Exhibit 6 Contents

Exhibit 6: Revenue Deficiency/Sufficiency

1. EPCOR has provided evidence related to its operating revenue (Exhibit 3), rate base (Exhibit 2) and Cost of Capital and Capital Structure (Exhibit 5). These values were determined using the common parameters that were approved by the Board as part of the process which proceeded the proponents submitting their respective CIPs. The Board established a CIP "as the CIP will act as a relative proxy or sample plan to allow the OEB to undertake a comparison of the stated revenue requirements on a set of common parameter."[1] [*Emphasis added*]

2. A key component of the set of common parameters under which the proponents developed their CIPs was "a common construction schedule for gas mains, based on certain assumed timelines for OEB decisions."[2] [*Emphasis added*] These assumed timelines for OEB decisions were developed in order to create a common starting point from which the proponents could develop their CIPs. This common starting point was necessary in order to allow the Board to directly compare the competitive elements of the plans, including capital costs, OM&A expenses, customer years, total volume. While the proponents explicitly accepted the risks associated with these competitive elements (supporting the calculation of a cost per m^3 to deliver gas), the timing of OEB decisions was not a competitive element the proponents were taking the risk on, rather is was an assumption required by the Board in order to provide a common starting point on which the proponents would base their construction schedule. Using this common starting point, the construction schedule itself was then a competitive element that would impact the ability to connect customers during the 10-year rate stability period

3. The construction schedule agreed to as a common parameter is included in Table 6-1. This table also includes the dates at which the particular activity was actually, or is forecast to be, achieved.

[1] EB-2016-0137/0138/ 0139 – Partial Decision On The Issues List And Procedural Order No. 6, July 27, 2017, Page 4
[2] OEB Staff Progress Update: South Bruce Expansion Applications OEB File No: EB-2016-0137/0138/ 0139, July 20, 2017, Construction Schedule, Pages 5 - 6

Table 6-1 Common Construction Schedule in CIP vs Actual / Forecast

	Activity	Col 1 Common Parameter	Col 2 Actual / Forecast Date	Col 3 Difference (months)
Row 1	Decision on the elements of an appropriate bidding framework on which the competitors seek further direction from the OEB	August 2017	July 20, 2017 – OEB Staff Progress Update: South Bruce Expansion Applications OEB file No: EB-2016-0137/0138/ 0139	(1)
Row 2	Proposals for competition due	October 2017	October 16, 2017	0
Row 3	Decision for successful proponent	December 2017	April 12, 2018 - Decision and Order EB-2016-0137/0138/ 0139	3
Row 4	Filing of pre-filed evidence for LTC, rates, Franchise and Certificate application	March 2018	September 20, 2018 - LTC; October 2, 2018[3] - Rates Application	5
Row 5	LTC approval	August 2018	June 2019[4] - Forecast	10
Row 6	Construction begins in South Bruce	March 2019	July 2019 - Forecast	3

4. As noted in the above table, there are material changes between the assumed timelines for OEB decisions included as a common assumption in the CIP versus the actual / forecast dates. This includes an almost ten month delay expected in timing of receipt of a decision on the Southern Bruce leave to construct ("**LTC**"). While EPCOR has been able to mitigate some of that ten month adjustment it has driven a three month delay in the start of construction. The three month delay in beginning construction translates into losing a material portion of the 2019 construction season. This has pushed the ability of EPCOR to connect customers by up to a year, reshaping the customer connection profile as system availability is delayed.

5. Given the above, EPCOR is proposing that it true up to the $75.6 million revenue requirement[5] to address the impact of the change in timing of OEB decisions. In trueing up to that value, as detailed

[3] As per EB-2016-0137/0138/ 0139 Decision And Order April 12, 2018, page 14, Section 5 Order, paragraph 4, EPCOR had until October 12, 2018 to file a leave to construct

[4] On November 29, 2018 the OEB filed a letter with EPCOR indicating that the LTC and Rate Application for Southern Bruce was placed in abeyance. On March 21, 2019 the OEB issued a letter indicating that it will commence processing the LTC. See Exhibit 6, Tab 1, Schedule 2 for copies of the letters.

below, EPCOR is netting out certain costs that have also been reduced as a result of the change in timing of the OEB decisions.

6.1 Construction Schedules

1. Exhibit 6, Tab 1, Schedule 3 contains the construction schedule as included in EPCOR's CIP as well as the most recent revised construction schedule. The revised construction schedule includes prudent mitigation measures to address the impact of the change from the common parameters to one that reflects the expected timing of receipt of a decision on the LTC. Mitigation measures include ordering long lead time steel pipe necessary to support a compressed 2019 construction season[6] and expanding construction effort including working into December 2019. Without these mitigation measures EPCOR would not be able to begin construction and connect customers at the Bruce Energy Center in 2019.

