	(2,399.3)	3,674.3
8. Affiliate Shared Assets Value	<u>(9.5)</u>	<u>0.9</u>	<u>(8.6)</u>
9. Total property, plant, and equipment	<u><u>6,064.1</u></u>	<u><u>(2,398.4)</u></u>	<u><u>3,665.7</u></u>

Witness: K. Culbert

UTILITY GROSS UNDERGROUND STORAGE PLANT
YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1 Opening Balance Dec.2010	Col. 2 Additions	Col. 3 Retirements	Col. 4 Closing Balance Dec.2011	Col. 5 Regulatory Adjustments	Col. 6 Utility Balance Dec.2011	Col. 7 Average of Monthly Averages
	(\$Millions) (\$Millions) (\$Millions) (\$Millions) (\$Millions) (\$Millions) (\$Millions)						
1. Crowland storage (450/459)	4.2	-	-	4.2	-	4.2	4.2
2. Land and gas storage rights (450/451)	41.7	0.0	-	41.7	(1.0)	40.7	40.6
3. Structures and improvements (452.00)	14.2	0.3	-	14.5	(0.1)	14.4	14.2
4. Wells (453.00)	38.5	3.6	-	42.2	-	42.2	39.3
5. Well equipment (454.00)	8.9	0.0	-	8.9	-	8.9	8.9
6. Field Lines (455.00)	46.6	13.7	-	60.3	-	60.3	47.3
7. Compressor equipment (456.00)	90.4	3.3	-	93.6	(0.5)	93.2	91.2
8. Measuring and regulating equipment (457.00)	11.5	0.0	-	11.5	-	11.5	11.5
9. Base pressure gas (458.00)	40.9	0.0	-	40.9	-	40.9	40.9
10. Total	296.8	21.0	-	317.7	(1.5)	316.2	298.1

Note 1: Adjustments associated with previously established non-utility items and disallowances.

UTILITY UNDERGROUND STORAGE PLANT
CONTINUITY OF ACCUMULATED DEPRECIATION
YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1 Opening Balance Dec.2010	Col. 2 Additions	Col. 3 Retirements	Col. 4 Costs Net of Proceeds	Col. 5 Closing Balance Dec.2011	Col. 6 Regulatory Adjustments	Col. 7 Utility Balance Dec.2011	Col. 8 Average of Monthly Averages
	(\$Millions) (\$Millions) (\$Millions) (\$Millions) (\$Millions) (\$Millions) (\$Millions) (\$Millions)							
1. Crowland storage (450/459)	(2.2)	(0.1)	-	0.1	(2.2)	-	(2.2)	(2.2)
2. Land and gas storage rights (451.00)	(20.2)	(0.8)	-	-	(21.0)	-	(21.0)	(20.6)
3. Structures and improvements (452.00)	(4.7)	(0.4)	-	-	(5.1)	0.1	(5.0)	(4.8)
4. Wells (453.00)	(17.9)	(1.9)	-	1.0	(18.9)	-	(18.9)	(18.8)
5. Well equipment (454.00)	(4.4)	(0.3)	-	-	(4.7)	-	(4.7)	(4.6)
6. Field Lines (455.00)	(20.8)	(1.3)	-	-	(22.1)	-	(22.1)	(21.4)
7. Compressor equipment (456.00)	(30.5)	(2.1)	-	-	(32.6)	0.2	(32.4)	(31.4)
8. Measuring and regulating equipment (457.00)	(5.0)	(0.4)	-	-	(5.4)	-	(5.4)	(5.2)
9. Total	(105.7)	(7.3)	-	1.0	(112.0)	0.2	(111.8)	(109.0)

Note 1: Adjustments associated with previously established non-utility items and disallowances.

UTILITY GROSS DISTRIBUTION PLANT
 YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1 Opening Balance Dec.2010	Col. 2 Additions	Col. 3 Retirements	Col. 4 Closing Balance Dec.2011	Col. 5 Regulatory Adjustment (Note 1)	Col. 6 Utility Balance Dec.2011	Col. 7 Average of Monthly Averages
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
1. Land (470.00)	20.4	0.2	-	20.6	-	20.6	20.6
2. Offers to purchase (470.01)	-	-	-	-	-	-	-
3. Land rights intangibles (471.00)	7.5	-	-	7.5	-	7.5	7.5
4. Structures and improvements (472.00)	82.0	4.4	(0.6)	85.8	(0.3)	85.4	82.8
5. Services, house reg & meter install. (473/474)	2,024.6	103.5	(19.5)	2,108.6	-	2,108.6	2,057.7
6. NGV station compressors (476)	2.6	0.1	-	2.7	-	2.7	2.6
7. Meters (478)	367.8	22.6	(7.8)	382.5	-	382.5	371.5
8. Sub-total	2,504.7	130.8	(27.9)	2,607.6	(0.3)	2,607.3	2,542.6
9. Mains (475)	2,481.2	141.8	(6.2)	2,616.9	(2.2)	2,614.7	2,526.4
10. Measuring and regulating equip. (477)	314.9	14.4	(1.0)	328.3	(0.5)	327.7	318.6
11. Sub-total	2,796.1	156.2	(7.2)	2,945.2	(2.7)	2,942.4	2,845.0
12. Total	5,300.8	287.1	(35.1)	5,552.8	(3.1)	5,549.7	5,387.6

Note 1: Adjustments associated with previously established non-utility items and disallowances.

