

Responses to the Interrogatories of Board Staff

Generic Issue

1. Ref. Limited Partnership Agreement

Request

Please provide a copy of the limited partnership agreement.

Response:

Please see the draft Limited Partnership Agreement attached. It is anticipated that the final agreement will be substantially in this form.

GREAT LAKES POWER TRANSMISSION INC.

- and -

BROOKFIELD CANADA INFRASTRUCTURE HOLDINGS INC.

**GREAT LAKES POWER TRANSMISSION LP
LIMITED PARTNERSHIP AGREEMENT**

May 17, 2007

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LIMITED PARTNERSHIP AGREEMENT

THIS AGREEMENT made this 17th day of May, 2007.

B E T W E E N:

GREAT LAKES POWER TRANSMISSION INC.

(the "General Partner")

- and -

BROOKFIELD CANADA INFRASTRUCTURE HOLDINGS
INC.

(the "Original Limited Partner")

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, except as otherwise expressly provided, the following words or expressions will have the following meanings:

- (a) **"Agreement"** means this agreement and all schedules attached to this agreement, in each case as it or they may be amended, supplemented, replaced or restated from time to time.
- (b) **"Business Day"** means any day except Saturday, Sunday, or any statutory holiday in Toronto, Ontario;
- (c) **"Capital"** means the total capital of the Partnership which is raised pursuant to subscriptions of Class A Units and Class B Units.
- (d) **"Capital Contribution"** means the aggregate amount contributed as capital to the Partnership by a Partner.
- (e) **"Cash Available for Distribution"** means Partnership Cash from Operations and Partnership Capital Receipts.
- (f) **"Class A Unit"** means a unit in the form attached as Schedule A that is held by a Limited Partner and represents the right, title and interest of such Limited Partner in and to the Partnership. All Class A Units outstanding at any time represent, in the aggregate, a 99.9% interest in the Partnership.
- (g) **"Class B Unit"** means a unit in the form attached as Schedule B that is held by the General Partner and represents the right, title and interest of the General

Partner in and to the Partnership. All Class B Units outstanding at any time represent, in the aggregate, a 0.1% interest in the Partnership.

- (h) **“Declaration”** means the declaration of limited partnership, as it may be amended from time to time, filed with respect to the Partnership pursuant to this Agreement and the requirements of the Limited Partnerships Act.
- (i) **“General Partner”** means, at any particular time, the party to this Agreement who has executed the Agreement as General Partner and is then holding office as General Partner.
- (j) **“Income Tax Act”** means the *Income Tax Act* (Canada), as amended, and any re-enactments, replacements or substitutions thereof.
- (k) **“Limited Partner”** means any of the limited partners of the Partnership. As at the date hereof the Original Limited Partner is the sole Limited Partner holding 100 Class A Units.
- (l) **“Limited Partnerships Act”** means the *Limited Partnerships Act* (Ontario), as amended, and any re-enactments, replacements or substitutions thereof.
- (m) **“Partner”** means the General Partner or any Limited Partner, and **“Partners”** means, collectively, the General Partner and all Limited Partners.
- (n) **“Partnership”** means the Great Lakes Power Transmission LP formed pursuant to the Declaration.
- (o) **“Partnership Capital Receipts”** means the net amounts received by the Partnership on account of capital less any amounts required for capital expenses and reserves which the General Partner determines are necessary or desirable.
- (p) **“Partnership Cash From Operations”** means the net cash received by the Partnership from the Partnership’s operations and investments, after the expenses and liabilities of the Partnership are paid and after an allowance is made for reasonable reserves which the General Partner determines are necessary or desirable.
- (q) **“Person”** means an individual, sole proprietorship, partnership, unincorporated association, unincorporated organization, unincorporated syndicate, trust, body corporate, and a natural person in his or her capacity as trustee, executor, administrator or other legal or personal representative.
- (r) **“Subscription”** means a subscription for Class A Units or Class B Units, as applicable, in a form acceptable to the General Partner, pursuant to which, among other things, the Person acquiring such Units, if not a Partner, agrees to be bound by this Agreement in the same manner as if it had been an original party hereto.
- (s) **“Subscription Price”** means the amount per Class A Unit or Class B Unit, as applicable, to be determined at the relevant time by the General Partner, that is to be contributed to the Capital in consideration for the issuance of the particular Class A Units or Class B Units.
- (t) **“Transfer”** means to sell, assign, surrender, gift, transfer, pledge, mortgage, charge, create a security interest in, hypothecate or otherwise encumber any Unit

or any interest, whether legal or beneficial, in a Unit, whether voluntary, involuntary, by operation of law or otherwise.

- (u) **“Unit”** means either a Class A Unit or a Class B Unit.

1.2 Construction

In this Agreement, except as otherwise expressly provided:

- (a) All words and personal pronouns relating thereto are to be read and construed as the number and gender of the party or parties require and the verb is to be read and construed as agreeing with the required word and pronoun.
- (b) The division of this Agreement into articles and sections and the use of headings is for convenience of reference only and does not modify or affect the interpretation or construction of this Agreement or any of its provisions.
- (c) When calculating the period of time within which or following which any act is to be done or step taken pursuant to this Agreement, the date which is the reference day in calculating such period is excluded. If the last day of such period is not a Business Day, the period in question ends on the next succeeding Business Day.
- (d) All dollar amounts expressed are in Canadian funds.
- (e) Any accounting terms that are not specifically defined are to be construed in accordance with generally accepted accounting principles as prescribed by the Handbook of the Canadian Institute of Chartered Accountants.

ARTICLE 2 FORMATION, NAME, PLACE OF BUSINESS, FISCAL YEAR

2.1 Formation

The Partners hereby confirm that the Partnership was formed in accordance with the Limited Partnerships Act and is amended by this Agreement. The Partnership will be effective as a limited partnership from the date upon which the Declaration is filed in accordance with the Limited Partnerships Act until such time as is determined in accordance with Article 3.

2.2 Name

The name of the Partnership is Great Lakes Power Transmission LP. The Partnership will carry on business under that name or such other name as the General Partner may from time to time determine, provided the use of such name conforms to all applicable laws.

2.3 Place of Business

The General Partner will determine the location of the principal place of business of the Partnership and all additional places of business of the Partnership from time to time. The General Partner will give notice in writing to the Limited Partners of any change in the principal place of business of the Partnership.

2.4 Fiscal Year

The fiscal year of the Partnership will be the calendar year.

ARTICLE 3 PERIOD OF PARTNERSHIP

3.1 Date of Termination

The Partnership will be dissolved and its affairs wound-up at the time specified in and in accordance with Article 13.

3.2 Events Not Causing Dissolution

Subject to the provisions of section 13.1, the Partnership will not be dissolved or terminated by the addition, resignation, removal, death, mental incapacity, insanity, bankruptcy, insolvency or receivership of any Partner or by the dissolution, liquidation or winding up of any Limited Partner.

ARTICLE 4 BUSINESS AND POWERS OF THE PARTNERSHIP

4.1 Business

The Partnership will carry on the business of acquiring, owning, operating and developing power transmission assets in Canada, and may carry on any business incidental thereto or in furtherance thereof as the General Partner deems desirable. The Partnership may enter into such agreements as the General Partner considers necessary or advisable in respect of the business of the Partnership.

4.2 Powers

In connection with carrying on its business, the Partnership has the power to do and perform all things necessary for or incidental to or connected therewith.

4.3 Limited Authority of Limited Partner

No Limited Partner in its capacity as a Limited Partner may:

- (a) take part in the management or control of the business of the Partnership;
- (b) execute any document which binds or purports to bind the Partnership or any Partner;
- (c) hold itself out as having the power or authority to bind the Partnership or any Partner;
- (d) undertake any obligation or responsibility on behalf of the Partnership; or
- (e) bring any legal action for partition or sale in connection with any property or assets of the Partnership, whether real or personal, or register or permit any lien or charge in respect of such property or assets.