2. The change in timeline for OEB decision on the construction schedule, after the reasonable mitigation steps taken by EPCOR, has triggered a revenue deficiency of $1.764 million on NPV basis compared to that included in EPCOR's CIP. This includes $1.640 million in distribution revenue and $0.124 million in upstream charges. A summary of the revenue deficiency is included in Table 6-2.

Table 6-2 Summary of Revenue Deficiency

		Col. 1
	Description	NPV of Revenue Deficiency
Row 1	Change in Customer Connection Profile - Forgone Revenue	2,324
Row 2	Delay in Property Taxes - Forgone Cost	(224)
Row 3	Change in Capital Expenditure Profile - Forgone Cost	(460)
Row 4	Deferred Recovery of Upstream Charges	124
Row 5	Sum	**1,764**

[5] EB-2016-0137/0138/0139 Decision And Order, April 12, 2018, Section 3.3 Route and Infrastructure Plan page 6. The NPV value is used as the intent is to address a change in timing of cash flows driven by the change in timeline for OEB decisions.
[6] This included EPCOR taking the risk of ordering material in February 2019 while the LTC was held in abeyance.

6.2 Distribution Revenue Deficiency

6.2.1 Foregone Revenue - Change in Customer Connection Profile

1. Foregone revenue is the shortfall of revenue collected during the 10-year rate stability period versus that in the CIP. The foregone revenue identified is the direct result of the delay in connecting customers driven by the impact to the Construction Schedule resulting from the delayed OEB decision. This includes the two month delay in connecting the major industrial customers at the Bruce Energy Center as well as the approximately 13 month delay in providing service to Kincardine caused by the partial loss of the 2019 construction season. Based the revised construction schedule included in Exhibit 6, Tab 1, Schedule 3, Table 6-3 lists the delay in connecting population centers.

Table 6-3 Impact of Revised Construction Schedule on Connecting Population Centers

	Population Center	Col 1 Date Included in CIP	Col 2 Revised Schedule[7]	Col 3 Difference (months)
Row 1	Bruce Energy Center	October 2019	December 2019	2
Row 2	Kincardine	December 2019	November 2020	12
Row 3	Ripley	August 2020	July 2021	11
Row 4	Lucknow	September 2020	November 2021	14
Row 5	Inverhuron	November 2020	July 2020	8
Row 6	Paisley	October 2020	November 2021	13
Row 7	Chesley	September 2020	November 2021	14
Row 8	Point Clark	November 2020	November 2021	12
Row 9	Lurgan Beach	November 2020	November 2021	13

2. As detailed in the construction schedules in Exhibit 6, Tab 1, Schedule 3, originally the 6 inch line from the Bruce Energy Center to Kincardine, as well as the plastic distribution lines within the town were to be installed in 2019 in addition to the connection of the Bruce Energy Center with Dornoch Meter and Regulator Station. Resources for 2019 are now focused on the connection of the Bruce Energy Center with the Dornoch Meter and Regulator Station. This was made possible within the

[7] The revised schedule indicates that the initial phase of physically connecting customers to the distribution system would take place from October to December of 2020 and 2021. November has been used as it is the midpoint of that three month connection period.

condensed time available in 2019 as EPCOR pre ordered long led time material at its risk and has extended the construction season and effort. This mitigation action will enable EPCOR to provide service to the two large industrial customers at the Bruce Energy Center in 2019.

3. Table 6-4 details the number of customers that EPCOR is projecting it will connect under the revised construction schedule. In an effort to further mitigate the impact of the delay, EPCOR is accepting a more aggressive connection rate than detailed in the CIP (connecting 2,384 customers in 2021 versus 1,093 in the CIP). As a result EPCOR is projecting that it will catch up to CIP values in customer connections by the end of 2021.

Table 6-4 Customer Connections CIP vs New Construction Schedule

	Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10
Description	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Row 1 Customer Connections CIP	979	2,583	3,676	4,332	4,887	5,137	5,193	5,233	5,271	5,278
Row 1 New Construction Schedule	2	1,292	3,676	4,332	4,887	5,137	5,193	5,233	5,271	5,278

4. As a result of the shift in the customer connection profile, distribution revenue generated during the initial two years has dropped. Even though EPCOR is expecting to reach previous the customer connection factors by 2021, the accepted 10-year revenue has decreased by $2.465 million (NPV of $2.324 million). Table 6-5 details that reduction in distribution revenue.

