

ENBRIDGE CONSUMERS GAS
UTILITY RATE BASE
FOR THE YEAR ENDING SEPTEMBER 30, 2000
(\$ Millions)

	Per Company	Settlement Adjustment	Additional Board Adjustment	Per Board
Utility Plant				
Gross Plant at Cost	3,534.0	(2.8)	(30.9) ¹	3,500.9
Accumulated Depreciation	(992.6)		3.0 ²	(989.6)
Net Utility Plant	<u>2,541.4</u>	<u>(2.8)</u>	<u>(27.9)</u>	<u>2,510.7</u>
Allowance for Working Capital				
Accounts receivable	4.7			4.7
Accounts receivable Rebillable Projects	3.1			3.1
Materials and Supplies	20.2			20.2
Mortgages Receivable	1.4			1.4
Customer security deposits	(20.3)			(20.3)
 Prepaid Expenses	 1.8			 1.8
Gas In Storage	264.0			264.0
Working Cash Allowance	20.7	(0.1)		20.6
Total Working Capital	<u>295.6</u>	<u>(0.1)</u>	<u></u>	<u>295.5</u>
 Ontario Utility Rate Base	<u>2,837.0</u>	<u>(2.9)</u>	<u>(27.9)</u>	<u>2,806.2</u>

Footnotes:

- | | | |
|---|--|--------------|
| 1 | To reflect removal of CIS "pre-project" costs from rate base | -30.3 |
| | To reflect adjustment to A&G Overhead Capitalized Expenses | <u>-0.6</u> |
| | | <u>-30.9</u> |
| 2 | To reflect removal of CIS "pre-project" costs from rate base | |

ENBRIDGE CONSUMERS GAS
UTILITY INCOME
FOR THE YEAR ENDING SEPTEMBER 30, 2000
(\$ Millions)

	Per Company	Settlement Adjustment	Additional Board Adjustment	Per Board
Revenue				
Gas Sales	\$1,389.4	(\$1.5)		\$1,387.9
Transportation of Gas	\$475.0	\$0.0		\$475.0
Transmission, Compression and Storage	\$2.1			\$2.1
Interim Rates Oct. 1,1999		\$117.3		\$117.3
Other Operating Revenue	\$14.8	\$0.8	\$0.7 ¹	\$16.3
Other Income	\$1.7			\$1.7
Total Revenue	<u>\$1,883.0</u>	<u>\$116.6</u>	<u>\$0.7</u>	<u>\$2,000.3</u>
Costs and Expenses				
Gas Costs	\$1,250.2	(\$1.1)		\$1,249.1
Operations and Maintenance	\$240.7	(\$0.3)	(\$7.9) ²	\$232.5
Depreciation and Amortization	\$171.9	(\$0.1)	(\$6.1) ³	\$165.7
Separation Expenses	\$3.8		(\$0.7)	\$3.1
Recovery of Deferred Taxes	\$21.2		(\$21.2)	\$0.0
Municipal and Other Taxes	\$48.6			\$48.6
Total Costs and Expenses	<u>\$1,736.4</u>	<u>(\$1.5)</u>	<u>(\$35.9)</u>	<u>\$1,699.0</u>
Utility Income Before Income Taxes	\$146.6	\$118.1	\$36.6	\$301.3
Income Taxes				
Without Tax Shield on Interest	\$68.7	\$51.4	\$18.4	\$138.5 ⁴
Tax Shield on Interest	(\$66.4)	\$0.1	\$2.5	(\$63.8) ⁴
Total Income Taxes	<u>\$2.3</u>	<u>\$51.5</u>	<u>\$20.9</u>	<u>\$74.7</u>
Utility Income	<u>\$144.3</u>	<u>\$66.6</u>	<u>\$15.7</u>	<u>\$226.6</u>

Footnotes:

- 1 To reflect revenue imputation for NGV program
- 2 Per Decision
- 3 To reflect removal of CIS "pre-project" costs from rate base
- 4 Per Appendix A p.3

ENBRIDGE CONSUMERS GAS
CALCULATION OF TAXABLE INCOME AND INCOME TAX EXPENSE
FOR THE YEAR ENDING SEPTEMBER 30, 2000
(\$ Millions)