ARTICLE 5 LIABILITY OF PARTNERS

5.1 Limited Partners

The liability of each Limited Partner for the debts, liabilities, obligations and losses of the Partnership is limited to the Capital Contribution of that Limited Partner plus its *pro rata* share of the undistributed income of the Partnership. Subject to the provisions of the Limited Partnerships Act, a Limited Partner has no further liability for any debts, liabilities, obligations or losses of the Partnership and is not liable for any calls or assessments or further contributions to the Partnership.

5.2 General Partner

The General Partner has unlimited liability for all of the debts, liabilities, obligations and losses of the Partnership. The General Partner is not liable to the Limited Partners for any of its acts, omissions or errors in judgment, except those resulting from its gross negligence, wilful misconduct or disregard of its obligations or breach of its duties under this Agreement.

5.3 Indemnification of Limited Partners

Subject to the limitation in section 5.2, the General Partner hereby indemnifies and holds harmless each Limited Partner for any costs, damages, liabilities, expenses or losses suffered or incurred by a Limited Partner that result from or arise out of the Limited Partner not having a limit to its liability as required by section 5.1, other than any lack of limited liability caused by any act or omission of the Limited Partner.

ARTICLE 6 UNITS AND CAPITALIZATION

6.1 Authorization of Units

The Partnership is authorized to issue an unlimited number of Class A Units and Class B Units.

6.2 Capitalization by General Partner

The General Partner hereby subscribes for one Class B Unit at a price of \$1, and acknowledges on behalf of the Partnership that the Partnership has received the sum of \$1 in full satisfaction of the Subscription Price for such Class B Unit. All Class B Units outstanding at any time collectively represent a 0.1% interest in the Partnership. The General Partner is not obligated to make any additional contributions of capital to the Partnership or to subscribe for any additional Units.

6.3 Class A Units

The 99.9% interest in the Partnership of the Limited Partners will be divided into and represented by Class A Units, provided that if at any time, no Class A Units are outstanding, the 99.9% interest in the Partnership will be divided equally among the Limited Partners. Each Class A Unit shall entitle the holder thereof to the same rights and obligations as to the holder of any other Class A Unit, and no Limited Partner shall be entitled to any privilege, priority or preference in relation to any other Limited Partner

6.4 Initial Capitalization by Limited Partners

The Original Limited Partner hereby subscribes for 100 Class A Units at a price of \$1 per Class A Unit, and the General Partner hereby acknowledges receipt of the sum of \$100.00 in full satisfaction of the Subscription Price therefor. All Class A Units outstanding at any time collectively represent a 99.9% interest in the Partnership.

6.5 Additional Capitalization

No Limited Partner is obligated to make any additional contributions of capital to the Partnership or to subscribe for any additional Units. Any Limited Partner may, at any time upon notice to the other Partners and with the consent of the General Partner, increase its respective Capital Contribution by subscribing for additional Class A Units, on such terms and conditions as are agreed to at the relevant time by the General Partner in its sole discretion. No Limited Partner shall be entitled to demand a return of its Capital Contribution or require the Partnership to retract or redeem Class A Units unless such return of capital is pursuant to the dissolution provisions as set forth in Article 13. The General Partner may agree to return capital to a Limited Partner in its sole and absolute discretion.

6.6 Admission of New Limited Partners and Issuance of Additional Units

The General Partner may admit any Person as a Limited Partner at any time and from time to time in its sole discretion, subject to the receipt of a Subscription and payment in full of the Subscription Price for the Class A Unit(s) subscribed for.

6.7 Additional Subscriptions for Class A Units

Each subscriber for additional Class A Units shall submit a Subscription to the General Partner. The General Partner shall have the right to accept or reject Subscriptions in whole or in part.

6.8 Transfers of Class A Units

Subject to the requirements of section 15.1, a Limited Partner may transfer any or all of its Class A Units if (a) the transferee delivers or causes to be delivered to the General Partner the unit certificate(s) representing the Class A Units being transferred, duly endorsed for transfer, together with a duly completed and executed transfer and assumption agreement, in a form approved by the General Partner, pursuant to which, among other things, the transferee agrees to be bound by this Agreement as a Limited Partner as if it had been an original party hereto, and (b) all filings and recordings required by law with respect to such transfer have been duly made.

ARTICLE 7 ACCOUNTS

7.1 Capital Account

There will be established for each Partner on the books of account of the Partnership a capital account which will be credited or charged with the net income or loss of the Partnership and with distributions made to Partners.

Each Partner's respective share of the net income or loss of the Partnership will be credited or charged to that Partner's capital account in accordance with section 8.1 and will be charged with distributions and credited with repayments made as required by Article 9.

7.2 No Right to Withdraw Amounts

No Partner will have the right to withdraw any amount or receive any distribution from the Partnership, except as expressly provided in this Agreement.

7.3 No Interest Payable on Accounts

No interest will be paid to any Partner on any amount in that Partner's capital account.

**ARTICLE 8
DETERMINATION AND ALLOCATION OF NET INCOME OR LOSS**

8.1 Determination and Allocation of Net Income or Loss

The net income or loss of the Partnership for each fiscal year will be determined in accordance with generally accepted accounting principles and allocated as the end of each fiscal year among the Partners as follows:

- (a) 0.1% of the net income or loss of the Partnership will be allocated to the General Partner; and
- (b) 99.9% of the net income or loss of the Partnership will be allocated among the Limited Partners of record at the end of the fiscal year in proportion to the number of Class A Units held by each of them or, where no Class A Units are then outstanding, according to their respective interests.

8.2 Computation of Income or Loss for Tax Purposes

In computing the income or loss of the Partnership for tax purposes, the General Partner may adopt such method of accounting as it deems appropriate, may adopt different treatments of particular items and may make and revoke elections on behalf of the Partnership and the Partners as the General Partner may deem to be in the best interests of the Partners. In respect of any fiscal year, the General Partner may claim such capital cost allowance in respect of depreciable property of the Partnership and such deductions and reserves as are permitted under the Income Tax Act and as it deems would be in the best interests of the Limited Partners.

8.3 Tax Returns

Each Partner will prepare and file such documents as may be required under the Income Tax Act and will include in its computation of income the income or loss of the Partnership for tax purposes as may be determined and allocated to it pursuant to this Agreement.

**ARTICLE 9
DISTRIBUTION OF CASH AND RETURN OF CAPITAL TO PARTNERS**

9.1 Determination of Cash Available For Distribution

The General Partner will determine the Cash Available For Distribution and will distribute such Cash Available For Distribution in such amounts and at such times as it sees fit,

in its sole discretion. Distributions of Cash Available for Distribution will be paid to the Partners in the same proportions as set out in section 8.1.

9.2 Distributions Resulting in Debit Balances in Capital Accounts

Distributions made in accordance with this Article may result in debit balances in the capital accounts of the Partners. The existence of a debit balance in the capital account of any Partner will not operate to terminate the interest of such Partner in the Partnership.

9.3 Return of Capital Contribution

No Limited Partner shall be entitled to demand a return of its Capital Contribution unless such return of capital is pursuant to the dissolution of the Partnership pursuant to Article 13. All Partners will look solely to the assets of the Partnership for the return of their respective Capital Contributions or any other distributions with respect to their Units. If the assets remaining after the payment or discharge of all debts and liabilities of the Partnership are insufficient to return to Partners their Capital Contributions or to make any other distribution to the Partners, no Partner will have any recourse against the personal assets of any other Partner for that purpose except in respect of the obligations of the General Partner pursuant to section 5.2 or section 5.3.