UTILITY DISTRIBUTION PLANT
 CONTINUITY OF ACCUMULATED DEPRECIATION
 YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
	Opening Balance Dec.2010	Additions	Retirements	Costs Net of Proceeds	Closing Balance Dec.2011	Regulatory Adjustment (Note 1)	Utility Balance Dec.2011	Average of Monthly Averages
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
1.	Land rights intangibles (471.00)	(1.1)	(0.4)	-	(1.5)	-	(1.5)	(1.3)
2.	Structures and improvements (472.00)	(5.3)	(2.2)	0.6	(6.5)	0.1	(6.4)	(6.2)
3.	Services, house reg & meter install. (473/474)	(872.5)	(93.4)	19.5	(926.8)	-	(926.8)	(902.0)
4.	NGV station compressors (476)	(1.6)	(0.2)	-	(1.8)	-	(1.8)	(1.7)
5.	Meters (478)	(92.6)	(9.2)	7.8	(94.5)	-	(94.5)	(94.0)
6.	Mains (475)	(949.2)	(104.9)	6.2	(1,036.6)	1.4	(1,035.2)	(992.1)
7.	Measuring and regulating equip. (477)	(159.0)	(16.6)	1.0	(171.3)	0.5	(170.8)	(164.7)
8.	Total	(2,081.2)	(226.8)	35.1	(2,239.0)	2.0	(2,237.0)	(2,161.9)

Note 1: Adjustments associated with previously established non-utility items and disallowances.

Witness: K. Culbert

UTILITY GROSS GENERAL PLANT
 YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
 2011 HISTORICAL YEAR

Line No.	Col. 1 Opening Balance Dec.2010	Col. 2 Additions	Col. 3 Retirements	Col. 4 Closing Balance Dec.2011	Col. 5 Regulatory Adjustment (Note 1)	Col. 6 Utility Balance Dec.2011	Col. 7 Average of Monthly Averages
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
1.	4.8	0.6	-	5.4	(0.2)	5.2	5.0
2.	18.1	5.2	(1.5)	21.8	-	21.8	17.9
3.	41.0	5.3	(0.2)	46.1	(0.1)	46.0	41.6
4.	7.7	0.4	-	8.1	-	8.1	7.8
5.	19.3	1.5	(0.3)	20.5	-	20.5	19.4
6.	34.3	1.6	(0.0)	35.9	-	35.9	34.4
7.	1.0	0.0	-	1.0	-	1.0	1.0
8.	4.9	0.1	(1.2)	3.7	-	3.7	4.8
9.	2.3	0.1	-	2.4	-	2.4	2.3
10.	3.0	-	-	3.0	-	3.0	3.0
11.	32.6	8.6	(5.8)	35.3	-	35.3	31.9
12.	90.2	21.5	(21.8)	90.0	-	90.0	89.5
13.	127.1	-	-	127.1	-	127.1	127.1
14.	386.2	44.8	(30.7)	400.2	(0.3)	400.0	385.7

Note 1: Adjustments associated with previously established non-utility items and disallowances.

Witness: K. Culbert

UTILITY GENERAL PLANT
 CONTINUITY OF ACCUMULATED DEPRECIATION
 YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
 2011 HISTORICAL YEAR

Line No.	Col. 1 Opening Balance Dec.2010 (\$Millions)	Col. 2 Additions (\$Millions)	Col. 3 Retirements (\$Millions)	Col. 4 Costs Net of Proceeds (\$Millions)	Col. 5 Closing Balance Dec.2011 (\$Millions)	Col. 6 Regulatory Adjustment (Note 1) (\$Millions)	Col. 7 Utility Balance Dec.2011 (\$Millions)	Col. 8 Average of Monthly Averages (\$Millions)
1.	Lease improvements (482.50)	(3.7)	(0.5)	-	(4.2)	0.1	(4.1)	(3.8)
2.	Office furniture and equipment (483.00)	(9.0)	(0.8)	1.5	(8.3)	-	(8.3)	(8.6)
3.	Transportation equipment (484.00)	(7.8)	(1.8)	0.2	(9.8)	0.1	(9.7)	(8.7)
4.	NGV conversion kits (484.01)	(4.6)	(0.2)	-	(4.8)	-	(4.8)	(4.7)
5.	Heavy work equipment (485.00)	(6.8)	(0.7)	0.3	(7.3)	-	(7.3)	(7.1)
6.	Tools and work equipment (486.00)	(13.1)	(1.0)	0.0	(14.1)	-	(14.1)	(13.6)
7.	Rental equipment (487.70)	(1.0)	(0.0)	-	(1.0)	-	(1.0)	(1.0)
8.	NGV rental compressors (487.80)	(3.1)	(0.4)	1.2	(2.3)	-	(2.3)	(3.2)
9.	NGV cylinders (484.02 and 487.90)	(1.5)	(0.1)	-	(1.6)	-	(1.6)	(1.5)
10.	Communication structures & equip. (488)	(2.1)	(0.1)	-	(2.2)	-	(2.2)	(2.2)
11.	Computer equipment (490.00)	(4.4)	(6.3)	5.8	(4.9)	-	(4.9)	(2.3)
12.	Software Acquired/Developed (491.00)	(44.0)	(17.9)	21.8	(40.1)	-	(40.1)	(48.1)
13.	CIS (491.00)	(15.7)	(12.9)	-	(28.6)	-	(28.6)	(22.1)
14.	Total	(116.8)	(42.7)	30.7	(129.2)	0.2	(129.0)	(126.9)

Note 1: Adjustments associated with previously established non-utility items and disallowances.

