

CME INTERROGATORY #1

INTERROGATORY

CME would like to obtain a better understanding of the history of the Enbridge Ontario Wind Power LP ("Wind Power") project to generate electricity from its 181.5 MW wind turbine facility located in Kincardine, Ontario. In this context:

- (a) Is Wind Power's turbine facility in Kincardine the result of the two projects awarded by the Ontario Ministry of Energy to Enbridge Inc. and Leader Capital Corp under its Renewable Energy Supply Request for Proposals in or about November 2005?
- (b) If the answer to (a) is yes, please explain when and how Enbridge Inc. transferred its interests in the project to Wind Power.

RESPONSE

- (a) The Enbridge Ontario Wind Power's turbine facility in Kincardine is the result of two projects awarded by the Ontario Ministry of Energy, which were each jointly bid by Enbridge Inc. and Leader Capital Corp.
- (b) After the two projects were awarded, Enbridge Inc. and Leader Capital Corp. entered into a Share Purchase Agreement, whereby Enbridge Inc. purchased Leader Capital Corp.'s company securities, and subsequently created Enbridge Ontario Wind Power LP.

CME INTERROGATORY #2

INTERROGATORY

It is CME's understanding that Wind Power has executed at least one Electricity Purchase Agreement with the Ontario Power Authority ("OPA") for the power generated from the project. Please confirm the date(s) that the Electricity Purchase Agreement(s) was/were executed with the OPA.

RESPONSE

Enbridge Ontario Wind Power executed two electricity purchase agreements with the OPA in 2005, and is currently in the process of consolidating those two agreements into one new agreement for the full capacity of the Kincardine wind farm.

CME INTERROGATORY #3

INTERROGATORY

When did Wind Power learn that its operating procedures must comply with the Independent Electricity System Operator ("IESO") requirements, including the need to have operational control personnel available 24/7 to respond to IESO communications within 5 (five) minutes?

RESPONSE

Enbridge Ontario Wind Power learned about the IESO requirements in April 2006. At that time, construction and commissioning activities were the priority. IESO operations protocols and procedures were to be defined as construction neared completion. The requirement for control services was revisited in approximately March 2008, when discussions commenced with EGD to potentially provide this service.

CME INTERROGATORY #4

INTERROGATORY

When did Wind Power first discuss with either Enbridge Inc. or EGD the possibility that EGD provide it with the Control Services at issue in this application? If any PowerPoint presentations or internal memoranda were prepared on this issue, please produce them.

RESPONSE

Enbridge Ontario Wind Power ("EOWP") first approached EGD about the possibility of EGD providing EOWP with the Control Services at the end of March 2008. Most of these discussions have been verbal in nature, with the exception of the attached email summarizing the first meeting. Also, EGD did provide a proposal for the scope and pricing of the Control Services to EOWP in May 2008, which has since been revised to the attached form based on the revised scope of services being requested.

Please note that this proposal is still in draft form as legal review is required, and other details such as service term, scope and pricing have not yet been finalized.

## OPERATING PROCEDURE PROPOSAL

This Operating Procedure is between 'Gas Control and Supply Management Services' and the 'Enbridge Ontario Wind Power' ("EOWP"). This operating document describes the proposed responsibilities of the Service Provider (Gas Control) and the Service Recipient (EOWP).

### Scope of Services

Once EOWP has successfully completed its commissioning process, commercial operations will commence. Commercial operations will see all 110 wind turbines active, and Gas Control will have responsibility for critical/emergency SCADA monitoring. Gas Control will have the ability to shut down the switches connecting the wind farm to the transmission grid when requested by EOWP, the IESO or Hydro One. Gas Control will react within five minutes of a request for an emergency operating procedure. EOWP shall be responsible for training Gas Control and developing an operations/procedures manual.