9.4 Repayment

If the Partnership has paid any Partner an amount in excess of an amount to which it is entitled pursuant to this Article, that Partner will reimburse the Partnership to the extent of the excess without interest within 30 days after notice by the General Partner. The General Partner may set-off and apply any sums otherwise payable to a Partner against amounts due from the Partner, provided that there will be no right of set-off against a Limited Partner in respect of amounts owed to the Partnership by the predecessor of that Limited Partner.

ARTICLE 10 THE GENERAL PARTNER

10.1 Representations, Warranties and Covenants of General Partner

The General Partner represents, warrants and covenants to each Limited Partner that, so long as it is the General Partner, it:

- (a) is and will continue to be a corporation duly existing and in good standing;
- (b) is and will continue to be duly registered and qualified to carry on business and has and will continue to have all requisite authority, licenses and permits to carry on the business of the Partnership and to enable the Partnership to own or lease property in all provinces of Canada in which the activities, or the property or assets of the Partnership, render or will render such registration, qualification, authority, licence or permit necessary;
- (c) has and will continue to have the capacity and corporate authority to act as the General Partner of the Partnership;

- (d) can fulfil its obligations as General Partner without violating the terms of its constating documents, by-laws or any agreement to which it is or will be a party or by which it is or will be bound or any law or regulation applicable to it;
- (e) will carry out its powers and authorities as General Partner hereunder and manage and operate the Partnership and the undertaking, property and assets thereof in a reasonable and prudent manner;
- (f) will devote as much time to the conduct of the business of the Partnership as is reasonably required for the prudent management of the business and affairs of the Partnership; and
- (g) will not dissolve, wind-up or liquidate its business and affairs except with the unanimous approval of the Limited Partners.

ARTICLE 11

MANAGEMENT OF THE PARTNERSHIP

11.1 Duties of General Partner

The General Partner will carry on the business of the Partnership with full power and authority to manage, control, administer and operate the business and affairs of the Partnership and to represent the Partnership. The power of the General Partner to represent the Partnership to third parties is unrestricted and no Person dealing with the Partnership will be required to enquire into the authority of the General Partner to take any act or proceeding, to make any decision or to execute and delivery any instrument, deed, agreement or document for or on behalf or in the name of the Partnership.

11.2 Powers of the General Partner

Subject to the provisions of this Agreement, the General Partner has full power and exclusive authority for and on behalf of the Partnership to do all things in furtherance of or incidental to the business of the Partnership or that are provided for in this Agreement.

11.3 Borrowing Power

Without limiting the generality of section 11.2 the General Partner has full power and exclusive authority for and on behalf of the Partnership to, from time to time, (a) borrow money, (b) enter into guarantees and/or indemnities, (c) draw, make, execute and issue loan agreements, promissory notes, evidences of indebtedness and other negotiable or non-negotiable instruments, (d) secure the payment of any sums so borrowed, guaranteed or indemnified, (e) mortgage, pledge, charge, assign and hypothecate or assign in trust all or any part of, or any interest in, any of the undertaking, property or assets of the Partnership, (f) assign any money owing or to be owing to the Partnership, and/or (g) engage in any other means of financing.

11.4 Financial Assistance

Without limiting the generality of sections 11.2 and 11.3, the General Partner may, from time to time, for and on behalf of the Partnership:

- (a) give financial assistance to any Person by means of a loan, guarantee or otherwise for any purpose, including without limitation, for the purpose of or in connection

with a purchase of an interest in the Partnership, and the Capital Contribution of any Limited Partner;

- (b) give a guarantee to secure performance of an obligation of any Person; and
- (c) mortgage, hypothecate, pledge or otherwise create a security interest in all or any property of the Partnership, owned or subsequently acquired, to secure any obligation of the Partnership or any other Person.

11.5 Exercise of Powers and Discharge of Duties

The General Partner will exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Limited Partners and the Partnership.

11.6 Delegation

The General Partner may contract with any Person to carry out any of the duties of the General Partner under this Agreement, and may delegate to such Person any power and authority of the General Partner hereunder, but no such contract or delegation will relieve the General Partner of any of its obligations under this Agreement.

11.7 Reimbursement of General Partner

The General Partner is entitled to reimbursement from the Partnership for all out of pocket expenses actually incurred by it in the performance of its duties in accordance with the terms of this Agreement.

11.8 Meetings and Approvals of Partners

The General Partner and any Limited Partner may call a meeting of the Partnership on not less than 5 Business Days notice to the other Partners. Such meetings may be held in person or by telephone conference call. A quorum for such meetings will consist of Limited Partners holding at least 51% of the Class A Units then outstanding. Any matter hereunder requiring the approval of the Limited Partners will be deemed to have been approved if the requisite number of Limited Partners have delivered their written approval of such matter to the General Partner.

ARTICLE 12 WITHDRAWAL OF GENERAL PARTNER

12.1 Assignment of Interest

The General Partner may not Transfer its Class B Units except with the prior unanimous approval of the Limited Partners.

12.2 Voluntary Resignation or Dissolution

So long as its resignation as General Partner or dissolution would not result in the dissolution of the Partnership, the General Partner may resign as General Partner or dissolve on not less than 180 days' written notice to all Limited Partners (or such shorter period as is accepted by the Limited Partners). Such resignation will be effective and the General Partner will cease to be General Partner upon the earlier of:

- (a) the date specified in the notice; and

- (b) the admission of a new General Partner by unanimous approval of the Limited Partners.

12.3 Deemed Resignation

The General Partner will be deemed to have resigned as the General Partner in the event of its bankruptcy, liquidation or winding-up (or the commencement of any act or proceeding in connection therewith which is not contested in good faith by the General Partner) or by the insolvency of the General Partner or by the appointment of a trustee, receiver or receiver and manager of the affairs of the General Partner or if a mortgagee or other encumbrancer takes possession of the property or assets of the General Partner, or a substantial part thereof, or if levy or execution or any similar process is levied or enforced against the property or assets of the General Partner. Such resignation will be effective and the General Partner will cease to be the General Partner upon the earlier of:

- (a) 180 days after the Limited Partners are given notice in writing of the occurrence of such event or appointment; and
- (b) the admission of a new General Partner by unanimous approval of the Limited Partners.

12.4 Removal

The General Partner may be removed as the General Partner at any time by written notice of unanimous approval of the Limited Partners, which approval must also admit a new General Partner. The removal of the General Partner will be effective upon the admission of the new General Partner.

12.5 Payment of Accounts

If the General Partner is removed pursuant to section 12.4, or if the General Partner resigns or is deemed to resign pursuant to sections 12.2 or 12.3 and the Partnership is not required to be dissolved pursuant to Article 13, the Partnership will pay to the General Partner that has resigned or been removed the amount of any credit balance then in its capital accounts. Such payment will be made to the General Partner that has resigned or been removed 30 days following the effective date of its resignation or removal. The General Partner that has resigned or been removed will also be entitled to its allocation of net income or loss and distribution of Cash Available for Distribution as provided in sections 8.2 and 9.1, respectively (pro rated on a daily basis to the effective date of such resignation or removal). Such allocation and distribution, if any, will be paid within 120 days of completion of the Partnership's fiscal year.

12.6 Transfer of Management

On the admission of a new General Partner to the Partnership, the General Partner that was removed or resigned will do all things and take all steps to transfer the administration, management, control and operation of the business of the Partnership and the books, records and accounts of the Partnership to the new General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

12.7 Transfer of Title

On the resignation or removal of a General Partner and the admission of a new General Partner, the General Partner that has resigned or been removed will, at the cost of the

Partnership, transfer legal title to the Partnership's property to such new General Partner and will execute and deliver all deeds, certificates, declarations and other documents necessary or desirable to effect such transfer.

