GORDON E. KAISER PROFESSIONAL CORPORATION

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VIA EMAIL AND HAND DELIVERY

December 18, 2015

Ms.Kristen Walli Board Secretary, Ontario Energy Board 2300 Yonge Street, 27th Floor Toronto, ON M4P1E4

Re: EB-2015-0179 Union Gas Limited Community Expansion

Dear Ms. Walli:

On December 7, 2015, EPCOR filed with the Board the attached letter outlining the evidence it intends to file in this proceeding. We can confirm EPCOR's intention to call Dr. Rivard on the subject matters set out in our December 7th submission.

In addition to Dr Rivard, EPCOR intends to call Dr. Adonis Yatchew of the same firm. His cv is attached. In addition to the matters described in our December 7th letter Dr. Yatchew will address the questions outlined in the attached Proposed Issues List with the exception of the legal issues raised in Issues 1 and 2.

It will be the evidence of these witnesses that the competitive bidding process carried out by the Municipalities of South Bruce to award a natural gas franchise has resulted in significant benefits to both the municipalities and the residents of municipalities in terms of reduced cost and more rapid response to establishment of natural gas facilities in that area. It will be the evidence of the two economists that competitive bidding for franchise agreements is in the public interest, that it will lead to a faster expansion of gas facilities into unserved markets, and that it will also result in lower-cost solutions in those markets.

An important element of the panel's evidence will be an explanation as to why Union's proposal with respect to the charge to existing customers for the purpose of subsidizing the cost of natural gas expansion will act as a barrier to the use of competitive bidding going forward. The Union proposal will result in a fund of close to \$50 million which Union claims will be available for its exclusive use to support its expansion projects. It will be EPCOR's evidence that this fund should be available to any utility that qualifies on a fair and equitable basis. To qualify, an utility would have to obtain a franchise agreement and a leave to construct permit from the Board in one of the new gas expansion markets identified by the Board. The funds will then be available

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to any successful utility. It will the witnesses' evidence that open competition for the franchise will bring new entrants into the market and lead to more rapid development of expansion of gas facilities in Ontario.

In order that the funds can be distributed in a fair and equitable basis the panel will propose that the quantum per utility be calculated in terms of a uniform amount per customer connected.

The evidence of the EPCOR panel will also address the question of whether the contributions from the charge to existing Union customers proposed by Union will be an aid to construction. The witnesses will testify that the fund accumulated through this charge is not collected pursuant to a rate but rather is in the nature of a tax and is in fact an aid to construction. No service is being provided by Union to its existing customers and the proposed charge to existing customers does not represent payment for either commodity or distribution. It is simply a capital contribution and should be deducted from the capital spent by Union for the purpose of calculating rate base. The rationale, the witnesses will testify, is simply that the money does not come from Union and Union should not be earning a rate of return on money it did not contribute.

The EPCOR panel will also address the question of whether the manner in which franchises are approved by the Board is a barrier to natural gas expansion in this province. The panel will address what modifications the Board should make to reduce or eliminate those barriers. One of their recommendations will be that as a matter of policy the Board should include a standard condition in natural gas franchise agreements it approves that provides that if a franchise is not built within three years, the municipality has the option of terminating the franchise. The witnesses will also recommend that the Board conduct a careful study of the manner in which franchise agreements are being renewed and identify the degree to which the two incumbent utilities are securing franchise agreements but not building in the area. This practice simply removes potential growth areas from the market and is one of the barriers to the expansion of natural gas.

EPCOR was unable to file this letter on the December 16 as provided in Procedural Order 3 because of the difficulty it faced in terms of confirming the availability of Dr. Yatchew. EPCOR will however be in a position to explain or elaborate on any of these issues at the December 18 scheduled hearing.

Yours truly,

Gordon E. Kaiser

cc Chris Ripley, Union Gas; Charles Keizer, Torys

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December 7, 2015

Kirsten Walli, Board Secretary Ontario Energy Board Suite 2700 2300 Yonge Street Toronto Ontario, M4P 1E4.

Dear Ms Walli

Re EB – 2015 – 0179

We act for EPCOR Utilities Inc. in this matter. In Procedural Order No. 2, November 30, 2015 the Board asked parties that anticipate filing evidence to notify the Board of their intention and to provide a description of the nature of that evidence by December 7, 2015.

EPCOR intends to file evidence. The nature of that evidence is that the TCS charge of two dollars per month from existing customers proposed by Union discriminates against new gas utilities entering the province to provide service in unserved markets because they are not eligible to receive these support funds. The funds are available only to Union.