Table 6-5 Forgone Distribution Revenue

(Thousands of Dollars)

	Description	Calculation	Var 1	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
Row 1	Distribution Revenue Requirement as per Original Application			589	3,050	4,621	5,818	6,646	7,190	7,455	7,594	7,727	7,846
Row 2	Distribution Revenue with the Delay			32	1,835	3,928	5,818	6,646	7,190	7,455	7,594	7,727	7,846
Row 3	Lost Revenue due to the Delay	R1 - R2		558	1,215	692	0	0	0	0	0	0	0
Row 4													
Row 5	WACC		5.82%										
Row 6	PV Factor			1.00	0.94	0.89	0.84	0.80	0.75	0.71	0.67	0.64	0.60
Row 7	PV	R3 x R6		558	1,148	618							
Row 8	**NPV**	Sum of R7		2,324									

6.2.2 Foregone Costs - Delay in Property Taxes

5. The changed construction schedule means that certain segments of the distribution system will have a delayed in service date. As property taxes are charged at the time that an asset is in service this has resulted in a reduction in payment of those taxes for 2019 and 2020. Table 6-6 details the change in property taxes paid as compared to the CIP.

Table 6-6 Change in Property Taxes Paid

(Thousands of Dollars)

	Description	Calculation	Var 1	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
Row 1	Property Taxes as per Original Application			(331)	(490)	(547)	(565)	(582)	(590)	(624)	(626)	(629)	(630)
Row 2	Property Taxes with the Delay			(214)	(377)	(547)	(565)	(582)	(590)	(624)	(626)	(629)	(630)
Row 3	Reduction in Property Tax due to the Delay	R1 - R2		(117)	(113)	-	-	-	-	-	-	-	-
Row 4													
Row 5	WACC		5.82%										
Row 6	PV Factor			1.00	0.94	0.89	0.84	0.80	0.75	0.71	0.67	0.64	0.60
Row 7	PV	R3 x R6		(117)	(107)	-	-	-	-	-	-	-	-
Row 8	**NPV**	Sum of R7		**(224)**									

6.2.3 Foregone Costs - Change in Capital Expenditure Profile

6. Shifting the construction schedule has changed the capital expenditure profile of the project as even with the more aggressive construction schedule for 2019, certain capital expenditures have been delayed into 2020 and 2021. As detailed in Table 6-7, this has reduced the revenue requirement of the project as the cost to fund these capital expenditures is delayed.

Table 6-7 Change in Capital Expenditure Profile

(Thousands of Dollars)

			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
	Description	Calculation	Var 1	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Row 1	CapEx as per Original Application			(57,346)	(25,030)	(3,023)	(1,791)	(1,576)	(872)	(413)	(344)	(838)	(197)
Row 2	CapEx with the Delay			(37,906)	(26,335)	(22,897)	(1,791)	(1,576)	(872)	(413)	(344)	(838)	(197)
Row 3	Change in CapEx	R1 - R2		(19,440)	1,305	19,874	-	-	-	-	-	-	-
Row 4													
Row 5	WACC		5.82%										
Row 6	PV Factor			1.00	0.94	0.89	0.84	0.80	0.75	0.71	0.67	0.64	0.60
Row 7	PV	R3 x R6		(19,440)	1,233	17,747	-	-	-	-	-	-	-
Row 8	**NPV**	Sum of R7		**(460)**									

6.3 Deferred Recovery of Upstream Charges

1. This relates to the deferred recovery of upstream charges paid to Enbridge for the transportation of gas to the Southern Bruce distribution system, storage charges and deferred recovery of costs related to the CIAC paid to Enbridge for the Owen Sound Transmission Reinforcement and the Dornoch Meter and Regulator Station. The value deferred is calculated by taking the difference between the monthly upstream charges incurred by EPCOR less the value of monthly upstream charges collected by EPCOR. As detailed in Exhibit 9, EPCOR is requesting the establishment of a Regulatory Asset Deferral Account ("RADA") to collect this difference based on customer count as per the CIP. As customer connections will be directly impacted by the delay, the value of deferred costs will be higher than that collected in the RADA. The forecast change in the value of the deferred upstream costs is detailed in Table 6-8.

