UNDERTAKING HDU1.1

UNDERTAKING

Tr. 56

To review the gas delivery agreement and advise whether the shipper's obligations under that agreement are not met if they do not nominate within the timely cycle identified in Exhibit I-12-11

RESPONSE

The Gas Delivery Agreement does not explicitly address the obligation to nominate within the timely cycle. Such provisions are contained in TransCanada's general terms and conditions which describe the nomination process before gas volumes are authorized to flow. If TransCanada does not authorize flow, a failure to deliver could occur, which in turn would trigger certain provisions in the Gas Delivery Agreement.

Excerpt 1 provides the relevant sections of EGD's Gas Delivery Agreement with respect to nominations for bundled service customers. The Transaction Rules (Section 2.4.1) lay out the requirements for nominating delivery obligations with EGD. Since delivery obligations rarely vary on a daily basis, the Transaction Rules specify that the nomination must be entered a certain number of days prior to effective flow date. A nomination remains a standing nomination until a change is submitted.

Direct Shippers (who hold their own transport) are required to nominate on TransCanada's system for delivery to the CDA and EDA based on the general terms and conditions of TransCanada's transportation contracts. This is shown as Excerpt 2. The 12.00 CCT deadline for submitting nominations referred to in Excerpt 2 is based on NAESB guidelines. The excerpt also refers to Sections IX and XV TransCanada's general terms which refer to Force Majeure and Impaired Deliveries. These sections lay out the capacity allocation process by which nominations are authorized/accepted by TransCanada.

The nomination process is also explained in layman's terms on TransCanada's web site. This is shown as Excerpts 3 and 4. TransCanada follows the NAESB nomination cycles and deadlines. Direct shippers who nominate their supplies directly on TransCanada are aware of the nomination timelines and that nominations are only firm at the Timely Nomination window. A nomination that is not confirmed at the Timely Nomination window because of a capacity allocation issue generally has a reduced probability of being authorized in the subsequent windows.

Witnesses: I. MacPherson
M. Giridhar
E. Overcast

Finally, Section 7.4.1 of EGD's Gas Delivery Agreement requires acknowledgement of NAESB standards.

Excerpt 1 - Enbridge Gas Distribution Gas Delivery Agreement (for Agents)

2.4 Nominations

2.4.1 Nominations - In respect of each Pool, the Customer(s) (or the Agent on their behalf) participating in such Pool may, from time to time during the contract term of the Pool, provide to the Company a Transaction Request specifying, among other things, details of the volumes (including the contracted Pool MDV during the relevant periods for such Pool), as well as the relevant Point of Acceptance of the Gas included in such Pool (each, a "Nomination").
All Nominations shall be made in accordance with the Transaction Rules.

2.4.2 Effective Time of Nomination - Each Nomination shall only be effective from and after the time and date established by the relevant Transaction Request.

2.4.3 Failure to Submit Initial Nomination - If a valid Nomination is not submitted in respect of a Pool prior to any Gas in respect of such Pool beginning to flow, then the Company shall have no obligation to accept deliveries of Gas at the Point of Acceptance, in respect of such Pool.

7.4 Adoption of NAESB Standards

7.4.1 Acknowledgement of Standards - Each of the Parties acknowledges that the North American Energy Standards Board ("NAESB") develops and promotes standards for business practices and electronic communication of Gas transactions, with a view to simplifying the management of Gas across the entire North American pipeline grid, and that the Gas Industry Standards Board ("GISB") is the wholesale Gas quadrant of NAESB.

Witnesses: I. MacPherson
M. Giridhar
E. Overcast

Excerpt 2 – TransCanada's General Terms and Conditions

NOMINATIONS AND UNAUTHORIZED QUANTITIES[1]

1. Nominations
For service required on any day under each of Shipper's transportation contracts (for the purposes of this Section XXII the "said Contract"), Shipper shall provide TransCanada with a nomination of the quantity of gas, expressed in GJ, it desires TransCanada to deliver at the delivery point ("Shipper's nomination") or Title Transfer pursuant to Section XXIV of these General Terms and Conditions. Unless otherwise provided under the applicable Toll Schedule or as outlined under this section in the Schedule of Nomination Times below, such nominations are to be provided in writing or EDI format, or by other electronic means, so as to be received by TransCanada's Gas Control Department in Calgary on or before 12:00 hours CCT on the day immediately preceding the day for which service is requested. Subject to the provisions of the applicable toll schedules and Sections XIV and XV of these General Terms and Conditions, TransCanada shall determine whether or not all or any portion of Shipper's nomination will be accepted.

