

UNION GAS LIMITED

Answer to Interrogatory from
Pollution Probe

Reference: Union Exhibit B, Tab 1, p. 37-39

Issue: 5 - Y Factors (re: System Expansion)

Question:

Please state Union's number of in-franchise new customer additions during each of the last five years.

Response:

| <u>Year</u> | <u>Total Customer Attachments</u> |
|-------------|-----------------------------------|
| 2002 | 29,785 |
| 2003 | 30,066 |
| 2004 | 31,415 |
| 2005 | 28,707 |
| 2006 | 26,346 |

Question: August 17, 2007

Answer: September 4, 2007

Docket: EB-2007-0606

UNION GAS LIMITED

Answer to Interrogatory from
Pollution Probe

Reference: Union Exhibit B, Tab 1, p. 37-39

Issue: 5 - Y Factors (re: System Expansion)

Question:

Please state Union's number of in-franchise new customer additions in 2006 for whom the net present value of their discounted cash flows is forecast to be positive in:

- a) year 1;*
 - b) year 2;*
 - c) year 3;*
 - d) year 4; and*
 - e) year 5.*
-

Response:

There would be very few in-franchise customer additions in 2006 that would have a positive net present value in the first 5 years. Union does not track each customer addition specifically as customers are tracked on a portfolio basis. Based on the 2006 portfolio, the net present value becomes positive in 20 years for the Southern operations area and 14 years for the Northern & Eastern operations area.

Question: August 17, 2007
Answer: September 4, 2007
Docket: EB-2007-0606