In addition, the discriminatory nature of the manner in which this fund is administered compromises the use of competitive bidding processes by Municipalities to attract new utilities to provide natural gas service in unserved markets. It will be EPCOR's evidence that these competitive bidding processes are in the public interest.

The EPCOR witness will be Dr. Brian Rivard whose curriculum- vitae is attached. His evidence will include an examination of the modifications to the TCS charge that will eliminate its discriminatory nature. His evidence will include recommendations regarding conditions the Board should require in franchise agreements that will allow new utilities greater access to unserved markets

The Boards letter of February 18,2015 invites parties " with the appropriate financial and technical expertise to propose one or more plans for natural gas expansion". EPCOR is such a party. The company is a \$ 6 billion dollar utility wholly owned by the City of Edmonton with electricity assets in Alberta and water assets in Alberta, British Columbia, Saskatchewan, Arizona and New Mexico. The company was recently successful in a competitive bidding process to obtain an Ontario natural gas franchise in South Bruce County. The EPCOR evidence will include a party involved in designing and administering that process who will explain the importance of competitive bidding and the importance of a level playing field.

Sincerely,

Gordon Kaiser

cc: Dana Bissoondatt- Senior Counsel – EPCOR Utilities Inc.

Brian Rivard Principal

PhD, Economics University of Western Ontario

MA, Economics University of Western Ontario

BA, Economics University of Windsor

Brian Rivard is a principal in CRA's Energy Practice. Prior to joining CRA, Dr. Rivard was the Director of Markets at the Independent Electricity System Operator (IESO) in Ontario. While working at the IESO, Dr. Rivard was responsible for providing analysis of the impacts of changes to the IESO Market Rules or Market Design, government policies, and other industry initiatives. For almost 15 years at IESO, he helped support the development of market-based approaches to managing Ontario's electricity system needs.

In addition, Dr. Rivard spent six years as a senior economist with the Canadian Competition Bureau. He has written articles for various publications such as the *Canadian Competition Record*, *Antitrust Law Journal*, and the *Journal of Economic Theory* as well as chapters included in *Competition Policy and Intellectual Property Rights in the Knowledge-Based Economy* and *Payments Systems in the Global Economy: Risks and Opportunities*.

Professional history

- A. 2015-Present *Principal*, Charles River Associates, Toronto
- B. 2013–2015 Director, Markets, IESO
- C. 2010–2013 Manager, Regulatory Affairs and Sector Policy Analysis, IESO
- D. 2006–2010 Manager, Economics, IESO
- E. 2005–2006 Director of Economics, Analysis, Bell Canada Enterprise
- F. 2000–2005 Special Economic Advisor, IESO
- G. 1999–2000 Senior Economist, LECG-Navigant Consulting, Inc.
- H. 1996–1999 Senior Economist, Canadian Competition Bureau
- I. 1993–1996 Economist, Canadian Competition Bureau
- J. 1991–1993 *Lecturer*, University of Western Ontario

Papers published

"Recent Developments In Competition Policy: The IPEGs." With Chantale LaCasse. *Canadian Competition Record*, spring 2001.

"Antitrust Policy Towards EFT Networks: The Canadian Experience in the Interac Case." With R. Anderson. *Antitrust Law Journal*, Vol. 67, issue 2, July 1999.

"Interac, Essential Facilities and Access to Electronic Funds Networks: A Comment on Mathewson and Quigley." With Roger Ware. *Canadian Competition Record*, Vol. 18, No. 4, winter 1998.

"Monopolistic Competition, Increasing Returns and Self-fulfilling Prophecies." *Journal of Economic Theory*, Vol. 6, No. 2, April 1994.

Chapters in books

"Intellectual Property Rights and International Market Segmentation in the North American Free Trade Area." With R. Anderson, P. Feuer and M. Ronayne. In *Competition Policy and Intellectual Property Rights in the Knowledge-Based Economy*. Edited by R. Anderson and N. Gallini. Calgary: University of Calgary Press, 1998, pp. 397-429.

"The Competition Policy Treatment of Shared EFT Networks: The Interac Case." With R. Anderson. In the Proceedings of 34th Annual Conference on Bank Structure and Competition on *Payments Systems In the Global Economy: Risks and Opportunities*, 1998.

Working papers

"A Dynamic Model of Advertising." With I. Horstmann.

"Impeding Toe-hold Entry Through Exclusive Contracts." With A. Baziliauskas.

