

Paul Hamilton

From: Paul Hamilton
Sent: Monday, February 01, 2010 12:22 PM
To: John Butler
Subject: RE: Telephone Contact

That would be perfect John. Talk to you tomorrow @ 10:00am my time.

Cheers,

Paul Hamilton
Gas Supply Specialist
Enbridge Gas New Brunswick
P: (506)457-7742
F: (506)452-2868
E: paul.hamilton@enbridge.com

From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Monday, February 01, 2010 11:49 AM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: RE: Telephone Contact

Paul,

Thanks for the update. As we discussed last week, the call tomorrow will be for clarification and a review of any additional information that may be required. I will summarize our discussions and confirm requests for information so Dave Y can keep up to date. The call on the 9th will be to walk Dave and I through the process and methodology. Shall we set the time, for both calls at 9.00 am my time, 10.00 am your time?

Many thanks,

John

From: Paul Hamilton [mailto:Paul.Hamilton@enbridge.com]
Sent: February 1, 2010 8:18 AM
To: John Butler
Subject: RE: Telephone Contact

John,

My apologies. I did speak with Dave and there are no limitations on communications between us, however if we are asked by staff or in a hearing, EGNB would be required to indicate that a discussion took place.

This being said, I see no reason why we can't talk tomorrow, as the discussion only serves to refresh your memory/understanding of processes and methods.

Let me know what time works best for you.

Cheers,

Paul Hamilton
Gas Supply Specialist
Enbridge Gas New Brunswick
P: (506)457-7742
F: (506)452-2868
E: paul.hamilton@enbridge.com

From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Monday, February 01, 2010 8:29 AM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: Telephone Contact

Hi Paul,

When we spoke last week I asked if you could walk Dave Young and I through the evidence filed in the Rate Applications relating to the EUG and EVP calculations. You indicated that, as this is a hearing before the Board, you needed to discuss this with Dave Charleson before agreeing. We scheduled the next contact for tomorrow so can you please update me on your discussions with Dave C and advise if there are any limitations on communication between us?

Many thanks,

John

Paul Hamilton

From: John Butler [jcbutler01@sympatico.ca]
Sent: Friday, February 26, 2010 4:04 PM
To: Paul Hamilton; 'Young, Dave'
Subject: RE: Courier Package - Advanced Materials

Thanks Paul. Hopefully Dave and I will be able to find our way through the files. Unless you have found a way to set up an obstacle course.

From: Paul Hamilton [mailto:Paul.Hamilton@enbridge.com]
Sent: February 26, 2010 1:51 PM
To: John Butler; 'Young, Dave'
Subject: Courier Package - Advanced Materials

Gentlemen,

I sent each of you a CD via courier this afternoon which should arrive on Monday at your respective offices. Please confirm with me via email response once they have arrived.

The information is categorically arranged in folders on the CD, so feel free to call me if the order of information is difficult to follow.

John, you are used to getting the information in binders, so this format will be different. It's always nice to change things up periodically to keep it interesting.

I'm looking forward to our visit on March 15th. I've reserved the Large Boardroom for the week for you to spread out in.

Talk to you soon.

Cheers,

Paul Hamilton
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E: paul.hamilton@enbridge.com

Paul Hamilton

From: John Butler [jcbutler01@sympatico.ca]
Sent: Thursday, March 04, 2010 4:39 PM
To: Paul Hamilton
Subject: Review of 2009 Gas Purchase and Sales Activities

Hi Paul,

The first set of items, 1 to 8, quoted below is the scope of work that the Board has asked me to undertake this year. The second set of items, 1 to 7, outlines the work that Jeff Aucoin will be undertaking to assist me. Hopefully this will enable you to anticipate some of the questions and requests for information that you will be receiving from us.

Review such EGNB information as is necessary to determine whether or not the following occurred in 2009:

1. EGNB, in relation to its standard offer, posted the following on its Internet site:
 - (i) the price that EGNB charged customers for gas in each of the preceding twelve months;
 - (ii) the price that EGNB was charging customers for gas for the current month; and
 - (iii) the price that EGNB was forecasting to charge customers for gas for the following twelve month period:
2. The term for EGNB standard offer was for one year with customers who join part way through the year being required to sign up for the balance of that year.
3. EGNB calculated its price of gas for the Standard Offer for the following twelve month period using:
 - a) EGNB forecast average cost of purchasing and selling gas to customers over the following twelve months, and
 - b) The difference between the actual and forecast cost of purchasing and selling gas for the most recent month in which that difference could be determined.
4. The revenues from gas sales under all alternative offers were equal to or greater than the cost to EGNB of purchasing and selling the gas acquired for such offers.
5. Any profit that resulted from the alternative offers did not flow to the Standard Offer customers.
6. EGNB did not cross-subsidize between the sale of gas and the distribution of gas.
7. EGNB purchased gas for sale to customers in accordance with the updated Gas Purchase Plan that has been filed with the Board.
8. EGNB has implemented the Firewall Policy as ordered in Board Decision dated November 13, 2009.

