

CANADA

PROVINCE OF ALBERTA

TO WIT:

IN THE MATTER OF the *National Energy Board Act*,  
being c. N-7 of the Revised Statutes of Canada 1985,  
as amended, and the regulations made thereunder;

AND IN THE MATTER OF National Energy Board  
Hearing Order RHW-001-2015.

**AFFIDAVIT OF VERN YU**

I, Vern Yu, Senior Vice President of Enbridge Inc., of the City of Calgary, Province of Alberta,  
**DO HEREBY MAKE OATH AND SAY THAT:**

1. I am employed as Senior Vice President of Corporate Planning and Chief Development Officer of Enbridge Inc.
2. I have personal knowledge of the matters hereinafter deposed to except where stated to be based upon information and belief, in which case I believe the same to be true.
3. Enbridge Pipelines Inc. ("Enbridge") is a party in the ongoing proceeding before the National Energy Board pursuant to hearing order RHW-001-2015 (the "Proceeding").
4. I have reviewed the evidence of Suncor Energy Marketing Inc. ("SEMI") entitled "Evidence of Suncor Energy Marketing Inc." and dated February 17, 2015 ("SEMI Evidence"). I am informed and believe that the SEMI Evidence was filed as Exhibit B-1-05-02 in the Proceeding.

5. Specifically, I have reviewed the SEMI Evidence (at pages 8-9, Q30/A30), which states:

**Q30. Have there been any discussions between SEMI and Enbridge at the senior leadership level surrounding the applicability of surcharges to SEMI under the TSA?**

A30. Yes. SEMI and Enbridge have been and are in frequent contact regarding the TSA and upcoming service on the reversed Line 9. With respect to proposed Mainline surcharges related to Enbridge's Line 3 replacement project, a senior representative of Enbridge inquired of a senior representative of SEMI as to whether SEMI would be agreeable to paying such surcharges. The Enbridge

representative acknowledged that SEMI was not obligated to pay such surcharges under the TSA, but was making the inquiry in the context of reaching out to all shippers as part of Enbridge's Representative Shipper Group ("RSG") consultations. SEMI advised the Enbridge representative that it was not willing to pay such surcharges.

6. I believe that I am the "senior representative" to whom SEMI refers at Q30/A30 of the SEMI Evidence. If so, the statements by SEMI in A30 of the SEMI Evidence are inaccurate. An accurate version of the events and discussions is set out in paragraphs 7 through 11 below.
7. On January 22, 2014, representatives of Enbridge met with the Canadian Association of Petroleum Producers Executive Policy Group ("CAPP EPG") to discuss Enbridge's Line 3 Replacement Program and the proposed toll surcharge associated with that project (the "CAPP Meeting"). SEMI is a member of the CAPP EPG and a representative of SEMI was present at the CAPP Meeting.
8. At the CAPP Meeting, the Enbridge representatives and the CAPP EPG discussed the long-term contracts executed by shippers ("Flanagan South Shippers") on Enbridge Pipelines (FSP) L.L.C.'s Flanagan South pipeline in the United States and whether those shippers would be subject to the Line 3 surcharge proposed by Enbridge.
9. The Enbridge representatives were excused from the CAPP Meeting to allow the CAPP EPG to caucus.
10. Subsequent to the CAPP Meeting, Enbridge was asked by Nancy Bérard-Brown and Greg Stringham, who were employees of the Canadian Association of Petroleum Producers at the material time, to contact the Flanagan South Shippers to determine whether they were willing to amend their contracts to pay the Line 3 surcharge proposed by Enbridge. As requested, I spoke by telephone with the Flanagan South Shippers. I subsequently telephoned members of the CAPP EPG, including Mark Townley of SEMI,

to determine what was discussed at the CAPP EPG meeting after Enbridge was excused.

11. During our telephone conversation, Mark Townley stated that he assumed I was calling to determine whether SEMI was willing to pay the Line 3 surcharge on SEMI's Line 9 committed volumes. In response, I stated that I was not calling for that purpose but rather to discuss the portion of the CAPP Meeting from which Enbridge had been excused. I did not acknowledge or state at any time during the telephone conversation that SEMI was not obligated to pay Mainline surcharges, including the proposed Line 3 surcharge, under the Transportation Service Agreement (the document referenced as "TSA" in A30 of the SEMI Evidence) made between SEMI and Enbridge and referenced in A5 of the SEMI Evidence nor have I done so at any other time.

SWORN before me at the City of Calgary  
in the Province of Alberta this 30 day of  
March, 2015.



Caitlin Graham  
Barrister & Solicitor



Vern Yu