

FACT SHEET



The Government of New Brunswick's recent decision to legislate changes to the Gas Distribution Act could have serious negative consequences for the public distribution of natural gas in New Brunswick and also for the province's reputation as a good place to conduct business.

We want New Brunswickers to know all the facts associated with this decision before the regulations associated with the legislation are finalized. It is our hope that informed New Brunswickers will agree that the actions of their government in this situation should be questioned.

THE FACTS: GOVERNMENT-SUBSIDIZED COMPETITION

1. While Enbridge Gas New Brunswick (EGNB) and NB Power are both regulated utilities, NB Power is owned by the Government of New Brunswick and EGNB is owned by private investors.
2. With NB Power, the Government manages sustainable electricity rates by recovering any losses or shortfall through public debt – in essence, having the taxpayers in the province subsidize the operation of NB Power.
3. The Government decided that it wanted a private enterprise to run the gas distribution system, primarily because they believed a private business could do this more efficiently and avoid the ongoing public liabilities experienced with NB Power.
4. The Government selected EGNB through a competitive bidding process and then entered into a 20 year contract.
 - Like any other contract, the agreement contains very specific provisions that protect the interests of both the Government and the EGNB investor.
5. The Government has the right to set rates for crown-owned utilities to help manage the business competitiveness of the province, but the Government and the people must bear the costs of those decisions. In the case of publicly-owned companies like EGNB, the investor is forced to bear the cost of such decisions.