Other scholarly professional activity

- K. External Referee for the Energy Journal
- L. Part-Time Instructor at Ryerson University, 2004
- M. Former Chair and current member of the ISO-RTO Council Markets Committee

CURRICULUM VITAE ADONIS YATCHEW

Professor of Economics, University of Toronto Editor-in-Chief, The Energy Journal Senior Consultant, Charles River Associates Department of Economics, University of Toronto 150 St. George Street, Toronto, Canada M5S 3G7 (416) 978-7128 adonis.yatchew@utoronto.ca http://www.economics.utoronto.ca/yatchew/

Ph.D. Economics 1980 Harvard University M.A. Economics 1975 University of Toronto B.A. Mathematics and Economics 1974 University of Toronto

Adonis Yatchew's research focuses on econometrics, energy and regulatory economics. Since completing his Ph.D. at Harvard University in 1980, he has taught at the University of Toronto. He has also held visiting appointments at Trinity College, Cambridge University and the University of Chicago. He has written a graduate level text on semiparametric regression techniques published by Cambridge University Press. He has served in various editorial capacities at The Energy Journal since 1995. He has advised public and private sector companies on electricity, regulatory and other matters for over 25 years and has provided testimony in numerous regulatory and litigation procedures. While studying mathematics and economics as an undergraduate at the University of Toronto, he completed practical exams for an A.R.C.T. in performance (piano) at the Royal Conservatory of Music. Adonis Yatchew currently teaches undergraduate and graduate courses in energy economics, graduate courses in econometrics and 'Big Ideas' courses on Energy with colleagues in physics and classics.

ACADEMIC EXPERIENCE

Current Position Professor of Economics, University of Toronto

2008 Visiting academic, Department of Mathematics and Statistics, University of Melbourne

2008 Visiting academic, School of Economics and Finance, Queensland University of Technology

2008 Visitor, National Center for Econometric Research, Queensland University of Technology

2005 Visiting Fellow, ARC Center of Excellence for Mathematics and Statistics of Complex Systems, Mathematical Sciences Institute, Australian National University

2001 Visiting Fellow, School of Mathematical Sciences, Australian National University

1986 to 2004 Associate Professor, Economics, University of Toronto

1989, 1990, 1991 Visiting Research Associate, Harvard University

1986 Visiting Fellow Commoner, Trinity College, Cambridge U.K.

1980 to 1986 Assistant Professor, Economics, University of Toronto

1984 Visiting Research Associate, National Bureau of Economic Research, Cambridge, Massachusetts

1982 to 1984 Visiting Assistant Professor, University of Chicago

1976 Lecturer, University of Toronto, Scarborough College

EDITORIAL AND PROFESSIONAL ACTIVITIES

Current

Editor-in-Chief, The Energy Journal (2006-present) http://www.iaee.org/en/publications/journal.aspx

Member, Board of Editors, Economics of Energy and Environmental Policy

Member, Editorial Board, Foundations and Trends in Econometrics

Member, Council, International Association for Energy Economics

Member, National Center for Econometric Research, Econometrics of Energy and the

Environment, Australia

Past

Editor, The Energy Journal, (2006)

Joint Editor, The Energy Journal (1995-2005)

Associate Chair for Graduate Studies, University of Toronto, 2006-2009

Joint Editor 1997, Distributed Generation, special issue of the Energy Journal

Advisory Editor, Economics Letters (1985-1997)

Member, Advisory Board, Eurasia Foundation, 1995-2007

AWARDS AND DISTINCTIONS

USAEE Senior Fellow Award, June 2014

SELECTED PRESENTATIONS

June 2015, Milan: "Discerning Trends in Commodity Prices", Invited presentation, Fondazione Eni Enrico Mattei, International Workshop on Recent Evolutions of Oil and Commodity prices.

September 2014, Beijing: Keynote address entitled "The Economics of Energy, Big Ideas for the Non-Economist", Chinese Academy of Sciences, International Association for Energy Economics 4th IAEE Asian Conference.

June 2014, Hong Kong: Invited presentation entitled "Renewable Energy", Hong Kong's Electricity Future: Balancing Reliability, Environment and Cost, Hong Kong Baptist University.

July 2012, Hong Kong: Invited Speaker on "Climate Change and Electricity Generation", Hong Kong Baptist University.

December 2010, Hong Kong: Invited paper on renewable energy, Fourth Asian Energy Conference.

October 2010, Berlin: Invited paper on quantile regression, Workshop on Quantile Regression Methods, Humboldt University.