Witness: K. Culbert

UTILITY GROSS OTHER PLANT
 YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1 Opening Balance Dec.2010	Col. 2 Additions	Col. 3 Retirements	Col. 4 Closing Balance Dec.2011	Col. 5 Regulatory Adjustment	Col. 6 Utility Balance Dec.2011	Col. 7 Average of Monthly Averages
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
1. Intangible plant (Peterborough 402.50)	0.5	-	-	0.5	-	0.5	0.5
2. Total	0.5	-	-	0.5	-	0.5	0.5

Witness: K. Culbert

UTILITY OTHER PLANT
 CONTINUITY OF ACCUMULATED DEPRECIATION
 YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
 2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
	Opening Balance Dec.2010	Additions	Retirements	Costs Net of Proceeds	Closing Balance Dec.2011	Regulatory Adjustment	Utility Balance Dec.2011	Average of Monthly Averages
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
1.	Intangible plant. (Peterborough 402.50)	(0.5)	-	-	(0.5)	-	(0.5)	(0.5)
2.	Total	(0.5)	-	-	(0.5)	-	(0.5)	(0.5)

Witness: K. Culbert

UTILITY GROSS PLANT HELD FOR FUTURE USE
 YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7
	Opening Balance Dec.2010	Additions	Retirements	Closing Balance Dec.2011	Regulatory Adjustment	Utility Balance Dec.2011	Average of Monthly Averages
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
1. Inactive services (102.00)	1.7	-	-	1.7	-	1.7	1.7
2. Total	1.7	-	-	1.7	-	1.7	1.7

Witness: K. Culbert

UTILITY PLANT HELD FOR FUTURE USE
 CONTINUITY OF ACCUMULATED DEPRECIATION
 YEAR END BALANCES AND AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8
	Opening Balance Dec.2010	Additions	Retirements	Costs Net of Proceeds	Closing Balance Dec.2011	Regulatory Adjustment	Utility Balance Dec.2011	Average of Monthly Averages
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)
1.	Inactive services (105.02)	(0.9)	(0.1)	-	(1.0)	-	(1.0)	(1.0)
2.	Total	(0.9)	(0.1)	-	(1.0)	-	(1.0)	(1.0)

Witness: K. Culbert

WORKING CAPITAL COMPONENTS
 MONTH END BALANCES AND AVERAGE OF MONTHLY AVERAGES
 2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	
	Account Receivable Merchandise Finance Plan	Account Receivable Projects	Materials and Supplies	Mortgages Receivable	Customer Security Deposits	Prepaid Expenses	Gas in Storage	Working Cash Allowance	Total	
	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	(\$Millions)	
1.	January 1	-	0.2	25.2	0.5	(73.3)	1.3	411.2	(4.3)	360.8
2.	January 31	-	-	25.6	0.5	(73.7)	0.9	282.6	(4.3)	231.6
3.	February	-	0.7	26.8	0.5	(74.5)	0.4	175.8	(4.3)	125.4
4.	March	-	2.9	27.3	0.5	(74.9)	0.4	116.9	(4.3)	68.8
5.	April	-	4.1	28.4	0.5	(75.2)	0.4	154.2	(4.3)	108.1
6.	May	-	2.7	28.8	0.4	(75.2)	0.9	245.0	(4.3)	198.3
7.	June	-	3.8	30.3	0.4	(74.7)	0.8	333.2	(4.3)	289.5
8.	July	-	1.5	31.1	0.4	(74.6)	3.6	414.9	(4.3)	372.6
9.	August	-	2.7	31.6	0.4	(75.8)	3.0	462.2	(4.3)	419.8
10.	September	-	2.7	33.7	0.4	(76.1)	2.4	498.2	(4.3)	457.0
11.	October	-	1.3	33.5	0.4	(76.5)	1.7	498.9	(4.3)	455.0
12.	November	-	(3.6)	33.9	0.4	(79.5)	1.7	473.0	(4.3)	421.6
13.	December	-	0.7	34.8	0.4	(78.7)	1.3	381.9	(4.3)	336.1
14.	Avg. of monthly avgs.	-	1.6	30.1	0.4	(75.6)	1.5	337.6	(4.3)	291.3