Since Teed Saunders Doyle (TSD) will not be conducting an examination of EGNB Regulatory financial results for 2009 J.C. Butler Management has been authorized to retain the services of Mr. Jeff Aucoin of TSD to provide assistance with the above, in particular item 6. It is expected that the following procedures will be required to identify areas of potential cross subsidy between the sale of gas and distribution of gas:

1. High level review/analysis of EGNBLP audited and EGNB regulatory financial statements to the extent necessary to provide comments on the allocation of gas and distribution costs.
2. Preparation of a summary of departmental expenses including affiliate charges. Specific procedures are as follows:
 - Analysis/Description of major expense variances and applicability to EUG.
 - Analysis of regulatory and non regulatory cost centers to ensure consistent application based on prior year.
 - Analysis of any new cost drivers for applicability to EUG.
3. Gas supply salary allocation summary/analysis.
4. Review of EGNB Organization Chart to determine staff allocated to EUG

5. Review of bad debt expense treatment (and allocation if any to EUG) including review of ABC revenues.
6. Review of PGVA section of external auditors file.
7. Produce such summaries of review processes as may be required.

I expect to send the first list of questions tomorrow, but if you have any questions, comments or concerns with the above please advise.

John

Paul Hamilton

From: John Butler [jcbutler01@sympatico.ca]
Sent: Friday, March 05, 2010 10:56 AM
To: Paul Hamilton
Cc: 'Young, Dave'

Paul,

Here are our first set of questions. Can you please advise if there have been any changes in the following areas in the last year that may have affected the purchase and sale of gas;

- Legislation or Regulations,
- Rate changes approved by the Board,
- Rate classes approved by the Board,
- EGNB operations, including subcontracted daily system control,
- Activities of EUG,
- Accounting practices and/or procedures,
- Calculations of future EUG prices,
- Calculations for balancing among shippers on M&NP.

In addition, can answers be provided or can you be prepared to discuss the following:

That invoices relating to balancing among shippers have been accepted by the shippers and that there are no outstanding disputes?.

What was the source of gas supply for the Alternate Products? A summary of any contracts would be useful.

How is gas supply to EUG customers and Alternate Product customers accounted for on a daily basis?

Are all Alternate Products included in the EUG 2009 Monthly Summary for the EUB?

Can you also arrange for me to have copies of invoices that were sent to three customers in each rate class in February and August last year.

Hopefully this information can be available when we arrive in Fredericton or shortly thereafter.

Thanks,

John

Paul Hamilton

From: John Butler [jcbutler01@sympatico.ca]
Sent: Friday, March 12, 2010 8:44 AM
To: 'Young, Dave'
Cc: Paul Hamilton
Subject: Gas Purchase Plan

Dave,

Can you please provide me with a copy of the revised gas purchase plan filed by EGNBLP in accordance with the Board Decision of November 13, 2009.

Paul,

If a revised GPP has not yet been filed can you have it available for Monday.

John

Paul Hamilton

From: Paul Hamilton
Sent: Friday, March 12, 2010 9:51 AM
To: John Butler
Cc: 'Young, Dave'; Jamie Leblanc
Subject: RE: Firewall

John,

EGNB has taken steps with respect to the Firewall document and the Board Decision. I will put together a summary for you on this for your visit.

Thanks,

Paul Hamilton
Gas Supply Specialist
Enbridge Gas New Brunswick
P: (506)457-7742
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E: paul.hamilton@enbridge.com

From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Friday, March 12, 2010 8:50 AM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: Firewall

Paul,

The Decision of November 13, 2009, included a direction that EGNBLP "...ensure those employees with access to customer information are aware of the firewall policy and its purpose." Can you please provide a summary of the steps that EGNBLP has taken to comply with this direction.

