

SCHEDULE 17

Allocators

E - External Allocation Factors - based on direct knowledge from data in the utility's accounting and other records

I - Internal Allocation Factors - based on some combination of external allocation factors, previously directly assigned costs and other internal allocation factors.

Allocator Name	Description
Functional Allocators	
DIST	100% Functionalized to Distribution and is considered to be directly related to the Distribution System (E)
DIST_PT	based on Distribution Plant and has a Demand and a Customer component. Each component of Distribution Plant is allocated to either Demand or Customer or a combination of both and the overall total Distribution Plant allocation for Demand & Customer form the percentages used in this allocator (I)
LABOR	total labour amount, allocated between Distribution and Onsite. Based on a review of total O&M labour costs in each cost centre, labour was determined to be associated with either the Distribution or Onsite functions (I)
O&MXGAS	total operating expenses (less any gas related O&M ie. gas nomination services), allocated between Distribution and Onsite based on a review of total O&M expenses to determine the drivers of expenditures within each cost centre (I)
ONSITE	100% Functionalized to Onsite, which refers to the costs associated with a customer on the system (onsite includes a portion of service lines, meters and regulators installed on-site at the customer's premises) (E)
PLANT	total amount of Distribution Plant, allocating 100% of the costs to Distribution (I)
RevReqxGas	total revenue requirement (less gas related revenue requirement), allocated to Distribution and Onsite based on the % of return on rate base & regulated expenses in each category (I)
Classification Allocators	
CUST	based on costs that vary with specific customer requirements, the number of customers, or both (such as meters and service lines) - (100% classified to Customer) (E)
DEMAND	based on costs associated with design day demand (100% classified to Demand) (E)
DISTLABOR	labour costs that are attributable to the distribution system, contains a Demand and Customer component (I)
DISTOnlyPT	based on the portion of Distribution Plant that is considered to be Demand driven (to meet design day demand). Includes mains, measurement & regulation assets (I)
DISTPT	based on Distribution Plant and has a Demand and a Customer component. Each component of Distribution Plant is allocated to either Demand or Customer or a combination of both and the overall total Distribution Plant allocation for Demand & Customer form the percentages used in this allocator (I)
MAINS	assumes 44% classification to Customer (to meet the minimum system requirements) and 56% classification to Demand (to meet peak demand needs) (E)

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Allocator Name	Description
MAIN&SERVICE	based on the mains and services portion of Distribution Plant and contains a Demand and Customer component (I)
RevReq_Dist	based on the portion of the revenue requirement that is driven by Distribution and contains a Demand and Customer component (I)

Demand Allocators

Delivery_Rev	percentages are established based on the breakdown of forecasted distribution revenue by rate class (E)
DISTLABOR-D	labour costs that are considered to be attributed to the distribution system - includes only the Demand component based on a review of O&M labour costs (I)
DISTO&MXGAS-D	total O&M expenses that are considered to be driven by Distribution are allocated based on each expense group's allocators - includes only the Demand component (I)
DISTPT-D	based on the portion of Distribution Plant that is attributed to Demand (I)
MainsDemand	based on the Calculated peak design day - No amount allocated to Small General (E)
Peak	calculated peak design day (the 24-hour period where there is the maximum amount of system demand). Based on forecasted consumption with adjustments for forecasted weather (degree days) (E)
RATEBASE	based on total rate base, where each component of rate base is allocated to Distribution or Onsite based on the components' individual analysis. Overall a percentage is allocated to each based on the sum of the components of rate base (I)

Customer Allocators

Billing	Black & Veatch assumption based on prior client studies/experience. Allocator calculated using 2013 average number of customers with a weighting to account for differences in assumed billing costs between classes. Allocations based on interviews with billing, professional judgment and advice from Black & Veatch (E)
Bills_All	Black & Veatch assumption based on prior client studies/experience. Calculated by multiplying the average number of customers in the class by 12 (assumed number of bills per customer per year) (E)
Delivery_Rev	percentages are established based on the breakdown of forecasted distribution revenue by rate class (E)
DISTLABOR-C	labour costs that are considered to be attributed to the distribution system - includes only the Customer component based on a review of O&M labour costs (I)

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Allocator Name	Description
DISTO&MXGAS-C	total O&M expenses that are considered Distribution driven are allocated to customer rate classes based on each expense group's allocators - includes only the Customer component (I)
DISTPT-C	based on the portion of Distribution Plant that is attributed to Customer (I)
Incentives	based on incentive expenditures per rate class (E)
MainsCustomer	the average number of total customers in each rate class for 2013 (E)
Meter_Invest	the average cost per meter, multiplied by the average number of customers in each rate class (E)
MetersRead	expenses are calculated using average number of customers and incorporating a weighting, using Black & Veatch assumptions based on prior client studies/experience, to account for differences in assumed costs between classes. The weightings account for staff time and capital (E)
ONSITELABOR-C	labour costs that are considered to be attributed to Onsite - includes only the Customer component (I)
ONSITEO&MXGAS-C	total O&M expenses that are considered Onsite driven, allocated to customer rate classes based on each expense group's allocators (I)
RATEBASE	based on total rate base, where each component of rate base is allocated to Distribution or Onsite based on the components' individual analysis. Overall a percentage is allocated to each based on the sum of the components of rate base (I)
Service_Invest	the average cost per service multiplied by the average number of customers in each rate class (E)
TOTALPLANT	total amount of Distribution Plant, allocated to Distribution based on a Customer and Demand component (for each component of the Distribution Plant) (I)
Write-offs	based on the percentage of bad debt expense calculated for each rate class (E)