12.8 Release

Upon the removal or resignation of the General Partner, the Partnership will (a) reimburse the General Partner then resigning or being removed for all expenses incurred by it in accordance with this Agreement, and (b) release and hold harmless such General Partner from all claims, actions, costs, demands, losses, damages and expenses with respect to events which occur in relation to the Partnership after the effective date of such removal or resignation unless such events arise from the gross negligence or willful misconduct of the General Partner.

12.9 New General Partner

A new General Partner accepted hereunder must sign a counterpart hereof and thereupon will be bound by all of the provisions hereof and assume the obligations, duties and liabilities of the General Partner hereunder as and from the date the new General Partner becomes a party to this Agreement and will thereupon file an amending Declaration.

**ARTICLE 13
DISSOLUTION AND TERMINATION**

13.1 Events of Dissolution

The Partnership will be dissolved and its affairs wound up on the earliest of :

- (a) the date specified in the notice given by the General Partner under section 12.2 if the Limited Partners have not appointed a new General Partner by unanimous approval prior to the date specified therein;
- (b) 180 days following the date of a notice of the occurrence of an event specified in section 12.3 if the Limited Partners have not appointed a new General Partner by unanimous approval prior to the expiration of such 180 day period; and
- (c) an election to dissolve the Partnership accepted by unanimous approval of the Limited Partners.

13.2 Receiver

The General Partner will serve as the receiver of the Partnership if its dissolution is authorized pursuant to the provisions of section 13.1, provided that if the General Partner is unable or unwilling to act in such capacity, the Limited Partners will appoint an appropriate Person to act as the receiver of the Partnership.

13.3 Liquidation of Assets

As soon as practicable after the authorization of the dissolution of the Partnership, the receiver of the Partnership will prepare or cause to be prepared a statement of the financial position of the Partnership which will be forwarded to each Limited Partner. The receiver of the Partnership will proceed diligently to wind up the affairs of the Partnership, and all assets of the Partnership will be liquidated as promptly as is reasonably possible. During the course of such liquidation, the receiver of the Partnership will operate the properties and undertaking of the Partnership and in so doing will be vested with all the powers and authorities of the General

Partner in relation to the business and affairs of the Partnership under the terms of this Agreement. The receiver of the Partnership will be paid its reasonable fees and disbursements incurred in carrying out its duties.

13.4 Order of Distribution of Net Proceeds

The net proceeds from the liquidation of the assets of the Partnership will be distributed in the following order of priority:

- (a) to pay the expenses of liquidation and the debts and liabilities of the Partnership to its creditors;
- (b) to provide for such reserves as the receiver of the Partnership may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership; provided, however, that any such reserves will be paid over by the receiver of the Partnership to an escrow agent to be held by such escrow agent for the purpose of the payment of liabilities or obligations of the Partnership and any balance remaining will be distributed, at the direction of the receiver of the Partnership, to the Partners in accordance with section 8.1; and
- (c) to the Partners in accordance with section 8.1.

13.5 Partition of Assets

In no event and under no circumstances will a Partner be entitled, whether during the existence of the Partnership or after the commencement of the dissolution of the Partnership, to compel a partition, judicial or otherwise, of any of the assets of the Partnership to the Partners, either in kind or otherwise.

13.6 Return of Capital

Except as provided in this Agreement, no Limited Partner has the right to demand or receive a return of its *pro rata* share of the capital account in a form other than cash, provided, however, that nothing herein is to be construed to prohibit such a return of capital in a form other than cash.

13.7 Termination of Partnership

The Partnership will terminate when all of its assets have been disposed of and the net proceeds therefrom (after payment of or due provision for the payment of, all debts, liabilities and obligations of the Partnership to creditors) have been distributed as provided in this Article.

ARTICLE 14 ACCOUNTING AND REPORTING

14.1 Books of Account

The General Partner will keep and maintain, or cause to be kept and maintained, full, complete and accurate books of account and records of the Partnership with respect to the Partnership's business and financial affairs at its principal place of business or elsewhere as the General Partner may consider advisable. Such books of account and records will be retained by or on behalf of the General Partner for a minimum period of six years.

14.2 Reports

The General Partner will provide such reports, statements, financial statements and information relating to the Partnership as any Limited Partner may from time to time request, including any audited or unaudited financial statements requested by a Limited Partner with respect to any period.

ARTICLE 15 TRANSFERS OF UNITS

15.1 Transfers by Limited Partners

A Limited Partner will not Transfer any of its Class A Units without the prior written consent of the General Partner, which consent the General Partner may grant or withhold in its sole discretion.

ARTICLE 16 AMENDMENT OF AGREEMENT

16.1 Amendment

This Agreement may be amended in writing by the General Partner with the unanimous authorization and consent of the Limited Partners. Notwithstanding the foregoing, the General Partner may, without prior notice to or consent from any Limited Partner, amend any provision of this Agreement or add any provision, if such amendment or addition is, in the opinion of the General Partner, for the protection or benefit of Limited Partners or of the Partnership or to cure an ambiguity or to correct or supplement any provisions contained herein which may be defective or inconsistent with any other provision contained herein and if the cure, correction or supplemental provision does not and will not materially adversely affect the interest of any Limited Partner.

ARTICLE 17 NOTICES

17.1 Notice

Any notice or other communication required or permitted to be given hereunder will be in writing and will be given by prepaid first-class mail, by facsimile or other means of electronic communication or by hand-delivery as hereinafter provided. Any such notice or other communication, if mailed by prepaid first-class mail at any time other than during a general discontinuance of postal service due to strike, lockout or otherwise, will be deemed to have been received on the fourth Business Day after the post-marked date thereof, or if sent by facsimile or other means of electronic communication, will be deemed to have been received on the Business Day following the sending, or if delivered by hand will be deemed to have been received at the time it is delivered to the applicable address noted below either to the individual designated below or to an individual at such address having apparent authority to accept deliveries on behalf of the addressee. Notice of change of address will also be governed by this section. In the event of a general discontinuance of postal service due to strike, lock-out or otherwise, notices or other

communications will be delivered by hand or sent by facsimile or other means of electronic communication and will be deemed to have been received in accordance with this section. Notices and other communications will be addressed as follows: if to the General Partner to the Partnership's principal place of business and if to a Limited Partner, to the last address of such Limited Partner as was provided to the General Partner.

17.2 Change of Address

A Limited Partner may change its address by giving written notice of such change to the General Partner, and the General Partner may change its address by giving written notice thereof to each Limited Partner.

ARTICLE 18 MISCELLANEOUS

18.1 Severability

If any Article, section or any portion of any section of this Agreement is determined to be unenforceable or invalid by arbitration or by the decision of any court of competent jurisdiction which is not appealed or appealable, for any reason whatsoever, that unenforceability or invalidity will not affect the enforceability or validity of the remaining portions of this Agreement and such unenforceable or invalid Article, section or portion thereof will be severed from the remainder of this Agreement.

18.2 Governing Law

This Agreement and its application and interpretation will be governed and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable herein, except in such cases and to such extent as the laws of another jurisdiction will necessarily control. Each Partner irrevocably attorns to the jurisdiction of the courts of the Province of Ontario.

18.3 Further Assurances

Each Partner will execute and deliver any and all documents and writings and do all things necessary or expedient in the creation of this Partnership and the achievement of its purposes.

18.4 Counterparts

This Agreement may be executed in counterparts. This Agreement may also be adopted in any subscription form or similar document signed by a Person, with the same effect as if that Person had executed a counterpart of this Agreement. All counterparts and adopting documents constitute one and the same agreement.

18.5 Time

Time is of the essence hereof and no extension or variation of this Agreement operates as a waiver of this provision.

