

General Distribution Service D₁

Components of the cost of the distribution service

The components of the cost of the distribution service are those included in Énergir's cost of service. These are, among others, infrastructure costs (such as gas transmission lines, connections, meters), as well as the cost of their maintenance, customer services, taxes and income taxes.

Since these fixed costs are significant, economies of scale are possible. Servicing a customer who consumes a small

volume of natural gas costs more than servicing a customer who consumes a large volume of natural gas, and that reality is reflected in the distribution tariff structures.

Regulated tariffs

The *Régie de l'énergie* each year approves the distribution revenues as well as their allocation to the tariffs. It also approves the various tariff structures and modifications, if any.

Various tariff structures have been put in place to correspond to the different consumption profiles. This fact sheet describes the structure of the General Distribution Tariff, or D₁. Other fact sheets describing the Stable Tariff, and the Interruptible Tariff, are also available.

ÉNERGIR'S GENERAL DISTRIBUTION TARIFF

As is the case with all distribution tariffs, the cost of the general distribution service decreases as the volume consumed increases.

Applicability of the tariff

This tariff is applicable to all customers without regard to the volume of consumption and there are no consumption obligations.

While it is applicable to everyone, this tariff is particularly designed for customers who do not consume a volume sufficient for them to access other distribution tariffs. Moreover, the tariff may be advantageous for customers who have an irregular or an unpredictable consumption profile.

General distribution cost of service

The cost of the general distribution service is the sum of the two factors described below.

1 BASIC FEES

The basic fees constitute the fixed portion of the bill. They are determined on a rate that varies according to annual consumption. In the case where there is more than one meter at the service address, the minimum rate is applied to additional meters. Basic fees are billed according to the number of days in the billing period, regardless of the actual consumption during that period.

The cost of the basic fees increases when the volume consumed annually increases, thus recognizing the higher costs of the connections and meters needed to serve large consumption customers.

2 UNIT PRICE BY VOLUME WITHDRAWN

The unit price by volume withdrawn represents the variable portion of the bill. It is applied to the volume withdrawn during the billing period. The greater the volume withdrawn, the lower the unit price.

