REF: EB-2010-0039 Union Motion Volume 1 20110406, page 116, lines 4 to 27

Preamble:

> MR. QUINN: Okay. Thank you.
>
> I am going to move to the impact of clearing a deferral account. We know the issue obviously is in front of this Panel as to whether the deferral account clearance will need to await the sale or not.
>
> But presuming that the answer is that they do not have to wait for the sale, I wanted to explore something.
>
> Mr. Thompson went over the IRM implications with Ms. Elliott this morning, but what I didn't hear was the impact to earnings-sharing mechanism.
>
> Could Ms. Elliott or somebody else provide to us -- walk through, starting at December 31st, 2009 when the assets were removed, what the earnings-sharing treatment Union has either done or is proposing, moving forward?
>
> MS. ELLIOTT: The simple answer is there is no earnings-sharing treatment, because the costs are no longer in utility cost-of-service.
>
> So as of December, 2009, the asset was removed from rate base, which will remove the costs associated with that asset. That is how they were treated through 2010, as well.
>
> So the costs are gone and the revenue is gone, leaving utility earnings with no, basically, residual cost or revenues from the St. Clair pipeline.

1) How was revenue from third parties shippers using the St. Clair Line treated in the period that the asset was deemed to be a non-utility asset?

2) Who operated the line while it was held by the non-utility?
    a) If Union, what compensation was provided by the non-utility for operating costs?

3) Did Union Gas pay the non-utility business for any use of the St. Clair Line while it was held as a non-utility asset?
    a) If so, what was the level of compensation and how was it determined for:
        i) 2009?
        ii) 2010?

iii) 2011?

iv) 2012 YTD and forecast to March 31, 2012?

b) Please provide the specific calculations that yielded the determination.

REF: EB-2010-0039 Union Motion Volume 1 20110406, pages 85-88

4) What is the expected balance in Deferral Account 179-122 as of March 31, 2012?
   a) Will that amount come back directly to ratepayers as a direct disposition?
   b) Is it Union's intent to include the revenue in total revenue for the utility and make it subject to the Earnings Sharing calculation for 2012?
      i) If so, given Union's projection for 2012 profitability of well less than 200 basis points, what would be the resulting disposition to ratepayers?

5) Please provide a description along with the specific calculations to show for each of the years, how Union's treatment in ESM resulted in no cost to ratepayers for each of the periods.