

REF: EPCOR Evidence page 12, paragraph 30

Preamble: “The maximum potential support from the Expansion Reserve could be based on expected annual sales, averaged over a suitable period. For example, if Project A is expected to generate 10 times the sales volume of Project B, then its maximum support in aid of construction would be 10 times the maximum potentially available for Project B.”

1. Please provide assumptions behind this approach in terms of economic equity.
2. Please explain why a sales volume versus another econometric attribute (such as contribution to operating margin) is recommended.
3. Where has such an approach been used successfully?