Table 6-8 Change in Deferred Upstream Costs due to Delay

(Thousands of Dollars)

			Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
	Description	Calculation	Var 1	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Row 1	Distribution Revenue Requirement as per Original Application			49	239	310	366	403	467	460	452	443	435
Row 2	Distribution Revenue with the Delay			4	185	279	366	403	467	460	452	443	435
Row 3	Lost Revenue due to the Delay	R1 - R2		45	54	31	0	0	0	0	0	0	0
Row 4													
Row 5	WACC		5.82%										
Row 6	PV Factor			1.00	0.94	0.89	0.84	0.80	0.75	0.71	0.67	0.64	0.60
Row 7	PV	R3 x R6		45	51	28	-	-	-	-	-	-	-
Row 8	**NPV**	Sum of R7		**124**									

6.4 Mechanism for Recovery of Costs

1. EPCOR is proposing that the change in distribution revenue requirement adjustment due, distribution revenue deficiency of $1.640 million ($2.324 – $0.224 – $0.460), and deferred recovery of upstream charges of $0.124 million, totaling $1.764 million be recovered through a rate rider applied on a volumetric basis over the 10-year rate stability period.

2. The volumetric rate to be applied in each rate class was determined by calculating the NPV of the revenue shortfall in each rate class as against that included in EPCOR's CIP. (Using only the revenue shortfall generated as a result of the change in timing for OEB decisions.) The proportion of NPV of each rate class as against the total NPV of the revenue shortfall was then used to allocate the total shortfall to be recovered within each rate class. See below for additional details.

3. The 10 year recovery period is proposed due to the unique nature of this greenfield utility, including that EPCOR is mitigating the impact on a 10-year revenue requirement rather than that of any specific year. In addition, during the initial years as the system is built out, customer count starts at zero and builds rapidly to a sustainable number during the 10-year rate stability period. A shorter recovery period would impact customers connecting to the system early as there are fewer

of them and the shortfall would be collected over a shorter time. This would not only unfairly impact early connectors (paying a revenue shortfall that reflects a 10-year forecast period) but may encourage potential customers to delay connecting until the rate rider period had expired, thereby further impacting early connectors.

4. The proposed volumetric rate rider over the 10-year period for each rate class is shown in Table 6-9.

Table 6-9 Proposed Rate Rider

		Col. 1
	Description	Rate Rider (cents / m3)
Row 1	Rate 1 - General Firm Service	2.1831
Row 2	Rate 6 - Large Volume General Firm Service	1.2153
Row 3	Rate 11 - Large Volume Seasonal Service	0.7385
Row 4	Rate 16 - Contracted Firm Service	0.0803

5. The costs associated with the delay are allocated to each of the rate classes in Table 6-10 based on the NPV of each rate class' delay in distribution and upstream recover revenues relative to that of all rate classes.

Table 6-10 Allocation of Costs due to Delay

(Thousands of Dollars)

		Col. 1	Col. 2
	Description	% of Delay in Revenues	Allocation of Costs
Row 1	Rate 1 - General Firm Service	76.97%	1,358
Row 2	Rate 6 - Large Volume General Firm Service	12.62%	223
Row 3	Rate 11 - Large Volume Seasonal Service	3.09%	55
Row 4	Rate 16 - Contracted Firm Service	7.33%	129
Row 5	Sum	100.00%	1,764

6. Table 6-11 illustrates the calculation of the NPV of each rate class' delay in distribution and upstream recover revenues.

Table 6-11 Derivations of NPVs of Deferred Distribution and Upstream Revenues by Rate Class

(Thousands of Dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
	Description	Var 1	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Row 1	WACC	5.82%										
Row 2	PV Factor		1.00	0.94	0.89	0.84	0.80	0.75	0.71	0.67	0.64	0.60
Row 3												
Row 4	**Rate 1 - General Firm Service**											
Row 5	Base Case		332	1,668	2,968	3,852	4,504	4,989	5,194	5,298	5,396	5,480
Row 6	With the Delay		-	605	2,355	3,852	4,504	4,989	5,194	5,298	5,396	5,480
Row 7	Difference		332	1,063	613	-	-	-	-	-	-	-
Row 8	NPV of the Difference		**1,884**									
Row 9												
Row 10												
Row 11	**Rate 6 - Large Volume General Firm Service**											
Row 12	Base Case		65	260	520	790	967	1,071	1,109	1,119	1,130	1,141
Row 13	With the Delay		-	95	422	790	967	1,071	1,109	1,119	1,130	1,141
Row 14	Difference		65	165	98	-	-	-	-	-	-	-
Row 15	NPV of the Difference		**309**									
Row 16												
Row 17												
Row 18	**Rate 11 - Large Volume Seasonal Service**											
Row 19	Base Case		26	54	122	208	228	230	233	236	239	242
Row 20	With the Delay		-	14	109	208	228	230	233	236	239	242
Row 21	Difference		26	41	12	-	-	-	-	-	-	-
Row 22	NPV of the Difference		**76**									
Row 23												
Row 24												
Row 25												
Row 26	**Rate 16 - Contracted Firm Service**											
Row 27	Base Case		215	1,306	1,320	1,335	1,350	1,366	1,379	1,392	1,405	1,418
Row 28	With the Delay		36	1,306	1,320	1,335	1,350	1,366	1,379	1,392	1,405	1,418
Row 29	Difference		179	-	-	-	-	-	-	-	-	-
Row 30	NPV of the Difference		**179**									