John

Paul Hamilton

From: John Butler [jcbutler01@sympatico.ca]
Sent: Thursday, March 18, 2010 3:21 PM
To: Jamie Leblanc; Paul Hamilton
Cc: 'NBEUB / Young'
Subject: Firewall Policy

Gentlemen,

Further to our discussion please provide me with a summary of the actions taken by EGNBLP to comply with the EUB Decision of November 13, 2009 with respect to the firewall policy. That decision directed EGNBLP to ensure those employees with access to customer information are aware of the firewall policy and its purpose. Please also confirm that the IT system that allows only authorized personnel to access customer information remains in place.

I have already checked the EGNB website and found reference to the Firewall Policy.

Many thanks,

John

Paul Hamilton

From: John Butler [jcbutler01@sympatico.ca]
Sent: Tuesday, March 23, 2010 11:00 AM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: RE: NBEUB Forecast vs Actual Vols 2009.xls
Attachments: NBEUB Forecast vs Actual Vols 2008 PH (JB).xls

Paul,

I called earlier and left a message but perhaps this will shorten our conversation when you call back. Attached is the spreadsheet I used last year to show that the difference was insignificant when using actual volumes instead of forecast volumes in calculating the EUG price. Please check the actual consumptions I used against those on the spreadsheet you sent. I recall us discussing your spreadsheet but not why the actuals are different. Can you explain?

John

From: Paul Hamilton [mailto:Paul.Hamilton@enbridge.com]
Sent: March 19, 2010 2:09 PM
To: John Butler; 'Young, Dave'
Subject: NBEUB Forecast vs Actual Vols 2009.xls

John,

For your calculation of the EUG price using actual vs Forecast demand. I think I have duplicated this file from last year, however please verify that this is what you need. the forecast on each line is taken from the "Demand" tab on each EUG forecast file and the Actual demand is from the monthly EUG report filed with the Board.

I am available to discuss as needed for clarification.

Thanks,

Paul Hamilton
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From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Wednesday, March 10, 2010 3:36 PM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: More Questions

Hi Paul,

We would appreciate your having the following available as early as possible next week:

A table showing the 2009 monthly Purchases at Goldboro and the sales at Baileyville (Volumes in GJ, Total Cost and Unit cost).

Any additional gas supply contracts for Alternate Products.

Support for each of the Expenses totaling \$4,813,000 shown as being incurred for Alternate Products

A comparison of the actual EUG customer additions and volumes compared to the forecasts used to determine EUG prices

An explanation why the Alternate Products tab on the February EUG Forecast 2009 file has a table headed "Coral Excess Gas Sales".

Will see you at your offices about 9.00 am next Monday

Regards,

John

Paul Hamilton

From: Paul Hamilton
Sent: Wednesday, March 24, 2010 8:14 AM
To: John Butler
Subject: RE: More Questions

John,

I expect to have a completed reply to both of your emails by Friday. I will call you today to discuss your voice message regarding the Forecast vs actual spreadsheet.

Thanks,

Paul Hamilton
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From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Tuesday, March 23, 2010 3:02 PM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: RE: More Questions

Paul,

The two lists of questions were reviewed last week and you had agreed to provide written answers to each of the questions. Please advise when I can expect these answers?

John

From: Paul Hamilton [mailto:Paul.Hamilton@enbridge.com]
Sent: March 10, 2010 3:13 PM
To: John Butler
Cc: 'Young, Dave'
Subject: RE: More Questions

I will get working right away on this, along with the previous list.

See you Monday.

Cheers,

Paul Hamilton
Gas Supply Specialist
Enbridge Gas New Brunswick
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Paul Hamilton

From: Paul Hamilton
Sent: Thursday, March 25, 2010 9:25 AM
To: John Butler
Subject: RE: Availability???

That's perfect.

Paul Hamilton
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P: (506)457-7742
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From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Thursday, March 25, 2010 8:49 AM
To: Paul Hamilton
Subject: RE: Availability???

Hi Paul,

Computer seems to be working OK so I expect to call you about 9.30 am my time, 10.30 am for you. Let me know if that does not suit your schedule.

John

From: Paul Hamilton [mailto:Paul.Hamilton@enbridge.com]
Sent: March 24, 2010 12:28 PM
To: John Butler
Subject: Availability???

John,

I have a conference call here at 12:30 pm your time, however I would like to call you immediately following. Are you available this afternoon?

Thanks,

Paul Hamilton
Gas Supply Specialist
Enbridge Gas New Brunswick
P: (506)457-7742
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E: paul.hamilton@enbridge.com

It appears that EUG is not being charged any of the costs accrued as Regulatory Compliance. Can you please provide an explanation for this?

