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Our File No. 948-22-003

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May 27, 2008

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**RE: Union Gas Limited 2008 Storage Gas Enhancement Application
EB-2008-0038
MNR Technical Conference Questions – 2008-05-27**

Dear Madam and Sir,

In advance of the Technical Conference to be held for this matter on June 3, 2008, please find attached a list of technical questions that we will be asking the Applicant to address.

Yours truly,

[Original signed by]

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cc Mr. Jug Manocha, Petroleum Resources Centre, MNR (via e-mail)
Ms. Zora Crnojacki, Case Manager, OEB (via e-mail)
Ms. Maureen Helt, Board Counsel, OEB (via e-mail)

Schedule "A"

**RE: Union Gas Limited 2008 Storage Gas Enhancement Application
EB-2008-0038
MNR Technical Conference Questions – 2008-05-27**

1. Given what Union has learned from its studies of the geological and rock mechanic properties of the subject storage pools and overlying formations, how would Union characterize the magnitude of the proposed pressure increase relative to the maximum delta-pressuring that the pool could safely be subjected to, e.g. very minor, moderate, major?

Can this assessment be quantified in terms of percentages or pressures?

2. What is the maximum operating pressure of the subject pools given Union's analysis?
3. How accurate is Union's technology respecting detection of gas storage problems at higher operating pressures, e.g. inventory control, metering, etc?
4. Given the relatively small increase in operating pressure, if a gas loss problem from the reservoir itself were to occur is it likely to be detected? How much volume loss would have to occur before a problem is detected?
5. Given that storage wells can be used for several decades, does Union have an ongoing mechanical integrity assessment program for its wells? What is Union's experience with casing and cement failure with the storage wells across their systems? What is the length of time that a storage well will remain mechanically sound and have any studies been conducted for this assessment?
6. Are Union's pipeline systems suitable for the increased operating pressures?
7. If a gas release event occurs at a pipeline, how quickly can the wells feeding into the pipeline be shut-in or otherwise isolated from the point of the pipeline failure? Would this be done remotely or manually at the site(s)?

8. Are any of the subject pools' well or pipeline facilities located in or near densely populated areas and how has the Applicant given consideration to this in its Application?
9. Will Union implement any new operating or monitoring procedures or install any new surface control or monitoring equipment as a result of the increased operating pressure? If yes, provide details.
10. How many other pools is Union considering for increased delta pressuring at the present time?