

**Interrogatory Questions of
the Association of Power Producers of Ontario (APPrO)
to Union Gas Limited
EB 2008-0220**

1. Z Factor

Exhibit A, Tab 1, pages 6 and 9, Tables 1 and 2 illustrates the proposed cost recovery of certain costs related to recovery of conversion to IFRS.

- a. Please confirm that the costs in this table are intended to recover costs incurred from conversion related to Table 1 for the years 2009 and 2010.
- b. If the actual incurred costs for any year are less than the \$1.5m threshold cost for recovery, please confirm it is Union's intent not to recover any costs for such year.
- c. Table 2 illustrates an O&M cost recovery for 2011, yet in Table 1 the total costs related to 2011 do not meet the \$1.5m materiality threshold. Please explain.

2. TransCanada DOS-MN

On or about November 7, 2008, TransCanada filed an application with the National Energy Board to implement a Dawn Overrun Service – Must Nominate (“DOS-MN”) whereby for the balance of the current winter TransCanada will receive gas at Empress and redeliver such volumes at Dawn. The cost for such service is the FT commodity toll, thus shippers avoid the normal demand charge that otherwise would apply. Certain shippers had the right to their pro-rata of this service. Please indicate if Union has taken its pro-rata share of this service and, if so, whether the full benefits of this service will flow through the Y factor transportation costs.