In the event TransCanada determines that it will not accept such nomination, TransCanada shall advise Shipper, (on or before 14:00 hours CCT on the day immediately preceding the day for which service is requested), of the reduced quantity of gas, (if any) (the "quantity available") that TransCanada is prepared to deliver under the said Contract. Forthwith after receiving such advice from TransCanada but no later than 1 hour after receiving such notice on such day, Shipper shall provide a revised nomination to TransCanada which shall be no greater than the quantity available. If such revised nomination is not provided within the time allowed as required above or such revised nomination is greater than the quantity available, then the revised nomination shall be deemed to be the quantity available. If the revised nomination (delivered within the time allowed as required above) is less than the quantity available, then such lesser amount shall be the revised nomination. That portion of a Shipper's nomination or revised nomination, which TransCanada shall accept for delivery shall be known as "Shipper's Authorized Quantity" which authorized quantity shall be limited, for firm services, to Shipper's Contract Demand and, for other services, to such quantity permitted by the provisions of the Contract.

[1] **Transportation Tariff TransCanada PipeLines Limited**
GENERAL TERMS and CONDITIONS Effective Date: February 1, 2009 Sheet No. 35

Witnesses: I. MacPherson
M. Giridhar
E. Overcast

Excerpt 3 – MainLine Nominations Quick Reference Guide[2]

1. Gas Day
TransCanada's gas day begins at 09:00 Central Clock Time (CCT). Each gas day has four nomination cycles:

- Timely Cycle - For next day gas flow at 09:00 CCT
- Evening Cycle - For next day gas flow at 09:00 CCT
- Intra-day 1 Cycle - For current day gas flow at 17:00 CCT
- Intra-day 2 Cycle - For current day gas flow at 21:00 CCT
- Storage Transportation Service (STS) - For current day gas flow at 01:00 CCT
- Storage Transportation Service (STS) - For current day gas flow at 05:00 CCT
- Storage Transportation Service (STS) - For current day gas flow at 11:00 CCT

  http://www.transcanada.com/Mainline/customer_activities/nominations.html

2. Nomination Cycle
TransCanada follows NAESB (North American Energy Standards Board) nomination cycles and deadlines. The nomination cycle consists of four processes:

- Nomination Process - The shippers nominate their requests for transportation to TransCanada.
- Capacity Allocation Process - TransCanada determines if there is sufficient capacity to transport the nominated quantities. If there isn't, capacity is allocated by service priority.
- Interconnect Confirmation Process - TransCanada confirms with downstream pipeline operators that sufficient downstream transportation has been nominated and allocated capacity. TransCanada also confirms with upstream pipeline operators that sufficient upstream transportation has been nominated and allocated capacity.
- Scheduled Quantities - The transportation quantity scheduled to flow is the lesser of: the quantity nominated by the shipper, the capacity allocated by TransCanada, the quantity confirmed by the -downstream operator and the quantity confirmed by the upstream operator. TransCanada makes available the scheduled quantity to the shipper.