EOWP shall supply Gas Control with a satellite telephone as required by the IESO. EOWP will be responsible for setting up a dedicated phone line to be used only to receive IESO and Hydro One communications, and a separate e-mail account dedicated to receive and send communications regarding EOWP. EOWP shall be responsible to set up a dedicated communications path from the EOWP to the control room in Edmonton. All costs associated with this set up will be charged to EOWP. The information received will load into Enbridge's common SCADA system to configure the data – which will be displayed separately for Gas Control. Gas Control will provide a live secondary back-up site in the event the primary operating site is not available.

### Pricing, Term and Service Adjustments

The monthly fee shall be \$5,979/month or \$71,747/year, escalated by 3% annually, and the term is for three years.

The parties will review the operating procedures annually, on the anniversary of the commencement of services, to determine if service adjustments are required.



Jay  
Jayaraman/GAS/Enbridge  
04/07/2008 11:06 AM

To Kent Wirth/CNPL/Enbridge@IPL  
cc Bob Simpson/GAS/Enbridge@Enbridge, Malini  
Giridhar/GAS/Enbridge@Enbridge  
Subject Quick summary of our Conf call on April 2 📎

Thanks a lot for all of you for your participation in this Conf call. It was productive and useful. As suggested by Bob, I am writing a quick and brief Minutes of our chat and also suggested Action Items coming out of the meeting. If there are any errors / omissions, please let me know.

Bob and Jay called in from EOWP, Kincardine office.

Malini and Kent called in from the Calgary office.

- Bob gave a quick overview of project and briefly touched on the logic of working with the Operation Center at Edmonton.

- Malini pointed out that based on the needs of EOWP and other factors such as Code of Conduct .. the cost of service proposed to be provided will be based on market rates and typically not negotiable !!

- Then the discussions followed on the following.

- Requirement to comply with IESO market rules at all times... The centre needs to be 24 X 7 functional.

- There needs to be a phone designated (not a direct dedicated line to IESO) - some what like a HOT LINE .. which will never go into busy mode, voice mail, etc.. but will always be answered by the Operator as "Enbridge Underwood WGS Control Center". If and when the IESO operator calls in .. what ever action is requested of the Wind Farm.. the action need to be completed within 5 minutes. Typically it will be a request to shut down part or all of the turbines.

- We would hope to provide you (or you could include it in your services) a laptop with a monitor / desktop in which we will load or SCADAs. At all times as a minimum you will have a schematic (we call it the Single Line Diagram - SLD) where in all the breakers / disconnect switches will be depicted including their designation - usually an alphanumeric way. If and when IESO calls to shut down part or all of the system - I expect a minimum of 2, maximum of 12 (I am guessing here) - they will specifically refer to the switch by name and number and these must be remotely turned off by the Operator. The call could also include a request to reduce system output by a certain percentage .. this can also be accomplished via SCADA. Before the Center becomes operational we will make sure the operators are trained by the EOWP Tech team and IESO.. quite likely in Edmonton.

- If in an emergency, you have to move to the back up location, quite likely the operator on duty could call IESO and state that as a result of emergency he / she is moving to the back up location and that he / she will be available within 10 minutes and will call in to confirm availability soon upon arrival at the back up location. This unfortunately cannot apply during personal need breaks !!

- If there is a need to trip the system based on Hydro One Networks Inc's (HONI's) operational /safety needs .. they will quickly trip the system themselves.

There will be other operational and communicational Protocol between the Operation center and Bob's office. We will develop these, as we go forward.

- We also reviewed the forecasting needs and methodology, we need to work further on this.

We also discussed the need and availability of a Satellite phone. We agreed to get the info.

Action Items :

- 1) Jay to contact Frank Soda and get the costs / availability info on Satellite phones
- 2) Based on Kent's feed back Jay to arrange a tour of IESO control center for Kent, Malini and Bob
- 3) Kent to work out a first cut proposal on services that could be provided, time line to get ready and initial pricing... including availability of phone line.
- 4) Malini to explore the nature and type of service agreement that will be required to be executed.
- 5) Jay and Kent to collectively review Market rules, if required.