18.6 Binding Effect

Each and all of the covenants, terms, provisions and agreements herein contained are binding upon and enure to the benefit of the Partners, their respective heirs, executors,

administrators, committees and legal personal representatives, and to the extent permitted by this Agreement, their respective successors and assigns.

18.7 Entire Agreement

This Agreement constitutes the entire agreement between the parties with respect to all of the matters herein and its execution has not been induced by, nor do any parties rely upon or regard as material, any representation or writing not incorporated herein and made a part hereof.

IN WITNESS WHEREOF this Agreement is executed as of the date first above written.

**GREAT LAKES POWER TRANSMISSION
INC.**

Per: _____
Name:
Title:

**BROOKFIELD CANADA
INFRASTRUCTURE HOLDINGS INC.**

Per: _____
Name:
Title:

SCHEDULE A
UNIT CERTIFICATE

UNIT CERTIFICATE NUMBER	CLASS OF UNITS	NUMBER OF UNITS ISSUED
■	CLASS A	■

THIS IS TO CERTIFY THAT:

■ is the owner of ■ (■) CLASS A UNIT(S) in

GREAT LAKES POWER TRANSMISSION LP
FORMED UNDER THE *LIMITED PARTNERSHIPS ACT* (ONTARIO)

This Unit Certificate and the Class A Units represented hereby are subject to the terms and conditions contained in the Great Lakes Power Transmission LP Limited Partnership Agreement dated May 17, 2007 (the “Limited Partnership Agreement”), as amended from time to time.

The Class A Units represented hereby are not transferable solely by the execution and delivery of this Unit Certificate. Reference should be made to the Limited Partnership Agreement for full particulars of the manner and condition on which a transferee of any Class A Units becomes a Limited Partner. Restrictions on transferability include the transfer restrictions contained in the Limited Partnership Agreement.

DATED this _____ day of _____, ■.

**GREAT LAKES POWER TRANSMISSION
INC., as general partner of GREAT LAKES
POWER TRANSMISSION LP**

Per: _____
Name:
Title:

SCHEDULE B
UNIT CERTIFICATE

UNIT CERTIFICATE NUMBER	CLASS OF UNITS	NUMBER OF UNITS ISSUED
■	CLASS B	■

THIS IS TO CERTIFY THAT:

■ is the owner of ■ (■) CLASS B UNIT(S) in

GREAT LAKES POWER TRANSMISSION LP
FORMED UNDER THE *LIMITED PARTNERSHIPS ACT* (ONTARIO)

This Unit Certificate and the Class B Units represented hereby are subject to the terms and conditions contained in the Great Lakes Power Transmission LP Limited Partnership Agreement dated May 17, 2007 (the “Limited Partnership Agreement”), as amended from time to time.

The Class B Units represented hereby are not transferable solely by the execution and delivery of this Unit Certificate. Reference should be made to the Limited Partnership Agreement for full particulars of the manner and condition on which Class B Units may be transferred. Restrictions on transferability include the transfer restrictions contained in the Limited Partnership Agreement.

DATED this _____ day of _____, ■.

**GREAT LAKES POWER TRANSMISSION
INC., as general partner of GREAT LAKES
POWER TRANSMISSION LP**

Per: _____
Name:
Title:

Sale Of The Transmission System – EB-2007-0647

2. Ref. Exhibit A, Tab 1, Schedule 3, page 9

Footnote 1 states that GLPL's real property will be transferred by GLPL to a "corporate nominee" that will hold the legal interest in the lands as a bare trustee only. GLPL will remain the owner of the beneficial interest in the land, while the corporate nominee will act as GLPL's agent for land registration purposes. The shares of the nominee and the beneficial ownership of the land by GLPL will be transferred by GLPL to GLPTLP upon closing.

Request

Please identify the corporate nominee and provide a copy of the nominee agreement.

Response:

The Corporate nominee has not yet been incorporated. An OBCA company will be incorporated prior to closing.

The final nominee agreement has not yet been executed. However, it is the intention for the parties to enter into a nominee agreement substantially in the form attached hereto.

Nominees are commonly used in the holding of real estate in Ontario, particularly where the beneficial owner(s) of the property is a partnership, trust or co-ownership. Nominees facilitate dealing with the property in that documents registered against title are signed by a single corporate entity and nominees also allow the beneficial owner to avail itself of certain land transfer tax deferrals that are available for beneficial transfers of land to affiliates (typically conducted in corporate reorganizations).

NOMINEE AGREEMENT

THIS AGREEMENT is dated as of the ■ day of ■, 2007.

B E T W E E N:

■

(**"Nominee"**)

- and --

GREAT LAKES POWER TRANSMISSION LP

(**"Beneficial Owner"**)

RECITALS:

- A. Nominee was established solely for the purposes of holding legal title to certain real properties and real property related rights (including, without limitation, leasehold interests, easements, permits and licenses relating to real property) owned beneficially by Beneficial Owner from time to time (all such present and future properties and real property related rights are collectively referred to as the "Real Property Assets").
- B. Nominee has agreed that it will hold title to all Real Property Assets in respect of which legal title is now or in the future registered in its name as nominee and bare trustee for Beneficial Owner pursuant to the terms of this Agreement for and on behalf of Beneficial Owner.

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Agreement and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties hereto agree as follows:

- 1. Nominee acknowledges that it holds bare legal title to the Real Property Assets as nominee and bare trustee for and on behalf of Beneficial Owner, that it otherwise has no legal or beneficial interest in the Real Property Assets and that all other attributes of the beneficial ownership of the Real Property Assets will be and remain in Beneficial Owner. At the request of Beneficial Owner, Nominee will acknowledge to any specified third parties that it is only a bare trustee and nominee and not a principal with respect to the Real Property Assets.
- 2. Nominee agrees to hold the Real Property Assets for and on behalf of Beneficial Owner, to deal therewith only as specifically directed by Beneficial Owner and agrees that it will do no act relating to the Real Property Assets without the express authorization and direction in writing of Beneficial Owner.
- 3. Nominee will execute and deliver all such documents and instruments relating to the Real Property Assets as will be required from time to time by Beneficial Owner, including, without limitation, deeds, mortgages, charges, assignments of beneficial interests,

acknowledgements, leases, subleases, assignments and surrenders of leases or rents, co-tenancy or management contracts, licences and personal property security agreements.

4. Nominee acknowledges and agrees that all benefits, income, rents, profits, emoluments and other receipts of any nature or kind arising from the Real Property Assets or the use thereof will belong legally and beneficially to Beneficial Owner so long as Beneficial Owner retains its interest in the Real Property Assets, and that Nominee has no legal or beneficial interest in such benefits, income, rents, profits, emoluments and other receipts. Nominee will, within one (1) business day, remit to Beneficial Owner or as it may direct all income, rents, profits, emoluments and other receipts from the Real Property Assets which may be received by Nominee, as nominal party to any instrument or agreement or otherwise. Nominee will incur no liability to any party for making such remittance to Beneficial Owner or as directed in any notice from Beneficial Owner or, in the absence of such notice, pursuant to any standing or special authorization or direction from Beneficial Owner. Nominee will, at the request and expense of Beneficial Owner, account to Beneficial Owner for all sums received with respect to the Real Property Assets.
5. Nominee will promptly deliver to Beneficial Owner all deeds, mortgages, charges, assignments, assignments of beneficial interests, acknowledgements, leases, subleases, assignments and surrenders of leases or rents, co-tenancy or management contracts, licences, security agreements and other instruments with respect to the Real Property Assets, together with all recording information relative thereto, to the extent that it may come into possession of any thereof.
6. Nominee will promptly transmit to Beneficial Owner copies of all notices, claims, demands or other communications which Nominee may receive and which relate in any way to the Real Property Assets. Nominee will, upon obtaining knowledge of the default by any party to or beneficiary of any instrument relating to the Real Property Assets, promptly notify Beneficial Owner thereof. Nominee, upon the request of Beneficial Owner, will be a nominal party to any action in response to or as a consequence of any such matter. Any such action, proceeding, negotiation or other response will be conducted by Beneficial Owner, with counsel selected by it, and Nominee will not, nor will it be obligated to, take any such action itself, its only obligation being that of a nominal party thereto on the condition stated herein.
7. Beneficial Owner acknowledges and agrees that it will be responsible for all expenses, losses or liabilities in any way connected with or related to the Real Property Assets, that Nominee has no active duties to perform in connection with the Real Property Assets, and that all obligations, responsibilities, acts or omissions pertaining to the Real Property Assets will be performed by Beneficial Owner or its agents.
8. Beneficial Owner hereby releases Nominee from any and all liability that Nominee may incur in respect of any action taken by Nominee either pursuant to the authorization or direction of Beneficial Owner or pursuant to the terms of this Agreement. Beneficial Owner will indemnify and hold Nominee harmless from all costs, expenses, losses, damages, claims, demands and liabilities of whatsoever kind and character that may arise out of Nominee being the registered owner of the Real Property Assets and any