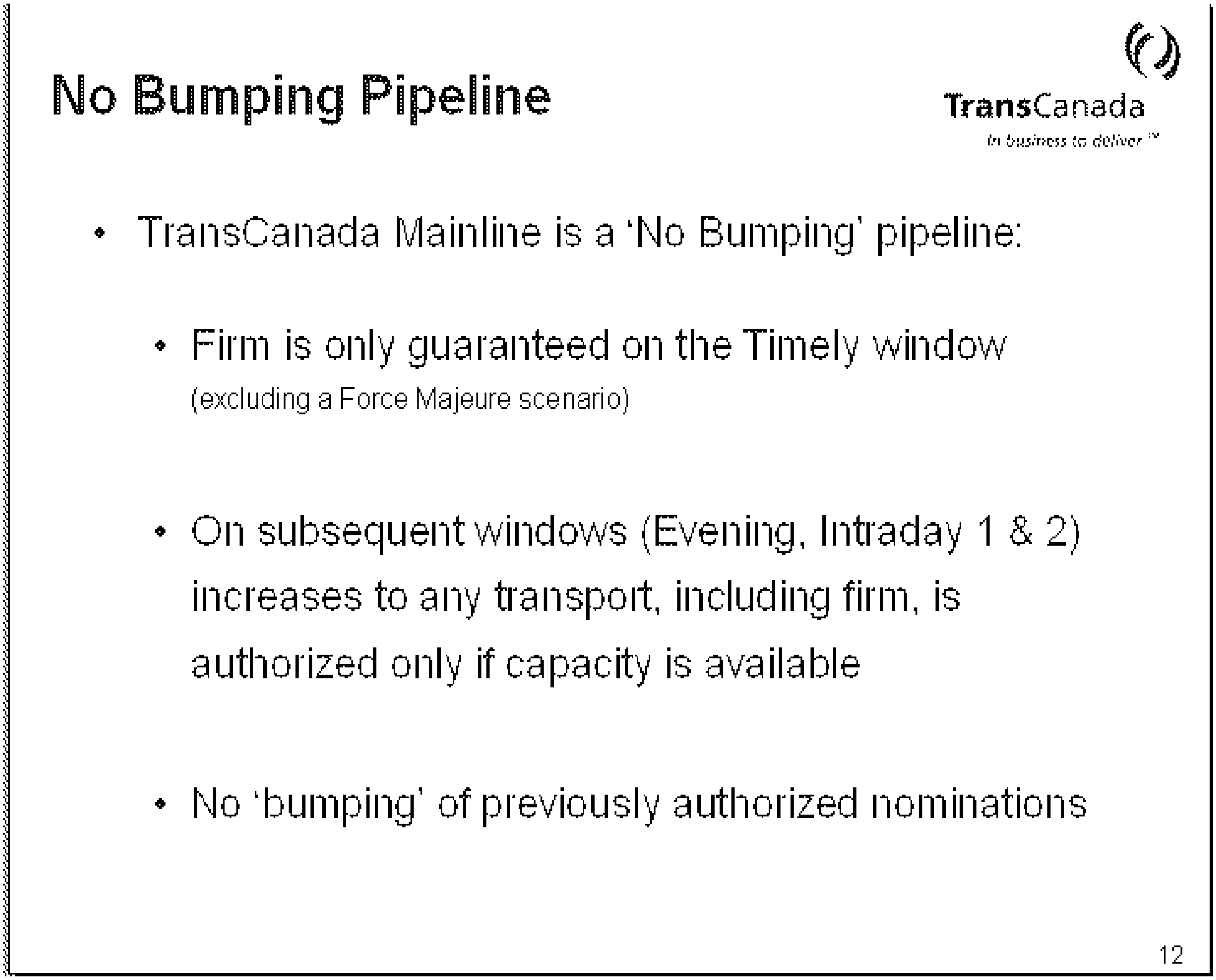
For Canadian Mainline Processing Cycles, please select: Canadian Mainline Processing Cycles

---

[2] http://www.transcanada.com/Mainline/customer_activities/mainline_nominations_quick_reference_guide.html

Witnesses: I. MacPherson
M. Giridhar
E. Overcast

Excerpt 4 – CA Info Session Final Presentation April 2003[3]



[3] http://www.transcanada.com/Mainline/customer_activities/mainline_nominations_quick_reference_guide.html

Witnesses: I. MacPherson
M. Giridhar
E. Overcast

UNDERTAKING HDU1.2

UNDERTAKING

Tr. 115

Confirm whether Enbridge Gas Distribution Inc. is appropriately identified as the contract holder for STFT transportation arrangements at pages 33 to 35 of the document book.

RESPONSE

EGD confirms that the STFT transportation arrangements identified in pages 33 to 35 of the document book are *not* EGD's transportation arrangements. TransCanada's practice is not to identify shippers who have entered into arrangements for STFT service.

Witnesses: I. MacPherson
M. Giridhar
E. Overcast

UNDERTAKING HDU1.3

UNDERTAKING

Tr. 197

To break out separately a chart as to the contribution contracted as of 1 November 2008 and the actual contribution for the peak period in the 2008 season, breaking out separately the DP non-firm into the different discretionary services

RESPONSE

Table 1 attached provides a comparison of the Design Degree Day Forecast as presented at page 3 of Exhibit HDU1.1 and EGD's actual peak day in the winter of 2008/09 which occurred January 16, 2009. This table also shows the breakdown of deliveries off TCPL on design day and actual peak day.

