

January 12, 2016

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
2300 Yonge Street, 27<sup>th</sup> Floor  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: EB-2015-0179 – Union Gas Limited (“Union”) – Community Expansion Technical Conference Undertaking Response**

Please find attached Union’s response to the Undertaking JT1.11 received during the Community Expansion Technical Conference held on December 15, 2015.

Consistent with the previously filed Undertaking responses from the Technical Conference, this response will also be filed in RESS and copies will be sent to the Board.

If you have any questions with respect to this submission please contact me at 519-436-5476.

Yours truly,

*[original signed by]*

Chris Ripley  
Manager, Regulatory Applications

Encl.

c.c.: C. Keizer, Torys  
EB-2015-0179 Intervenors

UNION GAS LIMITED

Undertaking Response  
To Mr. Mondrow

To provide the zero discount rate to be applied with any appropriate qualifiers or assumptions set out clearly in the undertaking.

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Attachment 1 to this Undertaking is a revised version of Exhibit B.LPMA.16, Attachment 1.

The undiscounted figures have been provided but have no relevant meaning in a financial sense. For example, when a zero discount rate is used the revenue from a customer in Year 40 has the same present value as the revenue from a customer in Year 1. The value of cash 40 years from now is significantly less than the value today. Given that the DCF is a discounted cash flow model, using a zero discount rate is inappropriate.