October 2008, Gold Coast, Queensland: Keynote speaker, Australian Conference of Economists. Title of presentation: "Economics, Econometrics and Regulation".

August 2007, Lisbon: Keynote speaker, Cemapre Conference on Advances in Semiparametric Methods and Applications. Title of presentation: "Data on Derivatives, Nonparametric Regression and the Curse of Dimensionality".

BOOK

Yatchew, A., 2003, Semiparametric Regression for the Applied Econometrician, 213 pages, Themes in Modern Econometrics, Cambridge University Press.

REFEREED PUBLICATIONS

Dimitropoulos, D. and A. Yatchew, "Discerning Long-Term Trends in Commodity Prices", forthcoming, *Macroeconomic Dynamics*.

Yatchew, A. 2014: "Energy, Markets and Their Failures", Bulletin of the Chinese Academy of Sciences, vol. 28, no. 4, pp. 304-305. http://english.cas.cn/bcas/2014_4/201411/P020141121529033572162.pdf

Yatchew, A. 2014: "Economics of Energy: Big Ideas for the Non-Economist", Energy Research

and Social Science, 1(1), 74-82, http://dx.doi.org/10.1016/j.erss.2014.03.004.

Green, R. and A. Yatchew 2012: "Support Schemes for Renewable Energy: An Economic Analysis", Economics of Energy & Environmental Policy, 1, 83-98.

Yatchew, A. and A. Baziliauskas 2011: "Ontario Feed-In Tariff Programs", Energy Policy, 39, 3885-3893.

Hall, Peter and A. Yatchew 2010: "Nonparametric Least Squares in Derivative Families", Journal of Econometrics, 157, 362-374.

Yatchew, A. 2008: "Perspectives on Nonparametric and Semiparametric Modeling", The Energy Journal, Special Issue to Acknowledge the Contribution of G. Campbell Watkins to Energy Economics, 17-30.

Hall, Peter and A. Yatchew 2007: "Nonparametric Estimation When Data on Derivatives are Available", Annals of Statistics, 35:1, 300-323.

McCaig, B. and A. Yatchew 2007: "International Welfare Comparisons and Nonparametric Testing of Multivariate Stochastic Dominance", Journal of Applied Econometrics, 22:5, 951,969.

Ricciuto, L., V. Tarasuk and A. Yatchew 2006: "Socio-demographic Influences on Food Purchasing Among Canadian Households", European Journal of Clinical Nutrition, 60:6, 778-790.

Yatchew, A. and W. Haerdle 2006: "Nonparametric State Price Density Estimation Using Constrained Least Squares and the Bootstrap", Journal of Econometrics, 133:2, 579-599.

Hall, Peter and A. Yatchew, 2005: "Unified Approach to Testing Functional Hypotheses in Semiparametric Contexts", Journal of Econometrics, 127, 225-252.

Yatchew, A., Y. Sun and C. Deri, 2003: "Efficient Estimation of Semi-parametric Equivalence Scales With Evidence From South Africa", Journal of Business and Economic Statistics, 21, 247-257.

Yatchew, A. and J.A. No, 2001: "Household Gasoline Demand in Canada", Econometrica, 1697-1710.

Yatchew, A., 2000, "Scale Economies in Electricity Distribution: A Semiparametric Analysis", Journal of Applied Econometrics, 15, 187-210.

Yatchew, A., 1999, "An Elementary Nonparametric Differencing Test of Equality of Regression Functions", Economics Letters, 271-8.

Yatchew, A. 1998, "Nonparametric Regression Techniques in Economics", Journal of Economic Literature, 36, 669-721.

Yatchew, A. and L. Bos 1997, "Nonparametric Regression and Testing in Economic Models", Journal of Quantitative Economics, 13, 81-131, www.chass.utoronto.ca/~yatchew.

Yatchew, A. 1997, "An Elementary Estimator of the Partial Linear Model", Economics Letters, Vol. 57, pp.135-43. Vol. 59, 1998 403-5.

Waverman, L. and A. Yatchew (1994), "The Regulation of Electricity in Canada", in International Comparisons of Electricity Regulation, R. Gilbert and E. Kahn, editors, Cambridge University Press, 366-405.

Yatchew, A., 1992, "Nonparametric Regression Tests Based on Least Squares", Econometric Theory, Vol. 8, 435-451.

Yatchew, A., 1988, "Some Tests of Nonparametric Regression Models", in Dynamic Econometric Modelling, Proceedings of the Third International Symposium on Economic Theory, W. Barnett, E. Berndt, H.White (eds.), Cambridge University Press, 121-135.