Table 6-12 Derivation of the Proposed Rate Rider

(Thousands of Dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5	Col. 6	Col. 7	Col. 8	Col. 9	Col. 10	Col. 11
	Description	Var 1	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Row 1	WACC	5.82 %										
Row 2	PV Factor		1.00	0.94	0.89	0.84	0.80	0.75	0.71	0.67	0.64	0.60
Row 3												
Row 4	**Rate 1 - General Firm Service**											
Row 5	Volume (m3)		-	1,456,357	5,600,434	9,067,927	10,497,651	11,435,563	11,775,724	11,874,892	11,955,466	12,001,951
Row 6	Rate Rider (cents / m3)		2.1831	2.1831	2.1831	2.1831	2.1831	2.1831	2.1831	2.1831	2.1831	2.1831
Row 7	Rate Rider Revenue		-	32	122	198	229	250	257	259	261	262
Row 8	NPV of Rate Rider Revenue		1,358									
Row 9												
Row 10	**Rate 6 - Large Volume General Firm Service**											
Row 11	Volume (m3)		-	323,480	1,426,811	2,650,500	3,209,649	3,457,842	3,560,460	3,560,460	3,560,460	3,560,460
Row 12	Rate Rider (cents / m3)		1.2153	1.2153	1.2153	1.2153	1.2153	1.2153	1.2153	1.2153	1.2153	1.2153
Row 13	Rate Rider Revenue		-	4	17	32	39	42	43	43	43	43
Row 14	NPV of Rate Rider Revenue		223									
Row 15												
Row 16	**Rate 11 - Large Volume Seasonal Service**											
Row 17	Volume (m3)		-	84,583	669,897	1,251,827	1,353,326	1,353,326	1,353,326	1,353,326	1,353,326	1,353,326
Row 18	Rate Rider (cents / m3)		0.7385	0.7385	0.7385	0.7385	0.7385	0.7385	0.7385	0.7385	0.7385	0.7385
Row 19	Rate Rider Revenue		-	1	5	9	10	10	10	10	10	10
Row 20	NPV of Rate Rider Revenue		55									
Row 21												
Row 22	**Rate 16 - Contracted Firm Service**											
Row 23	Volume (m3)		649,102	23,411,347	23,385,129	23,367,679	23,367,679	23,367,679	23,411,347	23,385,129	23,367,679	23,367,679
Row 24	Rate Rider (cents / m3)		0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803	0.0803
Row 25	Rate Rider Revenue		1	19	19	19	19	19	19	19	19	19
Row 26	NPV of Rate Rider Revenue		129									

Table 6-13 Annual Bill Impact by Customer Type

(Thousands of Dollars)

		Col. 1	Col. 2	Col. 3	Col. 4	Col. 5
	Customer Type	Average Annual Volume (m3 / year)	Rate Rider (cents / m3)	Rate Rider Revenue ($ / year)	Bill Amount Excluding Rate Rider ($ / year)	% Change due to Rate Rider
Row 1	Existing Residential		2.1831	46.92	1,243.15	3.77%
Row 2	New Residential	2,066	2.1831	45.10	1,207.03	3.74%
Row 3	Small Commercial	4,693	2.1831	102.45	2,341.85	4.37%
Row 4	Small Agricultural	4,720	2.1831	103.04	2,353.45	4.38%
Row 5	Medium Commercial	26,933	1.2153	327.30	13,290.09	2.46%
Row 6	Large Commercial	75,685	1.2153	919.76	34,443.61	2.67%
Row 7	Sample Dryer 1	101,499	0.7385	749.60	32,176.43	2.33%
Row 8	Sample Dryer 2	338,332	0.7385	2,498.68	103,398.40	2.42%
Row 9	Contracted Firm Service	10,000,000	0.0803	8,031.57	839,569.27	0.96%