Jay Jayaraman M.Eng., P.Eng. PMP  
Project Manager - Electrical  
Enbridge Ontario Wind Power  
Tel : 613 748 6797  
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CME INTERROGATORY #5

INTERROGATORY

At question 5 of the Interrogatories submitted by counsel to the Consumers Council of Canada ("CCC"), you were asked if EGD and Wind Power have executed a Service Level Agreement ("SLA") pertaining to the arrangement. If EGD and Wind Power have not executed an SLA pertaining to this arrangement, please explain why not. Further, if an SLA has not been executed, does EGD expect to execute an SLA with Wind Power? If so, when?

RESPONSE

Enbridge Ontario Wind Power ("EOWP") and EGD have not yet executed an intercorporate services agreement with respect to the Control Services because we are awaiting the outcome of this application before finalizing contractual commitments. If this application is approved, EGD expects to be in a position to execute a services agreement with EOWP before the end of this year. Commercial operation of the facilities is expected to commence by the end of 2008



CCC INTERROGATORY #1

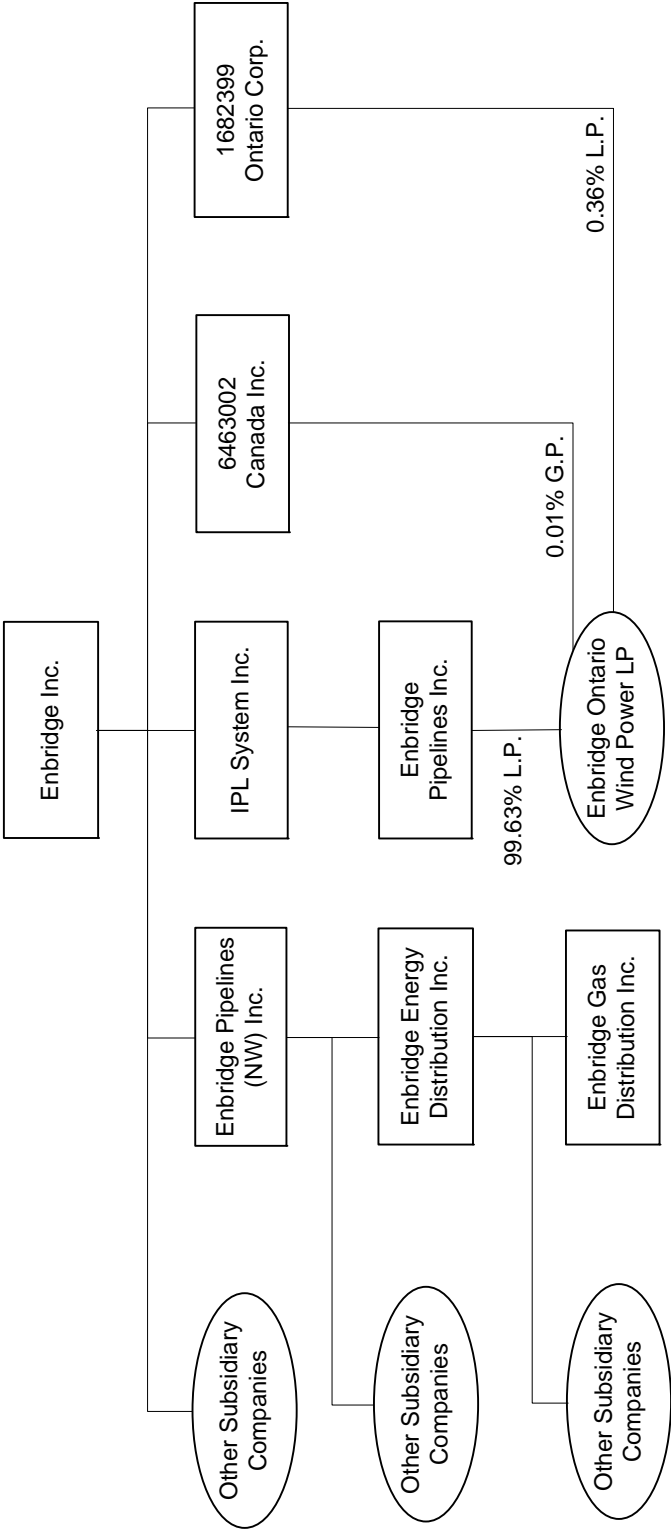
INTERROGATORY

Please describe the corporate relationship between EGD and its affiliate, Enbridge Wind Power L.P. ("Wind Power") Please provide a corporate organization chart that illustrates the relationship.

RESPONSE

Please see the attached organizational chart which shows the relationship between EGD and Enbridge Ontario Wind Power, through Enbridge Inc. The two companies are both ultimately controlled by the same parent, but are not directly related.

ENBRIDGE INC. - ORGANIZATIONAL CHART



NOTES:

This chart does not include all companies owned by Enbridge Inc. Ownership is 100% unless otherwise indicated.

The information contained on this organization chart is strictly confidential and intended for internal company use only. As this information may change without circulation, the currency of the information provided should be verified with Enbridge Gas Distribution Inc., Law Department, prior to any action being taken in reliance of the material provided.

## CCC INTERROGATORY #2

### INTERROGATORY

Please provide a list of all services currently provided by EGD to Wind Power. Please describe the nature of those services and how the pricing of those services has been determined. Please explain how the revenues are treated.

