

OSEA INTERROGATORY #2

INTERROGATORY

Reference: Exhibit B, Tab 1, Schedule 2, Page 13 of 15

Preamble: Union states "Useful Life estimates are most dependent on the application and quality of maintenance. Any equipment life that was reported higher than 20 years was reduced to 20 years to conform to Union Gas's 20 year limit"

Please explain why Union is reducing the Useful Life estimates to 20 years for equipment with reported higher life estimates. If the direction of the OEB was to use common assumptions, why are the useful lives of the two utilities different?

RESPONSE

Please refer to BOMA Interrogatory response #1 found at Exhibit I.EGDI.BOMA.1.

Further, Union elected to implement a 20 year cap on Commercial/Industrial Custom Effective Useful Life to be conservative. Union's EUL Guide notes "*where site specific information or a relevant prescriptive EUL is available to support an alternate EUL value for a specific custom project, Union Gas will use the alternative value for that custom project.*"

Witnesses: D. Bullock
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