PER BOARD

	Federal	Ontario	Total
Utility Income Before Taxes	\$301.3	\$301.3	
Plus Depreciation	\$165.7	\$165.7	
Depreciation/amortization adjustment ¹	(\$2.9)	(\$2.9)	
Large Corporation Tax	\$6.8	\$6.8	
Other Non-Deductible Items	\$2.0	\$2.0	
	<u>\$472.9</u>	<u>\$472.9</u>	
Less Capital Cost Allowance	\$124.6 ²	\$124.4 ²	
Less Other Deductions	<u>\$37.0</u>	<u>\$37.0</u>	
	<u>\$161.6</u>	<u>\$161.4</u>	
Taxable Income	<u>\$311.3</u>	<u>311.5</u>	
Income Tax Rates	28.0%	15.5%	
Income Tax Amounts	\$87.2	\$48.3	
Total Income Tax Amount			\$135.4
Part VI.1 tax			\$3.2
Investment Tax Credit			(\$0.1)
Taxes Excluding Interest Tax Shield			<u>\$138.5</u>
Interest Expense	\$146.8		
Tax Rate	43.5%		
Interest Tax Shield			<u>\$63.8</u>

Footnotes:

1 For non-utility CIS capital and other capital

2 Includes \$11.9 million reduction to reflect the removal of CIS "pre-project" costs from rate base

ENBRIDGE CONSUMERS GAS
CAPITALIZATION AND COST OF CAPITAL
FOR THE YEAR ENDING SEPTEMBER 30, 2000
(\$ Millions)

PER COMPANY

	Capital Structure	Ratios	Cost Rate	Return Component	Return
Long-term Debt	\$1,866.7	65.80%	8.51%	5.60%	\$158.9
Short-term Debt	(\$122.1)	-4.30%	5.16%	-0.22%	(\$6.3)
Preference Capital	\$99.4	3.50%	4.90%	0.17%	\$4.9
Common Equity	\$993.0	35.00%	9.51%	3.33%	\$94.4
	<u>\$2,837.0</u>	<u>100.00%</u>		<u>8.88%</u>	<u>\$251.9</u>

PER SETTLEMENT

	Capital Structure	Ratios	Cost Rate	Return Component	Return
Long-term debt	\$1,866.7	65.87%	8.51%	5.61%	\$158.9
Short-term debt	(\$123.9)	-4.37%	5.16%	-0.23%	(\$6.4)
Preference shares	\$99.4	3.50%	4.90%	0.17%	\$4.9
Common equity	\$991.9	35.00%	9.51%	3.33%	\$94.3
	<u>\$2,834.1</u>	<u>100.00%</u>		<u>8.88%</u>	<u>\$251.7</u>

PER BOARD

	Capital Structure	Ratios	Cost Rate	Return Component	Return
Long-term debt	\$1,724.6	61.46%	8.51%	5.23%	\$146.8
Short-term debt	\$0.0	0.00%	---n/a--	0.00%	\$0.0
Preference shares	\$99.4	3.54%	4.90%	0.17%	\$4.9
Common equity	\$982.2	35.00%	9.73% ¹	3.41%	\$95.6
	<u>\$2,806.2</u>	<u>100.00%</u>		<u>8.81%</u>	<u>\$247.3</u>

Footnotes:

1 Per Board Guidelines using data for October 1999

THE CONSUMERS' GAS COMPANY LTD.
 DETERMINATION OF REVENUE EXCESS / (DEFICIENCY)
 FOR THE YEAR ENDING SEPTEMBER 30, 2000
 (\$ Millions)

	Per Company	Per Company After Settlement	Per Board
Utility Income	\$144.3	\$210.9	\$226.6
Utility Rate Base	<u>\$2,837.0</u>	<u>\$2,834.1</u>	<u>\$2,806.2</u>
Indicated Rate of Return	5.09%	7.44%	8.07%
Required Rate of Return	<u>8.88%</u>	<u>8.87%</u>	<u>8.81%</u>
Excess/(Deficiency) in Rate of Return	<u><u>-3.79%</u></u>	<u><u>-1.43%</u></u>	<u><u>-0.74%</u></u>
Net Revenue Excess/(Deficiency)	(\$107.5)	(\$40.6)	(\$20.8)
Provision for Income Taxes ¹	<u>(\$82.8)</u>	(\$31.2)	(\$16.0)
Revenue Excess/(Deficiency) (before interim rates adjustment)	(\$190.3)		
Provision for Interim Rates	\$117.3 ²		
Gross Revenue Excess/(Deficiency)	<u><u>(\$73.0)</u></u>	<u><u>(\$71.8)</u></u>	<u><u>(\$36.8)</u></u>

Footnotes:

- 1 Income Tax Rate at 43.50%
- 2 Interim rate adjustment (gas cost increase effective Oct. 1, 1999)