### RESPONSE

EGD does not currently provide any services to Enbridge Ontario Wind Power ("EOWP") directly. EGD provides certain shared corporate services to Enbridge Inc. and Enbridge Solutions Inc., which in turn provide services to EOWP, which may include audit, human resources, corporate security, legal, taxation, risk management, public & government affairs, and information technology as required. All of these services are priced according to market price studies that adjust prices annually. EGD employees may, from time to time, also be seconded to EOWP for a period of time, to provide, for example, engineering or management expertise. EOWP pays EGD a fully allocated cost for these secondments as they are treated as employee transfers rather than services being provided.

The revenues are treated as a credit to the O&M accounts of the EGD departments that are providing the services, which revenues are forecasted in EGD's budget as they are known.

### CCC INTERROGATORY #3

#### INTERROGATORY

The Application states that, “Enbridge will charge Wind Power for the Control Services in compliance with the Code, on a fully allocated basis.” (p. 2/5) How, specifically, has EGD determined what to charge Wind Power for the services? What are the annual costs and revenues associated with the services? Please describe how EGD has determined what is “fully allocated” vs. “incremental”.

#### RESPONSE

As set out in the application, Enbridge Ontario Wind Power (“EOWP”) determined in its search for a service provider, that there is no market for the Control Services. Accordingly, EGD has proposed to charge the services based on a fully allocated cost, per section 2.3.11 of the Affiliate Relationships Code.

EGD has determined that providing the Control Services will require approximately one hour daily from a gas controller and one hour weekly from a manager, plus overhead of facilities, rent, and IT (including SCADA support). The hourly rate for gas control personnel is determined by adding the salary, benefit and overhead (excluding SCADA) costs attributable to the position, and deriving an hourly rate of \$78.61 for the gas controller, and \$101.48 for the manager.

An additional overhead amount is determined for the costs of SCADA support, which price is determined by EGD’s services agreement with Enbridge Operational Services. The total SCADA support amount is allocated amongst the various affiliates using the SCADA system, including EOWP, according to the number and complexity of SCADA sites EGD is responsible to control for that affiliate. The total SCADA support cost is approximately \$1,360,000, of which 2.78%, or \$37,778 would be allocated to EOWP.