In preparation for meeting potential peak demand for the week of January 16th, EGD called for curtailment of all interruptible customers in the prior week, thus providing adequate notice to interruptible customers to arrange for excess supplies to the franchise in the form of Curtailment Delivered Supplies ("CDS"). At the same time EGD was concerned about its declining storage balances. Recognizing the need to acquire additional gas supplies EGD decided to purchase Empress supplies utilizing ST-FT transportation to the franchise area to the tune of 100,000 GJ/d for one week effective January 15, 2009. The ST-FT had the effect of increasing firm transport to the franchise for the week and providing for additional flexibility rather than purchasing gas at Dawn.

Table 2 shows the total amount of ST-FT contracted to the franchise as of November 1, 2008 and for the week that included January 16, 2009. The amount of ST-FT contracted for the winter season on November 1, 2008 was negligible. The amount of ST-FT available on actual peak day in the franchise was 639,782 GJ/d. EGD contracted for 100,000 GJ/d for a period of one week to address storage inventory needs and address the need for firm transport to the franchise and the direct purchase community contracted for 539,782/d. Of the latter approximately 60% was contracted for a duration of one week and 40% was contracted for a period up to one month. Approximately 14% was contracted for the full long haul from Empress while the rest was contracted for short haul distances.

Witnesses: I. MacPherson
M. Giridhar
E. Overcast

Table 3 derives the amount of delivery obligations that were met by ST-FT and non firm arrangements. Since shippers using ST-FT are not identified, EGD has no way of identifying which delivery obligations were met using ST-FT. Assuming that peaking suppliers did not contract for any ST-FT, the total delivery obligations that were nominated by direct purchase firm and interruptible customers was 775,738 GJ/d. The ST-FT amount of 539,782 GJ/d met 70% of nominations, while the rest, or 235,959 GJ/d were met by non firm transport on TCPL.

Witnesses: I. MacPherson
M. Giridhar
E. Overcast

TABLE 1

TCPL Deliveries - Design Degree Day Forecast vs Actul Peak Day

	Column 1	Column 2
	2009 Peak Day Design Demand	Actual Peak Day 16-Jan
Degree Days	39.5	34.3
	GJ	GJ
Demand	3,703,703	3,359,165
TCPL		
EGD Long Haul - FT	291,130	291,130
EGD Long Haul - STFT		100,000
EGD Short Haul	349,390	349,314
STS	364,503	340,908
DP Firm LH	36,362	36,156
Total TCPL Deliveries	1,041,385	1,117,508
Peaking & Curtailment	467,643	510,205
DP non FT	419,648	406,032

TABLE 2

Contracted STFT as per TCPL		Contract Period	
- as at November 1/08			
- Union NDA to Enbridge CDA	2,616	11/1/2008	11/30/2008
- as at January 16/09			
- TCPL WDA to Enbridge CDA	173,799	1/1/2009	1/31/2009
- TCPL WDA to Enbridge CDA	37,321	1/11/2009	1/31/2009
- TCPL WDA to Enbridge CDA	134,000	1/13/2009	1/19/2009
- TCPL WDA to Enbridge CDA	28,637	1/14/2009	1/20/2009
- North Bay Junction to Enbridge CDA	91,000	1/13/2009	1/19/2009
- Empress to Enbridge CDA	25	1/1/2009	3/31/2009
- Empress to Enbridge CDA	100,000	1/15/2009	1/21/2009
- Empress to Enbridge CDA	75,000	1/16/2009	1/22/2009
	639,782		

TABLE 3

Derivation of STFT and Non Firm Deliveries on Peak Day

Direct Purchase Non Firm Service	406,032	
Interruptible Services (incl CDS)	369,706	- note 1
Total	775,738	
STFT	(539,782)	
Non Firm Discretionary	235,956	

- note 1 Peaking & Curtailment less Peaking and Other Supplies

UNDERTAKING HDU2.1

UNDERTAKING

Tr. 55

Provide explanation of what the weighted average cost of Enbridge's transportation portfolio would be without paying the transportation credit to direct shippers; compare that against the $1.44 gigajoule estimated by TCPL to be the toll charge for next year.

RESPONSE

The table below provides the weighted average cost of transport with and without the transportation service credit at varying levels of TCPL tolls:

a) 2009 approved toll of $1.19/Gj,
b) assumed 2010 toll of $1.44/Gj,
c) assumed TCPL FT toll of $1.30/Gj.