Witness: K. Culbert

WORKING CAPITAL COMPONENTS - WORKING CASH ALLOWANCE
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3
	Disbursements	Net Lag-Days	Allowance
	(\$Millions)	(Days)	(\$Millions)
1. Gas purchase and storage and transportation charges	1,402.7	5.8	22.3
2. Items not subject to working cash allowance (Note 1)	<u>(19.0)</u>		
3. Gas costs charged to operations	<u>1,383.7</u>		
4. Operation and Maintenance	360.5		
5. Less: Storage costs	<u>(5.4)</u>		
6. Operation and maintenance costs subject to working cash	355.1		
7. Ancillary customer services	<u>-</u>		
8.	<u>355.1</u>	(26.1)	<u>(25.4)</u>
9. Sub-total			<u>(3.1)</u>
10. Storage costs	5.4	78.6	1.2
11. Storage municipal and capital taxes	1.5	36.0	<u>0.1</u>
12. Sub-total			<u>1.3</u>
13. Harmonized sales tax			<u>(2.5)</u>
14. Total working cash allowance			<u>(4.3)</u>

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

Witness: K. Culbert

UTILITY OPERATING REVENUE
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3
	Utility Revenue (\$Millions)	Normalizing and Other Adjustments (\$Millions)	Adjusted Utility Revenue (\$Millions)
1. Gas sales	1,979.5	(1.1)	1,978.4
2. Transportation of gas	412.6	(1.4)	411.2
3. Transmission, compression & storage	1.5	-	1.5
4. Other operating revenue	40.6	-	40.6
5. Interest and property rental	-	-	-
6. Other income	0.8	-	0.8
7. Total operating revenue	2,435.0	(2.5)	2,432.5

Witness: K. Culbert

EXPLANATION OF ADJUSTMENTS TO UTILITY REVENUE
2011 HISTORICAL YEAR

Line No. Adjusted	Adjustment Increase (Decrease) (\$Millions)	Explanation
1.	(1.1)	<u>Gas sales</u> Adjustment to gas sales revenue required to reflect normal weather.
2.	(1.4)	<u>Transportation of gas</u> Adjustment to gas transportation revenue required to reflect normal weather.

UTILITY REVENUE
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3
	EGDI Ont. Corporate Revenue (\$Millions)	Adjustment (\$Millions)	Utility Revenue (\$Millions)
1. Residential	1,246.8	0.2	1,247.0
2. Commercial	622.1	-	622.1
3. Industrial	82.1	-	82.1
4. Wholesale	28.3	-	28.3
5. Gas sales	1,979.3	0.2	1,979.5
6. Transportation of gas	412.6	-	412.6
7. Transmission, compression & storage	1.5	-	1.5
8. Service charges & DPAC	13.2	-	13.2
9. Rent from NGV rentals	0.4	0.1	0.5
10. Late payment penalties	13.2	-	13.2
11. Transactional services	12.4	(4.4)	8.0
12. Open bill revenue	7.0	(1.6)	5.4
13. Dow Moore recovery	0.3	-	0.3
14. Affiliate asset use revenue	0.1	(0.1)	-
15. ABC T-service (net)	5.9	(5.9)	-
16. Other operating revenue	52.5	(11.9)	40.6
17. Income from investments	0.5	(0.5)	-
18. Interest during construction	5.2	(5.2)	-
19. Interest income from affiliates	-	-	-
20. Interest on (net) deferral accounts	-	-	-
21. Property/asset use revenue 3rd party	1.2	(1.2)	-
22. Interest and property rental	6.9	(6.9)	-
23. Miscellaneous	14.4	(13.7)	0.7
24. Dividend income	62.7	(62.7)	-
25. Profit on sale of property	-	-	-
26. NGV merchandising revenue (net)	0.1	-	0.1
27. Other income	77.2	(76.4)	0.8
28. Total revenue	2,530.0	(95.0)	2,435.0

Witness: K. Culbert

EXPLANATION OF ADJUSTMENTS TO EGDI CORPORATE REVENUE
2011 HISTORICAL YEAR

Line No. Adjusted	Adjustment Increase (Decrease) (\$Millions)	Explanation
1.	0.2	<u>Residential Gas Sales</u> Remove adjustment related to the updated 2010 tax saving sharing agreement included in the 2011 financials, but already reflected in the 2010 ESM calculation.
9.	0.1	<u>Rent from NGV rentals</u> NGV revenue imputation to equate the program's overall return to the required regulated return.
11.	(4.4)	<u>Transactional services</u> To eliminate transactional services revenues above the base amount included in approved rates. Ratepayer amounts above the base have been transferred to the 2011 TSDA, and shareholder amounts are eliminated from utility returns.
12.	(1.6)	<u>Open bill revenue</u> To eliminate the shareholder portion of OBSDA and OBAVA write-off 0.2 To eliminate the shareholder portion of net ex-franchise revenues (0.2) To eliminate the Open Bill shareholder incentive (1.6) <u><u>(1.6)</u></u>
14.	(0.1)	<u>Affiliate asset use revenue</u> To reflect the elimination of asset use revenue in conjunction with the removal of affiliate use asset values from rate base and all related cost of service elements. (RP-2002-0133)
15.	(5.9)	<u>ABC T-Service (net)</u> To eliminate the net revenue from ABC T-Service considered to be non-utility. (RP-1999-0001)