The resulting calculation of the proposed charge for Control Services to EOWP is as follows:

$(78.61 \times 365) + (101.48 \times 52) + \$37,778 = \$71,747$  annually (to be escalated by 3%/yr)

CCC INTERROGATORY #4

INTERROGATORY

How will the revenues from these services be treated? EGD states that in the granting of this application there would be no cross subsidization of competitive affiliate by EGD. If the revenues are not recorded in a variance account, or are not in the base year revenue requirement, why would this not constitute a cross subsidy of the affiliate by the utility? Please explain.

RESPONSE

EGD is kept whole through the fully allocated costing mechanism for the services, as permitted by the Affiliate Relationships Code. EGD would not be subsidizing the operations of Enbridge Ontario Wind Power ("EOWP") in any way.

Under the incentive regulation formula, EGD understands the unbudgeted revenues such as those EGD may receive from EOWP or any other affiliate, are within the scope of what the Board expects EGD to manage for the incentive regulation period. Therefore, a variance account would not be appropriate for this revenue item. Under incentive regulation, EGD would share those revenues with ratepayers to the extent the earnings sharing threshold is surpassed.

CCC INTERROGATORY #5

INTERROGATORY

When will the services be provided to Wind Power? Have EGD and Wind Power executed a Service Level Agreement ("SLA") pertaining to the arrangement? If so, please provide a copy of the SLA.

RESPONSE

Enbridge Ontario Wind Power will require the Control Services from EGD when it commences commercial operations, which at this time is expected to be by the end of 2008. The parties are awaiting the outcome of this application before finalizing an agreement.

CCC INTERROGATORY #6

INTERROGATORY

Does Wind Power plan to operate other facilities? If so, please describe what those facilities are and when they will be operational?

RESPONSE

Enbridge Ontario Wind Power currently has no plans to operate any other facilities.

CCC INTERROGATORY #7

INTERROGATORY

Does EGD plan to provide any other services to Wind Power? If so, please indicate what those services are, how they will be priced, and how the revenues are to be treated.

RESPONSE

EGD currently has no plans to provide any other services to Enbridge Ontario Wind Power.



CCC INTERROGATORY #8

INTERROGATORY

Does EGD plan to provide any similar services to other affiliates? If so, please explain the nature of those services, the affiliates involved, and how those services will be priced.

RESPONSE

EGD currently provides gas control services to other utility affiliates, Niagara Gas, St. Lawrence Gas, and Enbridge Gas New Brunswick. These affiliates received gas control services directly from Enbridge Operational Services prior to 2008. Since January 1, 2008, EGD has taken over provision of gas control services to affiliates because all gas control employees have been repatriated to EGD. EGD still receives facility and IT services from EOS for the purposes of gas control, and passes through the cost of those services to the utility affiliates in proportion to the percentage of SCADA points EGD is responsible to monitor and control on each affiliate's behalf. In addition, gas controllers use time estimates to enable EGD to determine the hourly rates to charge each affiliate for control services.

CCC INTERROGATORY #9

INTERROGATORY

The evidence states that the Wind Power SCADA system and telephone connections are standalone and completely separate from the gas control SCADA and information technology systems and will not affect gas control operations in any way. Were the Wind Power SCADA system and telephone connections funded through distribution rates and part of the utility assets? If not, how were they funded?

RESPONSE

As stated in the application, the parties originally contemplated that the Enbridge Ontario Wind Power ("EOWP") SCADA system would be maintained by EGD gas control on a physically separate computer system from EGD's SCADA system. The current proposal is slightly different in that EOWP will host and own the EOWP SCADA system itself in Kincardine, and will simply provide information about the wind turbines to EGD gas control via electronic transfer into the EGD SCADA system, configured to accept the wind turbine data. EOWP's SCADA still remains separately hosted and funded by EOWP, however EGD will be using its SCADA system as an electronic interface with the EOWP SCADA, and will be charging EOWP a portion of the overhead associated with that IT work, as noted in response to CCC Interrogatory #3 at Exhibit I, Tab 3, Schedule 3.

The telephone line required for EOWP is completely funded by EOWP, and standalone from any EGD telephone lines.