

June 30, 2014

Information Update – Natural Gas Initiative

The partners group of the Municipality of Arran-Elderslie, Township of Huron-Kinloss and the Municipality of Kincardine continue to make progress with the investigation into the feasibility of extending natural gas service to this region.

Highlights of the initiative include:

- The three municipalities have formalized their partnership for the initial investigative phase, including equally sharing the costs.
- A detailed feasibility study is underway to examine and determine technical, legal and economic feasibility. This element includes calculation of projected demand and load requirements across all sectors including residential, commercial, industrial and public authorities.
- The data produced by the feasibility study will then be used to develop a detailed business analysis which will determine if a viable case can be made for the service as well as recommending a preferred delivery system option.
- The feasibility study will include costing for the preferred option and a range of potential customer rates for this service, and if economic and technical feasibility is indicated, this information will provide the basis for the partners to begin to explore the capital financing strategy for the project.
- The conclusions of this initial investigative phase will be shared with the public and the broader business community.
- This milestone report will present the partners with a “go or no-go” decision point.

This phase will also provide additional information in response to frequently asked questions including:

- how much will it cost to bring the service past my home or business;
 - how much will it cost to connect to the service;
 - what are predicted conversion costs for homes and businesses (considering other energy sources...electricity, oil, propane);
 - if I do convert, how much could I save each year;
 - how would capital financing be managed by the partners; and
 - how all this translates into the rates that customers would pay.
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- It is anticipated that this feasibility review will be completed over this summer, with ongoing public communication on the findings and considerations to follow if a viable, cost effective solution