Witness: K. Culbert

EXPLANATION OF ADJUSTMENTS TO EGDI CORPORATE REVENUE
2011 HISTORICAL YEAR

Line No. Adjusted	Adjustment Increase (Decrease) (\$Millions)	Explanation	
17.	(0.5)	<u>Income from investments</u> To eliminate interest income from investments not included in Utility rate base.	
18.	(5.2)	<u>Interest during construction</u> To eliminate interest calculated on funds used for purposes of construction during the year.	
21.	(1.2)	<u>Property/asset use revenue 3rd party</u> To eliminate asset use revenue (RP-2002-0133) and rental revenue from Tecumseh farm properties considered to be non-utility. (EBRO 464 & 365)	
23.	(13.7)	<u>Miscellaneous</u> To eliminate net revenue from the Company's oil & gas and unregulated storage divisions.	(13.4)
		To eliminate Electric CDM net revenues. Ratepayer amounts were transferred to the 2011 EPESDA and shareholder amounts are eliminated from utility results.	(0.3)
		To eliminate the shareholders' incentive income recorded as a result of calculating the SSMVA amount.	-
			<u>(13.7)</u>
24.	(62.7)	<u>Dividend income</u> To eliminate non-utility inter-company dividend income.	-
		To eliminate non-utility inter-company dividend income from the financing transaction (EBO 179-16).	(62.7)
			<u>(62.7)</u>

Witness: K. Culbert

COST OF SERVICE
2011 HISTORICAL YEAR

Line No.	Col. 1 Utility Costs and Expenses (\$Millions)	Col. 2 Adjustments (\$Millions)	Col. 3 Adjusted Utility Costs and Expenses (\$Millions)
1. Gas costs	1,384.8	(1.1)	1,383.7
2. Operation and maintenance	360.5	-	360.5
3. Depreciation and amortization expense	276.6	-	276.6
4. Fixed financing costs	2.8	-	2.8
5. Debt redemption premium amortization	0.3	-	0.3
6. Company share of IR agreement tax savings	22.3	-	22.3
7. Municipal and other taxes	37.6	-	37.6
8. Operating costs	2,084.9	(1.1)	2,083.8
9. Income tax expense			57.0
10. Cost of service			2,140.8

Witness: K. Culbert

EXPLANATION OF ADJUSTMENTS TO UTILITY COSTS
2011 HISTORICAL YEAR

Line No. Adjusted	Adjustment Increase (Decrease) (\$Millions)	Explanation
1.	(1.1)	<u>Gas Costs</u> Adjustment required to gas costs to reflect normal weather.

CALCULATION OF UTILITY TAXABLE INCOME AND INCOME TAX EXPENSE
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3
	Federal (\$Millions)	Provincial (\$Millions)	Combined (\$Millions)
1. Utility income before income taxes	348.7	348.7	
Add			
2. Depreciation and amortization	276.6	276.6	
3. Other non-deductible items	1.0	1.0	
4. Total Add Back	277.6	277.6	
5. Sub-total	626.3	626.3	
Deduct			
6. Capital cost allowance	232.9	232.9	
7. Items capitalized for regulatory purposes	46.3	46.3	
8. Deduction for "grossed up" Part VI.1 tax	2.9	2.9	
9. Amortization of share/debenture issue expense	4.0	4.0	
10. Amortization of cumulative eligible capital	0.4	0.4	
11. Amortization of C.D.E. and C.O.G.P.E	0.1	0.1	
12. Total Deduction	286.6	286.6	
13. Taxable income	339.7	339.7	
14. Income tax rates	16.50%	11.75%	
15. Provision	56.1	39.9	96.0
16. Part VI.1 tax			1.0
17. Investment tax credit			-
18. Total taxes excluding interest shield			97.0
Tax shield on interest expense			
19. Rate base	3,957.0		
20. Return component of debt	3.58%		
21. Interest expense	141.5		
22. Combined tax rate	28.250%		
23. Income tax credit			(40.0)
24. Total utility income taxes			57.0

Witness: K. Culbert

COST OF SERVICE
2011 HISTORICAL YEAR

Line No.	Col. 1 EGDI Ont. Corporate Costs and Expenses (\$Millions)	Col. 2 Adjustment (\$Millions)	Col. 3 Utility Costs and Expenses (\$Millions)
1. Gas costs	1,384.8	-	1,384.8
2. Operation and maintenance	394.3	(33.8)	360.5
3. Depreciation	244.6	(0.5)	244.1
4. Amortization	32.5	-	32.5
5. Depreciation and amortization	277.1	(0.5)	276.6
6. Fixed financing costs	2.8	-	2.8
7. Debt redemption premium amortization	0.3	-	0.3
8. Company share of IR agreement tax savings	-	22.3	22.3
9. Municipal and other taxes	37.8	(0.2)	37.6
10. Capital taxes	1.0	(1.0)	-
11. Municipal and other taxes	38.8	(1.2)	37.6
12. Interest on long-term debt	136.1	(136.1)	-
13. Amortization of preference share issue costs and debt discount and expense	3.9	(3.9)	-
14. Interest and financing amortization	140.0	(140.0)	-
15. Interest on short-term debt	7.5	(7.5)	-
16. Interest due affiliates	26.8	(26.8)	-
17. Other interest expense	34.3	(34.3)	-
18. Total operating costs	2,272.4	(187.5)	2,084.9
19. Current taxes	49.9	(49.9)	-
20. Deferred taxes	(0.2)	0.2	-
21. Income tax expense	49.7	(49.7)	-
22. Cost of service	2,322.1	(237.2)	2,084.9

