

22 January 2008

Mr. Patrick Hoey, Enbridge Gas

by e-mail

And to:

Mr. Mike Packer, Union Gas

Dear Sirs:

Re: EB-2007-0615-0606 – GEC Interrogatory & Notice of question on cross

I expect that the issue of the incentive to the companies to pursue customer additions may arise as early as Jan. 31st. The issue turns in part on the short-term implications on revenue to the companies due to the change in the period until rate basing occurs, a matter I will wish to examine on in the context of the partial settlements that have been reached with other parties. To avoid the need for undertakings and to help achieve a clear record I am submitting to you a supplementary interrogatory. If you are not willing to respond to this interrogatory in writing prior to the 31st, I ask that you treat this as notice of a cross-examination question. I expect that the answer will overlap to some extent with the answer that Pollution Probe has sought from Union Gas in its interrogatories, however, please note that the question we pose focuses both on the ultimate return to the companies and on the differences in revenue during the I.R. period compared to COS of customer additions. My question to each company is:

Assuming all else is equal, what is the difference in revenue to the company in each year of the IR period due solely to the delayed recognition in rate base of your capital investment in a portfolio of customer additions (of all types)? In answering this please assume that your portfolio in each year is identical to your 2006 portfolio and indicate what the difference is attributable to each year's portfolio (i.e each of the 5 annual portfolios covered by the IR period) in each year of the period and cumulatively over the five years. Please provide each value expressed on a per portfolio basis and on a per average addition basis. Please also indicate the difference in any in the NPV to the company of each (average) project or annual portfolio due to the move to a five year I.R. period.

If, in the company's view, other features of the IR settlement would change the incentive for customer additions (of various types) as compared to the annual COS approach, please explain.

Sincerely,



David Poch

Cc: All parties