John

Paul Hamilton

From: John Butler [jcbutler01@sympatico.ca]
Sent: Monday, April 05, 2010 5:39 PM
To: Jamie Leblanc
Cc: Paul Hamilton; 'Young, Dave'
Subject: RE: Regulatory Compliance

Hi Jamie,

I am now curious, as others may be, as to why this issue hasn't been raised in prior years. Perhaps the cost of Regulatory Compliance was much less before the 2008 Review. Can you please advise the cost of regulatory compliance from 2004 to 2008.

Many thanks,

John

From: Jamie Leblanc [mailto:Jamie.Leblanc@enbridge.com]
Sent: March 19, 2010 3:40 PM
To: John Butler; Paul Hamilton
Cc: 'NBEUB / Young'
Subject: RE: Regulatory Compliance

Hi John,

We are of the view that compliance in this situation is the responsibility of the utility and not EUG. If it were EUG's responsibility then we would assume that all marketers would be subjected to the same level of scrutiny and to my knowledge they are not. To only burden EUG with this cost would put it at an unfair disadvantage relative to its competitors as it would have to absorb costs that its competitors do not. We would assume that the NBEUB agrees with us as they have never billed the cost of this hearing and work separately or identified it separately for us. In fact the hearing is combined with the utilities annual financial review hearing. If you would like to discuss more please feel free to give me a call.

Best regards,

Jamie LeBlanc, CA
Manager, Finance & Control
Enbridge Gas New Brunswick
T: (506)457-7736
www.naturalgasnb.com
Emergency: 1-800-994-2762

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From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Thursday, March 18, 2010 3:33 PM
To: Jamie Leblanc; Paul Hamilton
Cc: 'NBEUB / Young'
Subject: Regulatory Compliance

Gentlemen,

Regards,

Paul Hamilton
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Paul Hamilton

From: Paul Hamilton
Sent: Friday, March 26, 2010 12:53 PM
To: John Butler
Cc: 'Young, Dave'
Subject: RE: 2009 Review Inquiry - Legal Fees charged to EUG and "Upstream" accounts

That change will take effect immediately (i.e. March 2010).

Thanks,

Paul Hamilton
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From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Friday, March 26, 2010 12:50 PM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: RE: 2009 Review Inquiry - Legal Fees charged to EUG and "Upstream" accounts

Paul,

I would like to give some indication in my Report as to when EUG will be charged for the \$9,812.25. Will that be immediately or in the next few months?

John

From: Paul Hamilton [mailto:Paul.Hamilton@enbridge.com]
Sent: March 26, 2010 11:23 AM
To: John Butler
Cc: Jamie Leblanc
Subject: 2009 Review Inquiry - Legal Fees charged to EUG and "Upstream" accounts

John,

During your on-site review, we discussed legal fees charged to EGNB accounts during the year 2009 as having potential for cross-subsidization between EUG and the Utility. Specifically, you identified and requested information related to \$10,146.60 in charges booked to EUG and \$9,812.25 booked to the Utility under "Gas Supply" which we determined should be named "Upstream".

As it turns out, all \$19,328.85 in charges relate to natural gas storage development talks with a third party, which are directly attributable to EUG. As a result, I have requested a coding adjustment for the \$9,812.25 from "Upstream" to EUG which will be reflected in 2010 EUG cost of gas. These costs were recorded to EGNB in February 2009 should you wish to review the impact of adding this cost to the PGVA calculation for forward EUG price forecasts. The impact should be negligible.

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From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Thursday, April 01, 2010 9:03 AM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: EUG Review - Topics Discussed

Paul,

I have finally completed the attached first rough draft of the topics and questions while we were in Fredericton. Since you were also taking a lot of notes I would appreciate your reviewing this for any errors and omissions, also any comments or suggestions you may have. The purpose of this document is that it will provide a brief record of all the topics and questions should it be required during the hearing.

Please also note the topics where there is an expectation of written responses from EGNB. This is a good check list.

Best regards,

John

Paul Hamilton

From: John Butler [jcbutler01@sympatico.ca]
Sent: Wednesday, April 07, 2010 11:13 AM
To: Paul Hamilton
Cc: 'Young, Dave'
Subject: RE: EUG Review - Topics Discussed

Paul,

Many thanks for taking the time to go through my notes. I agree with your comments on the overlap but I wanted to leave it reasonably close to a chronological record of our discussions. However, I have no problem with you providing a single response to more than one item as long as you identify which items each response addresses.