Witness: K. Culbert

EXPLANATION OF ADJUSTMENTS TO EGDI CORPORATE
 COSTS AND EXPENSES
2011 HISTORICAL YEAR

Line No. Adjusted	Adjustment Increase (Decrease) (\$Millions)	Explanation	
2.	(33.8)	<u>Operation and maintenance expense</u>	
		Interest paid on security deposits held during the year and included in the elimination of interest expense. The expense is incurred to reduce bad debts. The average amount of the security deposits held during the year is applied as a reduction to the allowance for working capital in rate base.	1.0
		To eliminate donations (EBRO 490).	(3.0)
		To eliminate non-utility costs and expenses relating to the support of the ABC T-service program.	(1.8)
		To eliminate Corporate Cost allocations above RCAM amount.	(16.7)
		To eliminate non-utility green energy costs.	(0.1)
		To eliminate ESM amounts contained in the Corporate financials	(13.0)
		Incremental allocation to unregulated storage - B&V study	<u>(0.2)</u>
			<u>(33.8)</u>
3.	(0.5)	<u>Depreciation expense</u>	
		Removal of depreciation on disallowed Mississauga Southern Link amounts (EBRO 473 & 479).	(0.2)
		Removal of depreciation related to shared assets (RP-2002-0133).	<u>(0.3)</u>
			<u>(0.5)</u>
8.	22.3	<u>Company share of IR agreement tax savings</u>	
		To reflect the impact of the shareholder portion of agreed tax savings on utility income.	
9.	(0.2)	<u>Municipal and other taxes</u>	
		Removal of municipal taxes related to shared assets (RP-2002-0133).	
10.	(1.0)	<u>Capital taxes</u>	
		Adjustment to capital taxes needed to convert the capital tax calculation to a utility "stand-alone" basis.	

Witness: K. Culbert

EXPLANATION OF ADJUSTMENTS TO EGDI CORPORATE
 COSTS AND EXPENSES
2011 HISTORICAL YEAR

Line No. Adjusted	Adjustment Increase (Decrease) (\$Millions)	Explanation
12.	(136.1)	<u>Interest on long-term debt</u> Expense of capital.
13.	(3.9)	<u>Amortization of preference share issue costs and debt discount and expense</u> Expense of capital.
15.	(7.5)	<u>Interest on short-term debt</u> Expense of capital.
16.	(26.8)	<u>Interest due affiliates</u> To eliminate non-utility inter-company interest expense from the financing transaction (EBO 179-16).
19.	(49.9)	<u>Income taxes - current</u> Income tax expense related to corporate earnings.
20.	0.2	<u>Income taxes - deferred</u> Income tax expense related to corporate earnings.

Witness: K. Culbert

SUMMARY OF UTILITY CAPITAL COST ALLOWANCE
2011 HISTORICAL YEAR

Capital Cost Allowance - Federal

Col 1	Col 2	Col 3	Col 4	Col 5	Col 6	Col 7	Col 8
Class No.	UCC AT Beginning of year	Cost of Additions	Lessor of Costs or Proceeds	Less 50 % of net [Cols 3 - 4]	Rate %	CCA F2011	UCC Carry Forward
1	2,020,987,302	0	0	0	4.00%	(80,839,492)	1,940,147,810
51	825,925,327	229,589,706	0	114,794,853	6.00%	(56,443,211)	999,071,822
2	138,025,159	0	(159,751)	(79,876)	6.00%	(8,276,717)	129,588,691
6	16,851	0	0	0	10.00%	(1,685)	15,166
8	8,880,021	5,029,342	0	2,514,671	20.00%	(2,278,938)	11,630,425
10	23,260,699	5,955,130	(130,889)	2,912,121	30.00%	(7,851,846)	21,233,094
12	13,641,256	29,898,337	(20,000)	14,939,169	100.00%	(28,580,425)	14,939,169
12	60,086,330	0	0	0	50.00%	(30,043,165)	30,043,165
17	38,261	0	0	0	8.00%	(3,061)	35,200
38	5,484,786	2,728,011	(46,014)	1,340,999	30.00%	(2,047,735)	6,119,048
41	30,715,175	16,203,000	0	8,101,500	25.00%	(9,704,169)	37,214,006
13	1,306,431	4,660,000	0	2,330,000		(249,000)	5,717,431
3	262,293	0	0	0	5.00%	(13,115)	249,178
45	1,618,999	0	0	0	45.00%	(728,550)	890,449
50	3,882,533	15,033,000	0	7,516,500	55.00%	(6,269,468)	12,646,065
52	0	0	0	0	100.00%	-	0
Total	3,134,131,423	309,096,526	(356,654)	154,369,936		(233,330,576)	3,209,540,719

Non-utility and shared asset eliminations
 Utility Federal CCA

385,683
(232,944,893)

