

**IN THE MATTER OF the Ontario Energy Board Act,
1998, S.O. 1998, c.O.15, Sch. B;**

**AND IN THE MATTER OF Applications by Union
Gas Limited and Enbridge Gas Distribution for
Orders approving or fixing rates for the sale,
distribution, transmission and storage of gas
commencing January 1, 2008.**

**INDUSTRIAL GAS USERS ASSOCIATION ("IGUA")
TECHNICAL CONFERENCE QUESTIONS
OF PACIFIC ECONOMICS GROUP ("PEG")/BOARD STAFF**

The following questions relate to Responses provided by PEG/Board Staff to IGUA Interrogatories:

IGUA # 1

1. Were the views expressed in the Board Staff Discussion Paper the views of PEG and/or Board Staff when the paper was circulated?
2. Have any of the opinions changed? If so, what are they now?
3. PEG/Board Staff indicate that IGUA is asking for material covered by privilege. What are the facts on which the claim for privilege is based?
4. Please explain why it is too early in the process for PEG to provide its Responses to the Questions contained in the Board's List of Issues?

IGUA # 2

5. Please elaborate on the differences between the Revenue Cap calculated by PEG and a Revenue Cap Per Customer Method proposed by EGD.
6. PEG indicates that its proposed X factor would be higher if Capital Expenditures are considered as a Y factor. What would PEG's X factor be if Capital Expenditures are considered a Y factor?

IGUA # 3

7. Please clarify whether all costs falling within the scope of X and Y factors, and within the parameters of Deferral Accounts, lie outside the "Base" subject to the adjustment factor, and that amounts falling within the scope of X and Y factors and Deferral Accounts only change to track the actual changes in expenditures.

IGUA # 8

8. The Response indicates that PEG is updating the results of certain tables in its evidence. When will the updated evidence be available?

IGUA #12

9. Documents attached to the electronic copy of the Response to IGUA #12 include a presentation entitled "Overview of Alternative Regulation" provided by Larry Kaufman, a PEG partner, in Boston on June 25, 2007, as well as a document entitled "Comparing AltReg Options" bearing the same date and a document entitled "Range of AltReg Options". Do these documents form part of the Response to IGUA #12 or are they responsive to another IGUA Interrogatory?

IGUA #15

10. In the Response, it is stated "PEG does not know the precedents with regard to Revenue Cap Plans". Please reconcile this statement with the Response to IGUA #3 where reference is made to a Revenue Per Customer Approach and a Revenue Per Customer Cap Plan of Southern California Edison. In addition, please provide any Regulatory Decisions pertaining to the Revenue Per Customer Cap Plan of Southern California Edison and the similar approach taken by San Diego Gas and Electric referenced in the Response to IGUA #3.

IGUA #20

11. In this Interrogatory Response reference is made to two prior retainers of Dr. Lowry by EGD. Please list and briefly describe all of the retainers Dr. Lowry has had with either EGD and Union.

IGUA #21

12. Please produce the Agreement dated May 11, 2006 and all subsequent amendments thereto prior to the July 13, 2007 amendment attached to the Response to IGUA #21.

IGUA #22

13. Please list by date and by nature of correspondence such as letter, email, etc. all of the communications between Board Staff and PEG which it is alleged are covered by a privilege claim. Please explain the basis on which these communications are privileged.

IGUA #27

14. This Response refers to building innovative re-basing mechanisms into IR Plans. What are PEG's re-basing recommendations for Union and EGD?