

---

---

**MEMORANDUM FROM PACIFIC ECONOMICS GROUP**

---

---

**TO:** EB-2007-0606, EB-2007-0615 INTERESTED PARTIES  
**FROM:** MARK LOWRY AND PEG STAFF  
**SUBJECT:** WORKING PAPERS FOR THE PEG 11/20/07 FINAL REPORT  
**DATE:** 11/23/2007  
**CC:**

---

We have assembled working papers for research on the X factor of Union Gas that appears in the November 20 report. These papers were recently requested by Union. The files attached are those that have changed as a result of the new work. Only sections 1 and 3 have been affected.

Confidential Information

For commercial proprietary reasons PEG believes that the data on U.S. utility operations, the code of the incentive power model, and the company's in-house SST software program are confidential. These materials will be released to parties that have signed the Form of Declaration and Undertaking pursuant to the Board's Practice.

22 E. Mifflin St., #302  
Capitol Square  
Madison, WI 53703  
608.257.1522 608.257.1540 Fax