Capital Cost Allowance - Ontario

Class No.	UCC AT Beginning of year	Cost of Additions	Lessor of Costs or Proceeds	Less 50 % of net [Cols 3 - 4]	Rate %	CCA F2011	UCC Carry Forward
1	2,020,987,302	0	0	0	4.00%	(80,839,492)	1,940,147,810
51	825,925,327	229,589,706	0	114,794,853	6.00%	(56,443,211)	999,071,822
2	138,025,159	0	(159,751)	(79,876)	6.00%	(8,276,717)	129,588,691
6	16,851	0	0	0	10.00%	(1,685)	15,166
8	8,880,021	5,029,342	0	2,514,671	20.00%	(2,278,938)	11,630,425
10	23,260,699	5,955,130	(130,889)	2,912,121	30.00%	(7,851,846)	21,233,094
12	13,641,256	29,898,337	(20,000)	14,939,169	100.00%	(28,580,425)	14,939,169
12	60,086,330	0	0	0	50.00%	(30,043,165)	30,043,165
17	38,261	0	0	0	8.00%	(3,061)	35,200
38	5,484,786	2,728,011	(46,014)	1,340,999	30.00%	(2,047,735)	6,119,048
41	30,715,175	16,203,000	0	8,101,500	25.00%	(9,704,169)	37,214,006
13	1,306,431	4,660,000	0	2,330,000		(249,000)	5,717,431
3	262,293	0	0	0	5.00%	(13,115)	249,178
45	1,618,999	0	0	0	45.00%	(728,550)	890,449
50	3,882,533	15,033,000	0	7,516,500	55.00%	(6,269,468)	12,646,065
52	0	0	0	0	100.00%	-	-
Total	3,134,131,423	309,096,526	(356,654)	154,369,936		(233,330,576)	3,209,540,719

Non-utility and shared asset eliminations
 Utility Provincial CCA and UCC

385,683
(232,944,893)

Witness: K. Culbert

REVENUE SUFFICIENCY CALCULATION
 AND REQUIRED RATE OF RETURN
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3	Col. 4
	Principal	Component	Cost Rate	Return Component
	(\$Millions)	%	%	%
1. Long and Medium-Term Debt	2,319.6	58.62	6.02	3.529
2. Short-Term Debt	<u>112.9</u>	<u>2.85</u>	1.61	<u>0.046</u>
3.	2,432.5	61.47		3.575
4. Preference Shares	100.0	2.53	2.40	0.061
5. Common Equity	<u>1,424.5</u>	<u>36.00</u>	8.94	<u>3.218</u>
6.	<u>3,957.0</u>	<u>100.00</u>		<u>6.854</u>
7. Rate Base (Ex. B-2-1)	(\$Millions)			3,957.00
8. Utility Income (Ex. B-5-2)	(\$Millions)			291.70
9. Indicated Rate of Return				7.372
10. Sufficiency in Rate of Return				0.518
11. Net Sufficiency	(\$Millions)			20.50
12. Gross Sufficiency	(\$Millions)			28.57
13. Revenue at Existing Rates	(\$Millions)			2,391.02
14. Revenue Requirement	(\$Millions)			2,362.45
15. Gross Revenue Sufficiency	(\$Millions)			28.57
<u>Common Equity</u>				
16. Allowed Rate of Return				8.940
17. Earnings on Common Equity				10.38
18. Sufficiency in Common Equity Return				1.44

Witness: K. Culbert

CALCULATION OF COST RATES
 FOR CAPITAL STRUCTURE COMPONENTS
2011 HISTORICAL YEAR

Line No.	Col. 1	Col. 2	Col. 3
	Average of Monthly Averages		Carrying Cost
	(\$Millions)		(\$Millions)
<u>Long and Medium-Term Debt</u>			
1.	Debt Summary	2,353.0	141.6
2.	Unamortized Finance Costs	(33.4)	-
3.	(Profit)/Loss on Redemption	-	-
4.		<u>2,319.6</u>	<u>141.6</u>
5.	Calculated Cost Rate	<u>6.02%</u>	
<u>Short-Term Debt</u>			
6.	Calculated Cost Rate	<u>1.61%</u>	
<u>Preference Shares</u>			
7.	Preference Share Summary	100.0	2.4
8.	Unamortized Finance Costs	-	-
9.	(Profit)/Loss on Redemption	-	-
10.		<u>100.0</u>	<u>2.4</u>
11.	Calculated Cost Rate	<u>2.40%</u>	
<u>Common Equity</u>			
12.	Board Approved Formula ROE	7.94%	
13.	100 Basis Point Allowance Before Earnings Sharing	<u>1.00%</u>	
14.	Total Allowed ROE for ESM Purposes	<u>8.94%</u>	

