

**Ontario Energy  
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**Commission de l'énergie  
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**BY E-MAIL**

January 19, 2018

To all parties in EB-2016-0137 | EB-2016-0138 | EB-2016-0139:

**Re: South Bruce Expansion Applications  
Applications to serve the Municipality of Arran-Elderslie, the Municipality of  
Kincardine and the Township of Huron-Kinloss with Natural Gas  
Distribution Services  
Board File Number EB-2016-0137 | EB-2016-0138 | EB-2016-0139**

Attached is a summary table of metrics and CIP criteria based on submissions from EPCOR Southern Bruce Gas Inc. and Union Gas Limited in their CIP proposals and interrogatory responses. This table is being provided in advance of the submission deadline of January 25, 2018, to ensure parties have a common understanding of the proposals before they make submissions.

It is recognized that some comments on the comparability of the metric inputs accompanied the IR responses.

Yours truly,

*Original signed by*

Kirsten Walli  
Board Secretary

Encl.

**Attachment: Summary of Metrics and CIP Criteria**

<b>Metric / Criteria</b>	<b>Case</b>	<b>EPCOR</b>	<b>Union Gas</b>
1. Net Present Value (NPV) of 10-year Revenue Requirement (\$)	a) CIPs as filed	\$59.1 million	\$55.3 million
	b) Assuming 60% residential and 65% commercial customer attachment rates if materially different from CIP as filed, per Union Gas IRR 3.	N/Applic	Deemed not material
	c) Without industrial customers per EPCOR IRR 2 and Union Gas IRR 3.	\$56.2 million	\$54.6 million
2. Cumulative 10-year Revenue Requirement (\$)	a) CIPs as filed	\$75.6 million	\$70.1 million
	b) Assuming 60% residential and 65% commercial customer attachment rates if materially different from CIP as filed, per Union Gas IRR 3.	N/Applic	Deemed not material
	c) Without industrial customers per EPCOR IRR 2 and Union Gas IRR 3.	\$72.0 million	\$69.3 million
3. NPV of 10-year Revenue Requirement per metre (\$/m)	a) EPCOR IRR 2; Union Gas IRR 3.	\$190.62/m	\$171.76/m
	b) Assuming 60% residential and 65% commercial customer attachment rates if materially different from CIP as filed, per Union Gas IRR 3.	N/Applic	Deemed not material
	c) Without industrial customers per EPCOR IRR 2 and Union Gas IRR 3.	\$182.06/m	\$170.59/m
4. Forecasted Residential Customer Attachment Rate (%)	EPCOR CIP as filed; Union Gas IRR 1.	60%	71%
5. Forecasted Commercial Customer Attachment Rate (%)	EPCOR CIP as filed; Union Gas IRR 1.	65%	72%
6. Average Customers per kilometer	a) EPCOR in its IRR 2 and Union Gas in its IRR 3.	17.0	21.3
	b) Assuming 60% residential and	N/Applic	Deemed not

Metric / Criteria	Case	EPCOR	Union Gas
(customers/km)	65% commercial customer attachment rates if materially different from CIP as filed, per Union Gas IRR 3.		material
	c) Without industrial customers per EPCOR IRR 2 and Union Gas IRR 3.	17.1	21.4
7. Cumulative 10-yr revenue requirement per unit of volume (\$/m <sup>3</sup> )	a) EPCOR IRR 2; Union Gas IRR 3.	\$0.1766/m <sup>3</sup>	\$0.2444/m <sup>3</sup>
	b) Using NAC approach per EPCOR IRR 2.	\$0.2209/m <sup>3</sup>	N/Applic
	c) Assuming 60% residential and 65% commercial customer attachment rates if materially different from CIP as filed, per Union Gas IRR 3.	N/Applic	Deemed not material
	d) Without industrial customers per EPCOR IRR 2 and Union Gas IRR 3.	\$0.5633/m <sup>3</sup>	\$0.5290/m <sup>3</sup>
8. Customer years (years)	a) CIPs as filed	42,569	54,171
	b) Assuming 60% residential and 65% commercial customer attachment rates if materially different from CIP as filed, per Union Gas IRR 3.	N/Applic	Deemed not material
	c) Without industrial customers per EPCOR IRR 2 and Union Gas IRR 3.	42,539	54,141
9. Cumulative 10-yr volume (m <sup>3</sup> )	a) CIPs as filed	428 million m <sup>3</sup>	315 million m <sup>3</sup>
	b) Using NAC approach per EPCOR IRR 2.	342 million m <sup>3</sup>	N/Applic
	c) Assuming 60% residential and 65% commercial customer attachment rates if materially different from CIP as filed, per Union Gas IRR 3.	N/Applic	Deemed not material
	d) Without industrial customers per EPCOR IRR 2 and Union Gas IRR 3.	128 million m <sup>3</sup>	131 million m <sup>3</sup>
10. Total System Length (not including service lines) (km)	EPCOR IRR 2; Union Gas CIP as filed.	309.9 km	321.7 km

Metric / Criteria	Case	EPCOR	Union Gas
11. Total Estimated Market Size (customer count)	EPCOR IRR 2; Union Gas IRR 1.	8739	9601
12. Time to File LTC (days)	EPCOR IRR 7; Union Gas IRR 8.	100 days	2 months (~60 days)

**Note:** Further to Union Gas' IRR 4, all of Union's volume and volume dependent values above are based on their adjusted volumes using a 10-year period beginning at the in-service date. This allows for a more direct comparison with EPCOR's values.