I believe you are correct as to what is outstanding but as I get into the Report there could be more clarification required.

Many thanks,

John

From: Paul Hamilton [mailto:Paul.Hamilton@enbridge.com]
Sent: April 7, 2010 7:38 AM
To: John Butler
Cc: 'Young, Dave'
Subject: RE: EUG Review - Topics Discussed

John,

I have reviewed your list of topics and questions from your on site work in Fredericton and believe it to be a complete list of items. There are a couple of items which I believe overlap, thus I will address these items as a single topic rather than multiple topics for the purpose of my responses. These items are as follows:

1. Confidentiality (2 occurrences): I will provide a list of the documents provided to yourself and Dave Young and indicate if each document is confidential. I will also provide a list of information which EGNB feels was discussed or provided in confidence.
2. Role of Enbridge Operational Services/Service Level Agreement/EAESI Retainer: I feel this can all be addressed in one response from EGNB.

From your list, I see that there are three items for which I still need to provide a written response. Items 1 and 2 above require my response, along with the third item given on page 4 of your list titled "Financial Report for Regulatory Purposes". I will provide an explanation for the negative throughput stated on this report.

Please confirm my understanding of the remaining information to be provided in writing.

I hope to have this information to you shortly.

Regards,

Paul Hamilton

Paul Hamilton

From: Paul Hamilton
Sent: Monday, April 12, 2010 3:53 PM
To: John Butler
Subject: Financial Report for Regulatory Purposes

John,

Regarding this item on your list of discussion items, I have resolved the question of why throughput shows as -2.1 TJs. If you "unhide" all columns on the excel sheet I provided you, cell "A115" has a current value of 38.41715 TJs. This value is the same as April's value and should be 11.10719 TJs. As a result, the throughput for HFO Alternate products is overstated by 27.30996 TJs and HFO EUG throughput is understated by the same amount, as the EUG numbers are derived from the Alternate Product tab.

Please feel free to call me to walk you through this, as it is likely very difficult to follow from my explanation above.

Regards,

Paul Hamilton
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Paul Hamilton

From: Paul Hamilton
Sent: Monday, April 12, 2010 4:23 PM
To: John Butler
Subject: List of Documents - 2009 Review.doc
Attachments: List of Documents - 2009 Review.doc

John,

Please see the attached list of documents regarding the confidentiality of information provided yourself and Dave Young during you review of EGNB's natural gas sales activities for 2009. I am available to discuss this list at your convenience.

I apologize for any delay in sending this information.

Regards,

Paul Hamilton
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Paul Hamilton

From: Paul Hamilton
Sent: Thursday, April 22, 2010 2:36 PM
To: John Butler
Subject: EUG Gas Supply Review - EOS Cost Allocation

John,

In response to our discussion regarding allocation of EOS costs for 2009, I have had an opportunity to review the percentage allocation with our group in Edmonton and offer you the following explanation and proposed division of cost:

The service level agreement between EGNB and EOS is a 3 year agreement which is effective for the period January 1, 2008 through December 31, 2010. The "Services Fee Calculation - 2008" provided in this agreement was based on a combination of two components; 1) expectation of time requirement to provide service, and 2) allocation of shared service costs from EOS to EGNB. From this calculation, an approximate division of costs was estimated to be 75/25 (see below).

	Utility	EUG	Total
Gas Control	\$ 28,692		\$ 28,692
Gas Noms		\$ 28,934	\$ 28,934
Gas Noms	\$ 1,157	\$ 1,157	\$ 2,315
Gas Noms	\$ 56,326		\$ 56,326
Management	\$ 5,541	\$ 2,375	\$ 7,915
Shared Serv.	\$ 23,482	\$ 5,871	\$ 29,353
	<u>\$ 115,198</u>	<u>\$ 38,337</u>	<u>\$ 153,535</u>
	75%	25%	

In late 2007, EGNB also completed a process of automating a large component of the Utility function which included the implementation of an online nominations system and automated nomination, allocation and reporting tool to be used by EOS to help increase the efficiency of operations in Edmonton. The allocation of costs were adjusted by EGNB to account for the time that EOS was actually finding that each side of the business required. In 2008, this split was approximately 45% Utility and 55% EUG and this was adjusted again in 2009 to approximately 40% Utility and 60% EUG.