Yatchew, A., 1986, "Comment" on Frontier Production Functions, Econometric Reviews, Vol. 4(2), 345-352.

Yatchew, A. "Multivariate Distributions Involving Ratios of Normal Variables", 1986, Communications in Statistics, Vol. A15, Number 6, Theory and Methods, 1905-26.

Yatchew, A., 1985, "A Note on Nonparametric Tests of Consumer Behaviour", Economics Letters, Vol. 18, 45-48.

Yatchew, A., and Griliches, Z., 1985, "Specification Error in Probit Models", Review of Economics and Statistics, 134-139.

Epstein, L., and A. Yatchew, 1985, "Nonparametric Hypothesis Testing Procedures and Application to Demand Analysis", Journal of Econometrics, Vol. 30, 149-169.

Epstein, L., and A. Yatchew, 1985, "The Empirical Determination of Technology and Expectations: A Simplified Procedure:, Journal of Econometrics, Vol. 27, 235-258.

Bird, R., M. Bucovetsky and A. Yatchew, 1985, "Tax Incentives for Film Production: The Canadian Experience", Public Finance Quarterly, Vol. 13, 396-421.

Yatchew, A. 1984, "Generalizing the Composite Commodity Theorem", Economics Letters, 16,

15-21.

Yatchew, A. 1984, "Applied Welfare Analysis With Discrete Choice Models", Economics Letters, 18, 13-16.

Yatchew, A., 1981, "Further Evidence on 'Estimation of a Disequilibrium Aggregate Labor Market'", Review of Economics and Statistics, 142-144.

Griliches, Z. and A. Yatchew, 1981, "Sample Selection Bias and Endogeneity in the Estimation of the Wage Equation: An Alternative Specification, Annales de l'Insee, 43, 35-46.

Pesando, J., and Yatchew, A., 1977, "Real vs. Nominal Interest Rates and the Demand for Consumer Durables in Canada", Journal of Money, Credit, and Banking, 28-436.

OTHER PAPERS / STUDIES

Yatchew, A. 1995, "The Distribution of Electricity on Ontario: Restructuring Issues, Costs and Regulation", Ontario Hydro at the Millenium, University of Toronto Press, 327-342,353-354.

Yatchew, A. 1995, "Comments on The Regulation of Trade in Electricity: A Canadian Perspective", Ontario Hydro at the Millenium, University of Toronto Press, 165-7.

Yatchew, A. 2001: "Incentive Regulation of Distributing Utilities Using Yardstick Competition", Electricity Journal, Jan/Feb, 56-60.

Littlechild, S. and A. Yatchew, 2002: "Hydro One Transmission and Distribution: Should They Remain Combined or be Separated", www.chass.utoronto.ca/~yatchew.

Yatchew, A., 1999, "Differencing Methods in Nonparametric Regression: Simple Techniques for the Applied Econometrician", 86 manuscript pages.

CURRENT RESEARCH

Dimitropoulos, D. and A. Yatchew, "Joint Estimation of Production and Cost Models, With an Application to Electricity Distribution", manuscript, May 2015.

Dimitropoulos, D. and A. Yatchew, "Is Productivity Growth in Electricity Distribution Negative? An Empirical Analysis Using Ontario Data", manuscript, May 2015. (Under submission)

Rivard, B. and A. Yatchew, "Integration of Renewables into the Ontario Electricity System", manuscript, December 2015.

RECENT RESEARCH GRANTS

2011-2016 SSHRC grant "Nonparametric regression when data on derivatives are available".

2007-2011 SSHRC grant "Nonparametric and semiparametric estimation when data on derivatives are available".

2004-2007 SSHRC grant "Semiparametric demand modeling and testing".

CURRENT AND RECENT SUPERVISIONS

Ph.D.

Dimitrios Dimitropoulos (2015): Three Essays in Energy Economics and Industrial Organization, Thesis Supervisor.

Adam Found (2014): Essays in Municipal Finance, Thesis Supervisor.

M.A.

Nathan Warkentin (2015-2016): Masters of Science in Sustainability Management. "Integration of Renewable Wind Energy Sources in Ontario"

Sean Lemon (2013): M.Sc.Pl., Planning Program, Geography. An Evaluation of Ontario's Global Adjustment Mechanism (GAM). Thesis Committee.

Undergraduate

Wilbur Li, (2012) Engineering Science. Undergraduate thesis: "Ontario's Feed-In-Tariff Program. Analysis of PV Solar Feed-In-Tariff Rates". Thesis Supervisor.

