

Southern Bruce County Gas Initiative:

Public Information Session

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Southern Bruce County Gas Initiative

- 1. How we got to this point**
 - a summary of work undertaken to date
- 2. What happens next?**
 - further consultation, provincial approvals, timing
- 3. Bruce Gas as a “community energy project”**
 - success depends on you!

How we got to this point

- On September 21, 2015, **Arran-Elderslie, Kincardine** and **Huron-Kinloss** announced that **EPCOR Utilities Inc.** was selected as their preferred choice to bring natural gas service to Southern Bruce County.
- This result was the result of considerable effort undertaken by the Municipalities over the past 4 years.

How we got to this point

2011 – 2013

- The **Natural Gas Project Group** was established comprised of municipal, industry & community representatives to explore issues pertaining to the expansion of natural gas into Southern Bruce County.
- This working group initiated a **Feasibility Study** involving Union Gas which included customer surveys.

How we got to this point

2014

Spring-Summer Municipalities begin work on a detailed **Southern Bruce County Gas Business Case**

- Economic and technical assessment of feasibility, customer surveys, gas demand forecast, preliminary technical due diligence.
- Provincial support and regulatory flexibility needed.

Sept.

Premier's priorities letter to **Ministers:**

- **\$200M** *Natural Gas Access Loan*
- **\$30M** *Natural Gas Economic Development Grant*
- Funding aimed at accelerating “***projects with clear economic development potential...***”.

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How we got to this point

2014

Oct.

Municipalities released their Southern Bruce County Gas **Business Case Report**

www.kincardine.net/natural.cfm

Meetings held with senior **Ministry of Infrastructure** and **Ministry of Energy** officials.

Nov.

Preliminary meetings with senior **Ontario Energy Board** Staff.

Dec.

Ontario Energy Board announces new regulatory policy forum on extending natural gas.

How we got to this point

2015

Jan - March

Meetings with **Minister of Infrastructure**, senior **Ministry of Energy**, **Union Gas**, **Ontario Energy Board** officials and potential gas utility owners/operators.

March 27

Issue ***Request for Information*** package to canvas market for possible gas utility proponents.

April 27

Receive proposals from multiple RFI proponents.

May 19

Review RFI proposals received with all three municipal councils.

How we got to this point

2015

- June **Discussion Framework Questions** issued and further information provided by proponents.
- July 28 **Interviews** held in Toronto with select short list proponents.
- August Further proponent discussions, **Score Card Evaluation**.

Final Scorecard of Short List Proponents

RANKING OF SOUTH BRUCE GAS PROPONENTS				
(Ranking scale is 1 - 5; higher is better)				
Criteria				
1. Coverage of South Bruce Region				
2. Financial capacity				
3. Flexibility with respect to ownership				
4. Expertise in building and running gas distribution				
5. Understanding of project economics				
5. Plan to maximize conversion rate				
6. Feasibility of capex and rate estimates				
7. Overall Appearance of professionalism and understanding of South Bruce needs				
Overall score				

Other Municipal Considerations in Selecting EPCOR

- EPCOR is 100% municipally owned by the City of Edmonton.
- \$5.7 billion in assets, over 1.5 million customers.
- A- credit rating (S&P) and A low (DBRS), raises its own debt (no credit support from the City of Edmonton).
- In business for 122 years with strong experience in regulated utilities (electricity, water & waste water).
- Strong record in health, safety and community engagement.

What happens next?

- I. Further Consultation
- II. Accessing Provincial Funding Is A Priority
- III. Obtaining Provincial Regulatory Approvals
- IV. Implementation: Construction & Operationalize the New Gas Utility

What happens next?

I. Further Consultation

- Today is the beginning, not the end, of public consultation for this project.
- Future information sessions will describe more specific routing options for the new gas distribution network, conversion costs, pricing for the new service.
- Next public information session to be held in the New Year.

What happens next?

II. Accessing Provincial Funding Is A Priority

- **\$200M** *Natural Gas Access Loan*
- **\$30M** *Natural Gas Economic Development Grant*
- Funding aimed at accelerating “***projects with clear economic development potential...***”.
- The **Municipalities & EPCOR** will continue to meet with the **Ministers of Infrastructure, Agriculture and Energy** to advocate for provincial funding.
- We anticipate applying any **provincial funding** received towards **customer’s conversion costs** from electricity, oil and propane to natural gas.

What happens next?

III. Obtaining Provincial Regulatory Approvals

- **Ontario Energy Board** regulates natural gas distribution & rates charged
- Ontario Energy Board **must approve the project** before it can proceed
- Approvals include:
 - **Municipal Franchise Agreements**
 - **Certificate of Public Necessity**
 - **Leave to Construct**
 - **Gas distribution rates to be charged to consumers**

What happens next?

IV. Implementation: Construction & Operationalize the New Gas Utility

- Estimated timelines are:
 - **Phase 1 Construction:** 2017-2018
 - **Phase 2 Construction:** 2019
 - **Phase 3 Construction:** 2020
 - **Full System In Service:** 2021

EPCOR to provide further details in its presentation.

Southern Bruce County Gas is a “community energy project”

Success Depends On You!

- This initiative started with one fundamental goal: to provide economic natural gas services to as many Southern Bruce County consumers as possible at least risk to the Municipalities and their taxpayers.
- Ultimately, success of the new gas utility will be dependent upon customers committing to the new gas utility by signing up for service.

Southern Bruce County Gas is a “community energy project”

The entire South Bruce natural gas team commit to work hard on your behalf:

- ***to make conversion costs as manageable as possible;***
- ***to secure maximum take up and acceptance by homeowners, farms, businesses and other consumers; and***
- ***to benefit consumers and the broader community by reducing overall energy costs in Southern Bruce County.***



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