

Board Staff Interrogatories

Application under Section 43 of the *Ontario Energy Board Act* for Leave to Transfer All the Voting Shares of Union Gas Limited from Westcoast Energy Inc. to a Limited Partnership

Board File Number EB-2008-0304

Board Staff interrogatories for the subject application are as follows:

With respect to the Applicant's intention to subsequently convert Union Gas Limited into a Nova Scotia unlimited liability company ("NSULC") (in the event that the Board grants leave to transfer all the voting shares of Union Gas Limited from Westcoast Energy Inc. to a Limited Partnership), please provide the following information:

1. What is the precise entity that will operate the current assets of Union Gas Limited?
2. What are the advantages to the ratepayers of Union Gas Limited by converting that company to a NSULC?
3. What additional liabilities are the ratepayers exposed by a conversion of ownership of Union Gas Limited to a NSULC?
4. Please confirm that none of the restructuring costs involved in setting up the NSULC will be borne by the ratepayers of Union Gas Limited.
5. Westcoast Energy Inc. is a corporation incorporated under the *Canada Business Corporations Act*. Does not the presence of a Canadian "ordinary" corporation (i.e. one which is not a flow-through entity for U.S. tax purposes) in between Spectra and Union preclude the consolidation of Union's income or loss with Spectra's for U.S. tax purposes, notwithstanding the conversion of Union into a ULC?
6. If Union's income or loss will be consolidated with Spectra's in any event (by virtue of Union converting to a ULC) how does the insertion of a limited partnership allow Spectra "more flexibility in determining when distributions ultimately made by WEI to its parent would include the movement of Union's earnings and profit for U.S. tax purposes"? (See paragraph 9 of the prefiled evidence of Westcoast Energy and Union).
7. In Union's letter of October 6, 2008, it stated that given the language of the obligations in the undertakings, which refer to Westcoast Energy "and its affiliates", the proposed limited partnership and the proposed general partner will become parties to the undertakings "by definition". If the OEB considers there to be any uncertainty with respect to this conclusion, would the Applicants be prepared to have the limited partnership and the proposed general partner execute the undertakings directly?