

1 **Q. [ELG] – Please state whether the ALG calculation procedure is utilized by the**
2 **majority of energy utility companies in North America or if the ELG calculation**
3 **procedure is utilized by more energy utilities. Further, provide all support and**
4 **justification for the response.**

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6 A. The Equal Life Group procedure, a.k.a., unit summation, is widely used by the telephone
7 industry. The Bell System companies in Canada and US were early adopters with
8 regulators in Canada first accepting the use of ELG in the 1970's followed by regulators
9 in the US shortly thereafter. In the gas and electric utility industry, ELG has been
10 accepted in the majority of Canadian provinces and territories, including Newfoundland
11 & Labrador, Nova Scotia, New Brunswick, Saskatchewan, Alberta, Yukon Territory,
12 Northwest Territories, and Nunavut. In the United States the ELG procedure has been
13 accepted in Pennsylvania, Texas, Oregon, Arkansas, Louisiana, Alaska, Kentucky and
14 Indiana.

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16 Professor Robley Winfrey, one of the original developers of the Iowa Curves which are a
17 set of generalized survivor curves used to describe the life characteristics of utility and
18 industrial property, considered the Equal Life Group procedure which he called the unit
19 summation procedure, *the only mathematically correct procedure*.