

Summit Natural Gas of Missouri, Inc.

2017 Affiliate Transaction Report

1. Affiliated Entities in 2017:

- Summit Utilities, Inc. (SUI) – Parent Company
- Colorado Natural Gas, Inc. (CNG)
- Summit Natural Gas of Maine, Inc. (SNGME)
- Wolf Creek Energy
- Natural Gas Conversion Company (NGCC), no longer in service.
- Arkansas Oklahoma Gas (AOG)

2. Services Provided To

Services Provided By

Services

| | | |
|-------------------------------------|------------------------|------------------------------|
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Accounts Payable Service |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Customer Billing Service |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Customer Support Service |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Phone Service |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Purchasing Service |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | IT Technical Support Service |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Human Resources Support |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Financial Services |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Accounting Services |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Regulatory Service |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Legal Support Service |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Administrative Support |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | GIS Support Service |

| | | |
|-------------------------------------|------------------------|---------------------------|
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Marketing Support |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Engineering Support |
| Summit Natural Gas of Missouri, Inc | Summit Utilities, Inc. | Safety/OQ Support Service |

3. Contracts that are on file for services provided by Summit Natural Gas of Missouri, Inc. as follows:

- n/a

4. The amount of all affiliate transactions and the account charged are as follows:

| <u>Transaction</u> | <u>Amount</u> | <u>Account Charged To</u> | <u>Account Charged From</u> |
|-------------------------|---------------|---------------------------|-----------------------------|
| Coupling ¾ inch | \$327.88 | 006.001540.0000.00.022 | 018.001540.0000.00.040 |
| Meter bar w/ 1813C Reg. | \$8,698.43 | 006.001540.0000.00.022 | 004.001540.0000.00.001 |
| Meter bar w/ 1813C Reg. | \$5,798.96 | 006.001540.0000.00.022 | 004.001540.0000.00.001 |
| ERT Sensus ITRON 100G | \$17,750.72 | 006.001540.0000.00.024 | 004.001540.0000.00.001 |

5. The labor data for services charged by affiliate transactions:

Labor provided to SNGMO:

| | |
|-------|------------------|
| SUI | 1,203,511 |
| CNG | 305 |
| SNGME | 12,817 |
| | <u>1,216,632</u> |

Labor provided to SNGMO from sister companies CNG & SNGME includes construction management, engineering, and GIS services. Labor provided to SNGMO from the parent company includes direct labor charges primarily for Customer Service

and Capital Project Support, in addition to directly identified labor related to Finance & Accounting, Admin, IT, HR, Payroll, Billing, Regulatory, Executive, Legal, and Procurement.

Labor provided from SNGMO:

| | |
|-------|---------------|
| SUI | 15,207 |
| CNG | 24,840 |
| SNGME | 1,083 |
| | <u>41,130</u> |

Labor provided by SNGMO to sister companies includes GIS and construction/operations management services.

Overhead charged to SNGMO from SUI:

| | |
|----------|------------------|
| Direct | 1,491,516 |
| Indirect | 2,554,337 |
| | <u>4,045,853</u> |

Direct overhead is allocated to each subsidiary based on direct labor dollars as indicated by employees on their time card as described above. Direct overhead expenses include a portion of employee benefits, vehicle expenses, and G&A expenses.

Indirect overhead is allocated to each subsidiary based on the Distringas formula. The Distringas formula takes the prior month plant-in-service balance, current month payroll expense, and prior month revenues of each operating company (each weighted 1/3) to calculate each subsidiary's proportionate share. This proportionate share is then multiplied by the current month parent company overhead expenses in order to allocate a portion of the overhead expenses to each subsidiary. Overhead distributed via the Distringas formula includes Shared Services labor, employee benefits, vehicle expenses, and G&A expenses. Shared Services provided by the parent company include Finance & Accounting, Admin, IT, HR, Payroll, Billing, Regulatory, Executive, Legal, and Procurement not previously allocated through direct identification.