Also shown is the impact on a residential bill for a typical heating and water heating customer consuming 3 064 cubic metres per year.

Assuming TCPL FT tolls are at the current NEB approved level, a typical residential system gas/western T customer will see a reduction in their annual bill of $5 due to the elimination of the transportation service credit (TCPL long haul tolls of $1.19/GJ). A typical Ontario T direct purchase customer on ABC service will see an increase in their transportation charge of $7 assuming that their agent charges them the TCPL long haul toll of $1.19/GJ. The differential in transportation cost between system/western T customers and Ontario ABC customers would be approximately $12 per year or a dollar a month.

The differential between the system/western T customer and Ontario ABC customer would increase to $16 and $14 per year, respectively for the TCPL toll scenarios b) and c) outlined above.

Witnesses: M. Giridhar
I. MacPherson
E. Overcast

	TCPL FT Tolls @ 100% LF		EGD Transportation Cost -Prior to Unbundling of Transportation Rates		EGD Transportation Cost - After the Unbundling of Transportation Rates		Impact on System/Western T customer per year	Impact on a Ontario T DP Customer per Year	Differential between Ont DP customer and System/West
	$/ m^3	$/Gj	$/ m^3	$/Gj	$/ m^3	$/Gj	$	$	$
Current Tolls 2009	0.044851	1.19	0.0426	1.1290	0.0408	1.08	(5.26)	7.04	12.31
Proposed Toll 2010	0.054274	1.44	0.0513	1.3616	0.0491	1.30	(6.76)	9.05	15.81
Alternative Toll Scenario	0.048997	1.30	0.0464	1.2314	0.0445	1.18	(5.92)	7.93	13.85

Witnesses: M. Giridhar
I. MacPherson
E. Overcast

UNDERTAKING HDU2.2

UNDERTAKING

Tr. 86

To provide answer as to the probability of peak design day occurring in March.

RESPONSE

EGD's design weather assumes peak day degree days of 39.5. Based on statistical analysis of historical weather data in CDA, there is a probability of 2.5% that degree days will equal or exceed 39.5 in the month of March. This corresponds to a recurrence interval of 1 in 40 years. While the probability of design day occurrence in March is low, there is a greater risk of supply inadequacy if the design day occurred in March. EGD's total storage deliverability declines by about 1 PJ on March 1 and 1.5 PJ by the end of March. Accordingly, if design day occurs in March, spot requirements of up to 1.5 PJ, may be required to replace the decline in storage deliverability in meeting demand. EDG expects it would be difficult to acquire this level of spot gas at Dawn or franchise area, especially during design day conditions. Many LDC's plan for design day conditions in March to ensure that they factor in the impact of reduced storage deliverability in March.

Witnesses: M. Giridhar
I. MacPherson
E. Overcast

UNDERTAKING HDU2.3

UNDERTAKING

Tr. 159

To provide answer as to which category in the curtailment plan generators are included and whether the gas generator would be curtailed on a semi-regular basis.

RESPONSE

EGD does not expect to curtail gas generators using firm distribution service on a semi regular basis. Unbundled power generators have limited ability to draft the system in the winter based on the provision of their rates. In addition, EGD may declare an Operational Flow Order (“OFO”) at 24 hours notice which would reduce the power generator’s ability to draft the system to nil. To the extent that EGD is able to declare an OFO, EGD does not expect that unbundled power generators would exacerbate a supply shortfall situation.

If time is of the essence to balance the distribution system and maintain system integrity, EGD would declare force majeure. By virtue of their size, power generators would be placed in Phase 1, however EGD’s communications protocol require it to take the following steps before a decision is made to cut gas generator load. The power generators would be notified; and the EGD website (Operational Status page) would be updated to reflect the operational constraint. The IESO would then be contacted and a discussion would be held to determine the criticality of power generation at that time and within that geographical region. Enbridge Gas Distribution and the IESO will collaborate to the extent possible to maintain both gas and electrical system integrity, however, EGD notes that the Gas Distribution Access Rule prohibits the disclosure of specific customer information to third parties, including the IESO. Depending upon the nature of the information required, the IESO may have the need to approach the Board for certain amendments to or exemptions from these GDAR requirements.

Witnesses: M. Giridhar
I. MacPherson
E. Overcast