Witness: K. Culbert

SUMMARY STATEMENT OF PRINCIPAL
 AND CARRYING COST OF
 TERM DEBT
2011 HISTORICAL YEAR

Line No.	Coupon Rate	Maturity Date	Col. 1 Average of Monthly Averages Principal (\$Millions)	Col. 2 Effective Cost Rate	Col. 3 Carrying Cost (\$Millions)
Medium Term Notes					
1.	8.85%	October 2, 2025	20.0	8.970%	1.8
2.	7.60%	October 29, 2026	100.0	8.086%	8.1
3.	6.65%	November 3, 2027	100.0	6.711%	6.7
4.	6.10%	May 19, 2028	100.0	6.161%	6.2
5.	6.05%	July 5, 2023	100.0	6.383%	6.4
6.	6.90%	November 15, 2032	150.0	6.950%	10.4
7.	6.16%	December 16, 2033	150.0	6.180%	9.3
8.	5.16%	September 24, 2014	200.0	5.610%	11.2
9.	5.21%	February 25, 2036	300.0	5.183%	15.5
10.	4.77%	December 17, 2021	175.0	5.310%	9.3
11.	5.16%	December 4, 2017	200.0	5.220%	10.4
12.	5.57%	January 29, 2014	200.0	5.660%	11.3
13.	4.04%	November 23, 2020	200.0	5.209%	10.4
14.	4.95%	November 22, 2050	200.0	4.990%	10.0
15.	4.95%	November 22, 2050	29.2	4.731%	1.4
16.			<u>2,224.2</u>		<u>128.4</u>
Long-Term Debentures					
17.	10.80%	April 15, 2011	43.8	10.920%	4.8
18.	9.85%	December 2, 2024	85.0	9.910%	8.4
19.			<u>128.8</u>		<u>13.2</u>
20.	Total Term Debt		<u>2,353.0</u>		<u>141.6</u>

Witness: K. Culbert

UNAMORTIZED DEBT DISCOUNT AND EXPENSE
AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.		Col. 1 Unamortized Debt Discount and Expense
		(\$Millions)
1.	January 1	36.5
2.	January 31	36.2
3.	February	35.8
4.	March	35.5
5.	April	35.2
6.	May	34.9
7.	June	34.5
8.	July	34.2
9.	August	33.9
10.	September	29.7
11.	October	29.3
12.	November	29.1
13.	December	27.8
14.	Average of Monthly Averages	<u>33.4</u>

Witness: K. Culbert

PREFERENCE SHARES
 SUMMARY STATEMENT OF PRINCIPAL
 AND CARRYING COST
2011 HISTORICAL YEAR

Line No.	Coupon Rate	Maturity Date	Col. 1 Average of Monthly Averages Principal (\$Millions)	Col. 2 Effective Cost Rate	Col. 3 Carrying Cost (\$Millions)
Fixed/Floating Cumulative Redeemable Convertible \$25 Par Value					
1.	N/A	Group 3 Series D	100.0	2.40%	2.4
2.	Total		<u>100.0</u>		<u>2.4</u>

Witness: K. Culbert

UNAMORTIZED PREFERENCE SHARE ISSUE EXPENSE
AVERAGE OF MONTHLY AVERAGES
2011 HISTORICAL YEAR

Line No.	Col. 1
	Unamortized Issue Expense
	(\$Millions)
1. January 1	-
2. January 31	-
3. February	-
4. March	-
5. April	-
6. May	-
7. June	-
8. July	-
9. August	-
10. September	-
11. October	-
12. November	-
13. December	-
14. Average of Monthly Averages	-

Witness: K. Culbert

REVENUE SUFFICIENCY CALCULATION
 AND REQUIRED RATE OF RETURN
2011 HISTORICAL YEAR

Line No.		Col. 1	Col. 2	Col. 3	Col. 4
		Principal (\$Millions)	Component %	Cost Rate %	Return Component %
1.	Long and Medium-Term Debt	2,319.6	58.62	6.02	3.529
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	<u>Common Equity</u>				
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17.	Earnings on Common Equity				10.38
18.	Sufficiency in Common Equity Return				1.44

Witness: K. Culbert

UTILITY INCOME
2011 HISTORICAL YEAR

Line No.	Col. 1 Utility Income (\$Millions)
1. Gas sales	1,978.4
2. Transportation of gas	411.2
3. Transmission, compression and storage revenue	1.5
4. Other operating revenue	40.6
5. Interest and property rental	-
6. Other income	0.8
<u>7. Total operating revenue (Ex. C5-1-1-pg.1)</u>	<u>2,432.5</u>
8. Gas costs	1,383.7
9. Operation and maintenance	360.5
10. Depreciation and amortization expense	276.6
11. Fixed financing costs	2.8
12. Debt redemption premium amortization	0.3
13. Company share of IR agreement tax savings	22.3
14. Municipal and other taxes	37.6
15. Interest and financing amortization expense	-
16. Other interest expense	-
<u>17. Cost of service (Ex. D5-1-1-pg.1)</u>	<u>2,083.8</u>
<u>18. Utility income before income taxes</u>	<u>348.7</u>
<u>19. Income tax expense (Ex. D5-1-1-pg.3)</u>	<u>57.0</u>
<u>20. Utility income</u>	<u>291.7</u>

Witness: K. Culbert

UTILITY RATE BASE
2011 HISTORICAL YEAR

Line No.	Col. 1 2011 Historical Year
	(\$Millions)
	<u>Property, Plant, and Equipment</u>
1. Cost or redetermined value	6,064.1
2. Accumulated depreciation	<u>(2,398.4)</u>
3. Net property, plant, and equipment	<u>3,665.7</u>
	<u>Allowance for Working Capital</u>
4. Accounts receivable merchandise finance plan	-
5. Accounts receivable rebillable projects	1.6
6. Materials and supplies	30.1
7. Mortgages receivable	0.4
8. Customer security deposits	(75.6)
9. Prepaid expenses	1.5
10. Gas in storage	337.6
11. Working cash allowance	<u>(4.3)</u>
12. Total Working Capital	<u>291.3</u>
13. <u>Utility Rate Base</u>	<u><u>3,957.0</u></u>

Witness: K. Culbert