

UNION GAS LIMITED

Answer to Interrogatory from
School Energy Coalition (“SEC”)

Please provide the following Discount Cash Flow (DCF) analysis schedules in excel format with all formulas intact

- a. Exhibit A, Tab 2, Section A, Schedule 6
- b. Exhibit A, Tab 2, Section B, Schedule 6
- c. Exhibit A, Tab 2, Section C, Schedule 6
- d. Exhibit A, Tab 2, Section D, Schedule 6

Response:

The Discounted Cash Flow (“DCF”) analysis filed as Schedule 6 in the Exhibit A, Tab 2 evidence is a reporting sheet within Union’s Economic Evaluation Model (“EEM”). Schedule 6 is not a calculation engine in and of itself. The EEM is a large complex excel workbook with capabilities beyond the DCF portion of reporting. Its use requires specific knowledge of its structure and financial skills. The Excel file Union has prepared for this request is a modified version of Schedule 6 which re-produces the significant calculations embedded elsewhere in the EEM. These demonstrate the inputs and assumptions of the DCF analysis.

Union has provided a live Excel Spreadsheet (Exhibit C.SEC.11, Attachment 1) directly to SEC via email, copying the Board. Should any other interested parties wish to receive the document, please contact Union directly.

The average use and distribution margins for residential customer types are included in the file. The average use and distribution margin for the commercial and industrial customers are presented as an average for the entire C/I group to maintain customer confidentiality.

The discount methodology is beginning of period for outflows and mid-period for inflows. Please refer to Exhibit A, Tab 2, Schedules 2 and 7 for other specific project inputs.