

Sustainable Planning Associates Inc. (SPA INC) Incorporated 1996

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Provision of Energy and Energy Regulatory Consulting Services since 2000.

Principal Dr. Roger Higgin PhD, MBA, BSC, P.Eng.

- Served as Ontario Energy Board Member for two periods totalling 7 years- retired in 2000 due health issues.
- 12 years' experience as consultant to various Canadian Clients on both Gas and Electric Rate and Other cases, including Incentive Regulation Mechanisms and Conservation and Demand Side Management
- Has testified as Expert on several regulatory matters in Quebec, Alberta, and Manitoba
- Recent directly relevant Consulting Assignments include Rebasing Cost of Service (COS) Cases for Union Gas Limited and Enbridge Gas Distribution Inc.

Expertise Relevant to GM R-3809-2012 Phase 2

Following an IM period, there are considerable pressures on a regulated utility to recover costs that were reduced during and IM and to rebase the Operating Costs, Capital (rate base) and Return on Equity (ROE) that are the primary components of the post-IM COS Revenue Requirement.

In a return to Cost of Service Regulation, the anticipated "bump" in Revenue Requirement and Rates is usually moderated by the Regulator; otherwise many of the gains made in IM are lost or reversed.

While being fair to the utility regarding unavoidable cost pressures, there needs to be recognition that distribution rate increases in excess of inflation on return to COS, are not willingly accepted by Ratepayers.

These issues (and others) have been in play in the Rebasing applications of Union Gas Limited and Enbridge gas Distribution and Dr. Higgin has assisted Clients in those cases and will analyse the cost pressures claimed by GM with a focus on Compensation as a major component of overall 2013 Operating and Maintenance (OM&A) Costs.

In addition, the Forecasts of Customers and Volumes (focus- Residential) which have not been subject to detailed scrutiny during IM will be reviewed and an assessment made regarding the reasonableness of these primary drivers of the Utility Revenue Forecast

Dr. Higgin has 17 years direct experience in such matters both as a Regulator and Consultant.