responsibilities, acts or omissions taken by Nominee pursuant to the terms of this Agreement.

9. It is understood and agreed between the parties hereto that the relationship between them with respect to the Real Property Assets will be that of principal and bare nominee only, that there is no intention to create a relationship of partnership between Beneficial Owner and Nominee, and that this Agreement should not be construed to create any association or joint venture between Beneficial Owner and Nominee.
10. Nominee will, from time to time, at the request of Beneficial Owner, confirm that it holds a particular Real Property Asset or Real Property Assets as nominee and bare trustee pursuant to the terms of this Agreement.
11. This Agreement will be binding upon and enure to the benefit of Beneficial Owner and Nominee and their respective successors and assigns.
12. This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.
13. No party may assign its rights or benefits under this Agreement without the prior written consent of the other party.
14. Each of the parties hereto will promptly do, make, execute or deliver, or cause to be done, made, executed or delivered, all such further acts, documents and things as the other party hereto may reasonably require from time to time for the purpose of giving effect to this Agreement and will use reasonable efforts and take all such steps as may be reasonably within its power to implement to their full extent the provisions of this Agreement.

15. This Agreement may be signed in counterparts and each of such counterparts will constitute an original document and such counterparts, taken together, will constitute one and the same instrument.

IN WITNESS WHEREOF the parties hereto have executed this Agreement.

■

Per: _____

Name:

Title:

I have authority to bind the Corporation

GREAT LAKES POWER TRANSMISSION LP,
by its general partner, GREAT LAKES POWER
TRANSMISSION INC.

Per: _____

Name:

Title:

I have authority to bind the Corporation

Application for Electricity Transmission Licence – EB-2007-0649

3. Ref. Exhibit A, Tab 1, Schedule 2, pages 1 and 2;

 Exhibit A, Tab 1, Schedule 4, page 1; and

 Exhibit D, Tab 1, Schedule 1

Exhibit A, Tab 1, Schedule 2, page 1 states that an application by GLPT on behalf of GLPTLP is made for a licence to own and operate a transmission system, whereas page 2 of the same document states that GLPT on behalf of GLPTLP is applying for an order granting a licence to own a transmission system. Exhibit A, Tab 1, Schedule 4, page 1 states that GLPT on behalf of GLPTLP seeks an order granting it a licence to own and operate the transmission facilities. Exhibit D, Tab 1, Schedule 1, section 6 of the Application for Electricity Transmission Licence states that GLPTLP will own the transmission facilities.

Request

Please clarify the licensing qualification applied for by GLPT on behalf of GLPTLP (i.e., is it to own and operate the transmission system or just to own the transmission system).

Response:

GLPT is the general partner of the limited partnership of GLPTLP. As the general partner, GLPT has sole authority for the management and control of GLPTLP. In this capacity, GLPT has made application on behalf of GLPTLP for a license to own and operate a transmission system. Although GLPL will operate the transmission system, for completeness, a license is sought by GLPT on behalf of GLPTLP to permit GLPTLP to both own and operate. This qualification would permit GLPTLP to be properly licensed if (although not expected to occur at this time) GLPTLP's activities expanded to include more than just ownership.

GLPT will, on behalf of GLPTLP, amend the application at Exhibit A, Tab 1, Schedule 2, page 2, paragraph 3 to replace "own" with "own and operate".

Transmission Rate Order Transfer – EB-2007-0650

4. Ref. Exhibit A, Tab 1, Schedule 3, page 15;
Exhibit A, Tab 1, Schedule 4, page 1;
Exhibit E, Tab 1, Schedule 2; and
Exhibit E, Tab 1, Schedule 3

GLPL stated that “Pursuant to Section 18, GLPL seeks an Order granting leave to transfer its transmission rate order dated December 8, 2005 to GLPTLP.”

Request

Please confirm that in making this request, GLPL is requesting to transfer to GLPTLP all of GLPL’s rights and obligations afforded by the Decision and Order, EB-2005-0241 / RP-2001-0034, 5 & 6 and RP-1999-0044, December 8, 2005, including, but not limited to, the Rate Order and all agreements contained in the Transmission Rate Settlement Agreement.

Response:

Subject to GLPL’s response to Board Staff interrogatory number 5, GLPL confirms that it is requesting to transfer to GLPTLP the Decision and Order, EB-2005-0241 / RP-2001-0034, 5 & 6 and RP-1999-0044, dated December 8, 2005, which includes the Rate Order and agreements contained in the Transmission Rate Settlement Agreement.

5. Ref. Exhibit E, Tab 1, Schedule 3, section 6, page 28

In the Transmission Rate Settlement Agreement which formed part of the Decision and Order, EB-2005-0241 / RP-2001-0034, 5 & 6 and RP-1999-0044, December 8, 2005, GLPL undertook to consider, as part of its upcoming distribution rate application, the deeming of the 44 kV distribution facilities serving the Dubreuil Forest Products Ltd. ("DFP") as transmission facilities for rate making purposes.

Request

Assuming the transfer is approved by the Board, GLPTLP will be the one bound by the Transmission Rate Settlement Agreement. However, GLPL is responsible for the distribution rate application. Given that, there is some uncertainty as to who will ensure that the obligation set out above is met. Please confirm that GLPL will ensure that the obligation is met (i.e., please confirm that GLPL will consider whether to include as part of its upcoming distribution rate application the deeming of the 44 kV distribution facilities serving DFP as transmission facilities for ratemaking purposes). If GLPL will not confirm that, then who will be responsible for ensuring that that obligation is met?

Response:

The Settlement Agreement provides at item 6 that GLPL will consider whether to include as part of its upcoming distribution rate application the deeming of the 44kV distribution facilities serving DFP as transmission facilities for rate making purposes.

GLPL has considered some of the issues related to deeming the 44kV distribution facilities serving DFP as transmission and has entered into preliminary discussions with DFP regarding same.

On August 31, 2007, GLPL filed its distribution rate application. As part of that application, GLPL is requesting certain rate mitigation measures (other than the deeming of distribution assets) which have a favourable result on the rates of DFP. Accordingly, DFP and GLPL have agreed that the consideration of deeming of the distribution facilities be deferred at this time pending the outcome of the GLPL distribution rate application currently before the Board.

GLPL, as the licensed distributor, will remain responsible for meeting this obligation. DFP and GLPL agree that GLPL will consider the deeming of the distribution facilities in question as part of this next distribution rate application, if requested to do so by DFP.