OTHER RECENT PROFESSIONAL EXPERIENCE:

- (2014) Conducted econometrics analyses of spot and forward prices in electricity markets for a major electricity market participant.
- (2013) Prepared expert evidence on behalf of the Electricity Distributors Association of the 4th Generation Incentive Regulation Mechanism before the Ontario Energy Board.
- (2012) Prepared expert damages testimony in *Oracle America Inc. v. Micron Technology, Inc.*, U.S. District Court, Northern District of California, Oakland Division.
- (2011) Coauthored study for the *Alberta Market Surveillance Administrator* on electricity market transparency and bidding.
- (2011) Prepared Ontario electricity sector review for the Electricity Distributors Association (2011) Appointed sole representative of a major Canadian utility in infrastructure pricing negotiations with an incumbent telecom carrier.

- (2011) Prepared testimony on behalf of Toronto Hydro on the pricing of attachment space for wireless facilities on joint-use-poles.
- (2010) Prepared testimony on behalf of Noranda Aluminum, Inc. Filed before the *Public Service Commission of the State of Missouri*.
- (2009) Prepared study for Ontario Power Generation on sufficient competition tests for boundary entities in the Ontario electricity market.
- (2009) Prepared testimony on worldwide paraxylene markets *Interquisa Canada L.P. and Parachem Chemicals L.P.*, International Court of Arbitration of the International Chamber of Commerce.
- (2008) Prepared analysis of incentive regulation of capital and operating costs and productivity growth for electricity distributors. Filed before the *Ontario Energy Board*.
- (2007) Prepared analysis of distributor benchmarking of capital and operating costs on behalf of the Electricity Distributors Association. Filed before the *Ontario Energy Board*.
- (2007) Filed evidence on market power before the Market Surveillance Panel in Ontario.
- (2005-2007) Prepared analyses of pricing of investor communications services.
- (2007) Prepared testimony on behalf of the Electricity Distributors Association on utility benchmarking of capital and operating costs. Filed before the *Ontario Energy Board*.
- (2004-2007) Prepared various analyses in a class action and settlement proceeding involving billing of natural gas.
- (2004, 2005, 2006) Prepared odds of winning prizes in promotions by a leading U.S.-based international fast-food chain.
- (2006) Prepared testimony on incentive regulation. Filed before the *Ontario Energy Board*.
- (2006) Prepared testimony on cost-sharing of capital and operating costs of joint-use power poles. Filed before the *New Brunswick Board of Commissioners of Public Utilities*.
- (2005) Prepared testimony on cost-sharing of power poles by cable companies on behalf of Thunder Bay Hydro.
- (2004) Prepared testimony on cost-sharing of capital costs of power poles by cable companies. Filed before the *Ontario Energy Board*.

Proposed Issues List, EPCOR Utilities Ontario Energy Board EB-2015-0179

- 1. Does the Ontario Energy Board have the jurisdiction to issue the Order requested by Union with respect to the charges to be paid by existing customers to support natural gas expansion in Ontario?
- 2. Will the above referenced Order contravene the Ontario Energy Board Act and or the Boards established ratemaking principles if the Board does not apply the same charge to every customer of natural gas in Ontario.?
- 3. Is competitive bidding for franchise agreements in the public interest?. Will such bidding lead to a faster expansion of gas facilities into currently unserved markets?. Will such competitive bidding result in lower-cost solutions in unserved markets?.
- 4. Will Union's proposal with respect to charges to existing customers for the purpose of subsidizing the cost of natural gas system expansion act as a barrier to the use of competitive bidding in awarding natural gas franchises? What modifications to the Union proposal could the Board make to reduce or eliminate any such barriers?
- 5. Has the competitive bidding process carried out by the Municipalities of South Bruce for the purpose of awarding a natural gas franchise resulted in significant benefits to the Municipalities and their residents in terms of gas supply?
- 6. Does the manner in which natural gas franchises are currently approved by the Board Act as a barrier to natural gas system expansion.? What modifications could the Board make to reduce or eliminate such barriers?
- 7 .Should the contributions from the charge to existing Union customers proposed by Union be treated as an aid to construction? Should the cumulative amount collected through this charge be deducted from the capital Union spends on construction for the purpose of calculating rate base?
- 8 .Should the Board as a matter of policy include a standard condition in all natural gas franchise agreements it approves that provides that if the franchise is not built within three years the Municipality has the option of terminating the franchise?

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