Following our discussion in March John, I reviewed the cost allocation with EOS to determine the time being spent for Operational Services, both on Utility and EUG material. EOS suggested that an increasing amount of time was being spent on Utility issues. This was primarily due to an increased number of measurement revisions at M&NP gate stations, which required EOS to re-allocate volumes for all marketers at each gate. This shift in time allocation would result in a shift to 60% of time being spent on Utility tasks and 40% on EUG tasks.

I propose that EGNB make this change in cost allocation effective for calendar year 2010, with a total cost to EGNB (Utility) of \$103,781.25 and \$69,187.51 to EUG Per "Total 2010 charge (with 3% escalation)" provided in the SLA of \$172,968.76.

I am available to discuss at your convenience.

Regards,

Paul Hamilton
 Gas Supply Specialist
 Enbridge Gas New Brunswick

Paul Hamilton

From: Paul Hamilton
Sent: Friday, April 23, 2010 2:43 PM
To: John Butler
Subject: EOS Allocation - Further Explanation

John,

Further to our discussion this morning regarding my previous email, I wanted to clarify the explanation for EGNB's allocation of EOS costs for 2009.

As detailed within the original Service Level Agreement, the proposed allocation of costs was expected to be 75% Utility and 25% EUG based primarily on labour requirements for each portion of the services provided. Due largely to automation of most of the Utility based services, this cost allocation was revised to distribute costs that were more reflective of actual time spent on New Brunswick business by EOS.

Over the course of 2008 leading into 2009, EOS found that an increasing amount of time was being spent on EUG related activities. The primary cause of this was the increased focus on Alternate Product requirements. As EGNB manages pipeline capacity for AWL and also has a large number of Industrial customers on Alternate Products, EOS found that 60% of the time was spent managing EUG business and only 40% on Utility function. This shift in allocation was expected to last only to the end of 2009 while EOS grew accustomed to managing a more complex (i.e. diverse) portfolio of supply contracts. The time spent by EOS staff was monitored over the course of 2009, and time requirements have returned more to normal to start the 2010 calendar year.

As a result, I feel that there is a need to readjust the allocation of costs back to 60% Utility and 40% EUG effective January 1, 2010.

I hope this more clearly explains the temporary change in costs shared between EGNB and EUG for EOS services.

Regards,

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Paul Hamilton

From: Paul Hamilton
Sent: Thursday, April 29, 2010 9:03 AM
To: John Butler
Subject: RE: Report - Confidential

John,

Dave has made some further suggestions to me. See below:

Paul, I have had a chance to review John's draft report and have the following comments:

- page 4, last paragraph - EGNBPL should be EGNBLP
- page 10, last paragraph - in the 4th line of the paragraph it says "...and actual can not before the calculation..." Some words appear to be missing here (possibly "cannot be determined before"?)
- page 14, 1st EOS paragraph - OES in the sixth line should be EOS
- page 15, Board options - it's not clear who's cross-subsidizing who as the actual charge paid by EUG is not identified. I believe EUG paid about \$105K, but it is not obvious.
- page 17, end of second paragraph from the bottom - there's an extra period after UGPP

Thanks,
Dave.

Paul Hamilton
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E: paul.hamilton@enbridge.com

From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Tuesday, April 27, 2010 9:44 AM
To: Paul Hamilton
Subject: RE: Report - Confidential

Thanks Paul. Amazing how something like that can slip through several re-readings.
All the best,

John

From: Paul Hamilton [mailto:Paul.Hamilton@enbridge.com]
Sent: April 27, 2010 8:07 AM
To: John Butler
Subject: RE: Report - Confidential

John,

I have not seen anything in this report which would cause concern for breach of confidentiality, however I found one item which I feel should be revised.

I believe the following revision is needed:

1. Page 6, "Background" paragraph 5 - "Also that the PGVA had decreased from \$1.800 million as of December 31, 2008 to \$67 thousand December 31, 2009."

Everything else is acceptable.

Thanks,

Paul Hamilton
Gas Supply Specialist
Enbridge Gas New Brunswick
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From: John Butler [mailto:jcbutler01@sympatico.ca]
Sent: Monday, April 26, 2010 3:08 PM
To: Paul Hamilton
Subject: Report - Confidential

Hi Paul,

Attached is the draft copy of my report, which I trust you will keep confidential. I would appreciate any comments you may have on my descriptions of your methodology and/or processes plus your checking to make sure I am not divulging any confidential information. If you can respond by Tuesday afternoon that would be appreciated.

Many thanks,

John