

November 26, 2014

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

Dear Ms. Walli:

RE: EB-2014-0012 - Union Gas Limited –Undertaking Response

Please find attached Union's response to Undertaking J1.1 in the above captioned proceeding.

Yours truly,

[Original signed by]

Karen Hockin
Manager, Regulatory Initiatives

Cc: EB-2014-0012 Intervenors
Charles Keizer, Torys
Mark Kitchen, Union

UNION GAS LIMITED

Undertaking of Mr. Tetreault

To Mr. Brett

To confirm the level of interest payable on construction work in progress, or equivalent, prior to inclusion of assets in rate base, and to confirm it is capitalized and put into rate base at the same time as the underlying asset.

Of Union's forecasted capital investment of \$9.9 million, approximately \$0.260 million is related to Interest During Construction (IDC). This amount will be included in rate base at the same time as the underlying facilities. The revenue requirement associated with Union's capital investment (including IDC) is recovered in Union's proposed L1 liquefaction rate.