

UNDERTAKING

Undertaking

TO EXPLAIN WHY PHASE 2 AND 3 CONSTRUCTION COSTS ARE INCLUDED
IN 2008 COSTS

Response

In a given year only the portion of capital expenditures that are declared in-service are included in rate base. As such capital costs for Phase 2 and 3 of the Cornerstone project are recorded as Construction Work in Progress and these costs are not included in the 2008 Distribution revenue requirement.