Leave To Construct Order Transfer – EB-2007-0652

6. Ref. Exhibit G, Tab 1, Schedule 1

GLPL is seeking leave to transfer its leave to construct in RP-2003-0120/EB-2003-0162 to GLPTLP for the purposes of allowing GLPTLP to comply with the conditions in the leave to construct decision and order in place of GLPL and to seek to recover as part of GLPTLP's next rate filing any costs associated with satisfying those conditions. GLPL stated that it is intended that GLPTLP will become responsible for fulfilling any outstanding conditions.

Request

Please confirm that GLPTLP will be responsible for fulfilling any outstanding conditions. If GLPTLP will not be responsible for fulfilling the outstanding conditions, who will be responsible for fulfilling any of the outstanding conditions?

Response:

GLPTLP confirms that it will be responsible for fulfilling all outstanding conditions in the leave to construct decision in RP-2003-0120/EB-2003-0162.

Responses to Interrogatories of Vulnerable Energy Consumers Coalition ("VECC")

1. Ref a) Exhibit A, Tab 1, Schedule 2, paragraph 1
 b) Exhibit A, Tab 1, Schedule 3, pages 5-6

Request

- a) Schedule 3, page 5 indicates that following the currently proposed transaction, GLPL will continue to be a licensed transmitter with respect to the operation of the Transmission facilities to be owned by GLPTLP. Please confirm that this arrangement is not permitted under Section 71 once the current exemption (Ontario Regulation 161/99) expires.
- b) Schedule 3, page 6 states that once the distribution business is transferred to a separate licensed affiliate then the objective of compliance with Section 71 will be achieved. Please indicate how the transfer of the distribution business to a separate affiliate addresses the need to separate transmission operation and generation.
- c) What are GLPL's current plans as to where operation of the transmission system will ultimately reside:
- With the Transmission asset owner (i.e., GLPTLP)
 - With the Distribution asset owner, or
 - With another affiliate?

Response:

- a) Section 71 of the Ontario Energy Board Act states that a transmitter or distributor shall not, except through one or more affiliates, carry on any business activity other than transmitting or distributing electricity. Based upon the circumstance described in 1(a), GLPL will be in contravention of Section 71 upon expiration of the current exemption in Ontario Regulation 161/99.
- b) Upon transferring Distribution out of GLPL and into another affiliate, GLPL's obligations to operate either the transmission system or the distribution system (and therefore acting as a licensed transmitter or distributor for the purposes of the *Ontario Energy Board Act*) would come to an end. As a result, GLPL would only be a generator.

The process of restructuring GLPL and establishing compliance with Section 71 is incremental. Future plans for how the operation of both the transmission system and distribution system will be carried out are not yet confirmed, but will be confirmed as part of any application to transfer the distribution facilities out of GLPL. In any event, the resulting operational arrangements will seek to maintain the operation efficiencies GLPL currently provides by operating both transmission and distribution.

- c) See the response to 1(b) above.

2. Ref. Exhibit A, Tab 1, Schedule 3, pages 6-7

The Application and attached press release outline a planned reorganization and the establishment of Brookfield Infrastructure Partners LP. The press release also notes that the plan is subject to a number of approvals.

Request

- a) Have the necessary approvals all be obtained to undertake the envisioned restructuring, leading to the ultimate establishment of GLPTLP?
- b) If not, what approvals are outstanding, please discuss the anticipated timelines and any risks associated with obtaining them.

Response:

- a) The only material approval outstanding with respect to the establishment of Brookfield Infrastructure Partners LP is approval by various US and Canadian securities regulators. It is expected that final approvals in respect to these matters will be obtained by the end of October 2007.
- b) See 2 a) above.

3. Ref. a) Exhibit A, Tab 1, Schedule 3, pages 4-5
b) Exhibit A, Tab 1, Schedule 3, pages 12-13 and Appendix B

The Application indicates (pages 4-5) that currently the costs of staff and services are allocated between GLPL's distribution and transmission businesses. The Application also states (page 12) that, following the transaction, GLPL will provide services to GLPTLP through an OM&A Agreement, for which the principal terms are set out in Appendix B.

Request

- a) Please confirm that the final Operation and Maintenance Service Agreement between GLPL and GLPTLP will comply with the OEB's Affiliate Relationships Code for Electricity Distributors and Transmitters (i.e., Affiliate Relationships Code) as suggested on page 13.
- b) Please outline whether any of the services GLPTLP will obtain from GLPL are available through third-parties and, if so, how the terms of the OM&A Agreement will satisfy paragraph 2.3.2 of the Affiliate Relationships Code.

Response:

- a) GLPL, GLPT and GLPTLP confirm that the final Operations, Maintenance and Administration Agreement will comply with the Board's Affiliate Relationships Code.
- b) As a licensed transmitter licensed to operate GLPTLP's transmission system, GLPL is defined to be a "utility" under the Affiliate Relationships Code (the "ARC"). Section 2.3.2 relates to the provision of services by the non-utility affiliate to the utility. This is not the circumstance in the application before the Board.

Because GLPTLP will be only the owner of the assets, the operation, maintenance and administration costs will be incurred in GLPL and will be billed directly to GLPTLP. In effect, the cost of service of GLPTLP will be that of GLPL's, the same as it is currently. Further to the terms set out for the Operations Maintenance and Administration Agreement between GLPL and GLPTLP at Exhibit A, Tab 1, Schedule 3, the same compensation methodology which currently exists will apply to the parties. All costs of GLPL to provide service to GLPTLP will be passed through to GLPTLP at cost. The terms of the Operations, Maintenance and Administration Agreement will also contain a provision that the costs applicable to services are subject to adjustment because of any determination by the OEB in respect of the cost allocation methodology in GLPTLP's future rate proceeding.

GLPL currently contracts out a number of services including, but not limited to, station electrical work, some capital replacement work, protection and control services, and forestry. These third party arrangements will be contracted directly or will be passed through at cost.

4. Ref. Exhibit A, Tab 1, Schedule 3, pages 6-7

The Application indicates that the proposed restructuring will lead to improved access to capital.

Request

- a) Please indicate where the “capital” referred to is equity capital, debt capital or both.
- b) If debt capital, please indicate whether improved access will lead to a lower cost for new debt and, if so, why and by how much.

Response:

- a) The reference to capital refers to equity capital.
- b) See 4(a) above.

5. Ref Exhibit B, Tab 1, Schedule 1, pages 8-10 (Questions 1.4.1, 1.4.3 and 1.4.4)

Request

- a) What is the anticipated effective date for the transfer?
- b) The response to Question 1.4.1 states that the outstanding indebtedness of GLPL's transmission business is \$120 M. Please provide a schedule that supports this statement and reconciles with the financial statements provided (Exhibit B, Tab 1, Schedule 6) for GLPL's Transmission business.

Response:

- a) The parties anticipate effectuating the transfer as soon as reasonably possible after receiving regulatory approval from the OEB to transfer the Transmission Facilities.
- b) GLPL, from a corporate perspective, has \$499M of total indebtedness that encumbers both transmission and generation assets. To facilitate this transaction, GLPL is currently negotiating with GLPL lenders to split the debt between the generation assets and the transmission assets. Debt in the amount of \$120 million will be assumed by transmission.

On the transmission company balance sheet dated December 31, 2006 and provided at Exhibit B, Tab 1, Schedule 6 of this application, GLPL has recorded \$115.75 million of debt. The difference between \$120M and \$115.75 represents an increase in assumed liability to accord with the increased value of rate base and a rebalancing of the capital structure to more closely resemble historical levels.

6. Ref Exhibit B, Tab 1, Schedule 1, pages 11-12 (Questions 2.1.1, 2.1.5 and 2.1.6)

The responses to Questions 2.1.1 and 2.1.6 state that the transaction will cause “no harm” to customers and have no impact on transmission rates. However, the response to Question 2.1.5 suggests that GLPTLP will seek to capitalize the transaction costs at its next rate case.

Request

- a) What is the anticipated value of the transaction costs that will be incurred by GLPTLP?
- b) Given the response to pre-filed question 2.1.5, please explain why the transaction will not have an impact on rates.

Response:

- a) Costs resulting from this transaction will include those attributable to: (i) professional consultants and advisers, (ii) disbursements relating to property registration and related transfers, land surveys, permits, and (iii) matters ancillary to the foregoing.

It is difficult at this stage of the proposed Transaction to accurately estimate the costs associated with the proposed Transaction. It is estimated that the proposed Transaction costs will be in the range of \$3 M. This is based on information known to date and may vary as circumstances arise in the completion of the Transaction. GLPTLP will provide further details at the time it makes a request for recovery of any Transaction costs in its next rate proceeding.

- b) At most, the recovery of the transaction costs in rates would increase transmission rates by approximately 0.25%. As part of its transmission rate application, GLPTLP may consider deferring recovery of any transaction costs over time, which would result in rate impacts of close to 0%. Accordingly, the impact this Transaction will ultimately have upon rates will be negligible to transmission customers.

7. Ref Exhibit B, Tab 1, Schedule 1, page 13

Request

- a) With respect to Question 2.3.1, what is the value of the December 31, 2006 Working Capital balance that will be used for purposes of the “working capital adjustment” and how was it determined?
- b) With respect to Question 2.3.2, what is the assumed book value of the assets being transferred (consistent with the \$90.4 M cash consideration and \$120 M debt assumption)? On what is this book value based (e.g., provide the Balance Sheet for GLPL – Transmission as of the effective date of the transaction).

Response:

- a) The December 31, 2006 working capital balance was \$2.9 million. It was calculated as current assets minus current liabilities.
- b) The book value of total assets being transferred pursuant to the proposed Transaction is \$209.72 M. Please see Exhibit B, Tab 1, Schedule 8 for the GLPTLP 2007 Pro Forma Balance Sheet.

It is important to note that, despite the fact that the \$210.4 M is \$0.67 M higher than the total book value of the assets being transferred, the \$210.4 M purchase consideration is independent of rate making and will therefore have no effect on rates. The historical net book value of the assets will be used for future rate making purposes, not the purchase consideration in this proposed Transaction.

8. Ref Exhibit B, Tab 1, Schedule 8, page 3

Request

- a) Are GLPTLP's tax status and applicable tax rates the same as for GLPL?
- b) If this is not the case, please indicate all differences and their impact on the pro forma Statement of Income for GLPTLP for 2007 and 2008.

Response:

- a) GLPTLP's taxable income will remain subject to full corporate income tax. However, GLPTLP is a partnership and flow-through entity for Canadian tax purposes, and as a result GLPTLP's taxable income and liabilities will be allocated to its owner, Brookfield Canada Infrastructure Holdings Inc. ("BIH"). BIH will pay Canadian income taxes associated with the taxable income generated by GLPTLP. The parties anticipate that BIH's income tax rate will be similar to GLPL's.]
- b) Please see the response above.

Responses to Interrogatories of Power Workers Union ("PWU")

Proposed Relationship Between GLPL and GLPTLP

1. Ref Exhibit A, Tab 1, Schedule 3

Page 12, paragraph 1 states that:

It is proposed that GLPTLP will own the Transmission Facilities and GLPL will continue to be responsible for the operation, maintenance and administration business of GLPTLP through the OM&A Agreement. The principle terms of the OM&A Agreement are set out in Appendix B to this Summary.

Request

Please provide a copy of the complete Operation, Maintenance and Administration ("OM&A") Agreement including all attachments to this agreement.

Response:

The Term Sheet that is attached at Appendix B of Exhibit A, Tab 1, Schedule 3 sets out the essential terms that will be contained in the agreement.

These terms have not yet been captured in a formal agreement and will be incorporated into a formal agreement once a decision and order is issued in this proceeding.

2. Ref. Exhibit A, Tab 1, Schedule 3, Item 14 (Definitive Agreement), on page 7 of the OM&A Agreement Summary of Principle Terms provided in Appendix B states:

The Operator and the Owner shall enter into a mutually acceptable definitive agreement setting out the terms and conditions set out herein. Such definitive agreement will be completed and made effective upon completion of the Transaction.

Request

If the Definitive Agreement referenced in item 14 is not one and the same as the OM&A Agreement between GLPL and GLPTPL please provide a copy of the complete Definitive Agreement including all attachments to this agreement.

Response:

Please see question 1 above. The definitive agreement referred to at Item 14 in Appendix B of Exhibit A, Tab 1, Schedule 3 is one and the same as the Operations, Maintenance and Administration Agreement.

3. Ref Exhibit A, Tab 1, Schedule 3, page 14, paragraph 3 states that:

It is expected that there will be no significant incremental costs arising because of the Transaction.

In addition on page 14, paragraph 4 states that:

GLPL, as agent for GLPTLP, will continue to fulfill all operational procedures and requirements arising from (i) its and GLPTLP's transmission licence, (ii) any applicable OEB code and (iii) the Market Rules.

Request

- a) What functions that GLPL is currently carrying out will GLPTLP carry out when it takes over the ownership of the transmission assets?
- b) How many employees will there be in the direct employment of GLPTLP?
- c) How many of the employees in direct employment of GLPTLP will be conducting functions identified in response to (a).
- d) If the number of employees identified in (b) is greater than the number of employees identified in (c) please indicate the cost impact of the incremental number of employees.
- e) Please describe all other on going incremental costs that arise out of the Transaction.

Response:

- a) Other than holding title to the transmission system, GLPTLP will not carry out any functions that GLPL is currently carrying out.
- b) None
- c) See (b)
- d) See (b)
- e) Please see response to VECC Interrogatory 6(a).

4. Ref Exhibit A, Tab 1, Schedule 3, page 14, paragraph 5 states that:

There will be no change in reliability or quality of service for the transmission customers connected to the Transmission Facilities as GLPL will continue to be responsible for operation, maintenance and administration on the same basis as it is currently.

In addition, Item 5 (Management and Administrative Services) on page 2-3 of the OM&A Agreement Summary of Principle Terms provided in Appendix B states that services of the Operator shall include those customary for agreements of this type and will include, without limitation, among other items the following:

advise the Owner to establish and maintain appropriate policies and procedures to enable compliance by the Owner in all material respects with the requirements of Applicable Laws and the permits affecting the Transmission Facilities and the Transmission Business (in particular paragraphs 5.3(c) to (f) of the Operator's Transmission Licence), Good Utility Practice and any contractual obligations by which the Owner is bound;

Request

- a) Please confirm that as owner of the transmission assets, GLPTLP will be responsible for policy on transmission service reliability, quality and safety performance standards.
- b) Please explain what is meant by “no change” in reliability or quality of service for the transmission customers.
- c) Assuming confirmation on interrogatory (a), please explain the “no change” in reliability and quality of service for the transmission customers in the context of GLPTLP's responsibility for policy on service reliability and quality once it takes over ownership of the transmission assets.

Response:

- a) The provision set out above is intended to apply to GLPTLP as to its obligations as owner of the facilities. The operational requirements are set out in Item 6 of the agreement summary in Appendix B of Exhibit A, Tab 1, Schedule 3. These are GLPL's obligations and are the same obligations as currently undertaken by GLPL.
- b) The proposed Transaction results in simply a change in ownership of the Transmission Facilities. GLPL, the current operator of the system, will continue to operate the same assets in the same way it did prior to the proposed Transaction. Given that there are no changes in assets and no changes in service, GLPL, GLPT and GLPTLP have stated that there will be no change in reliability or quality of service for the transmission customers.
- c) N/A