Public Intervenor
Interrogatory No. 2

Reference: Background to the Market-Based Rate Setting Methodology
Marketing and Promotion

Interrogatory

1. For the initial launch of EGNB's natural gas distribution service and for each medium used (print, television, radio, internet etc.), provide copies of the text used to inform potential customers of the benefits of switching to natural gas.
2. For each subsequent promotion program beyond the initial launch, provide the same information as requested in (1) above.
3. Please describe the $3,500 in currently available rebates, as indicated on the EGNB website. Was this rebate program approved by the Board? Please describe how these rebates are taken into account in determining the Company's proposed market-based rate formula. Please provide all documents and spreadsheets in EGNB's possession that address the expected cost of the rebates, expected benefits and risks.

Note: For each promotion campaign, specify the medium, the text, and the date that the promotion campaign began.

Response

1. The information requested in this interrogatory is not readily available and would require substantial effort on the part of EGNB to assemble. More importantly, EGNB does not believe this information is relevant to the Board's examination of the elements in the market-based formula used by EGNB.

2. See 1. above.

3. The $3,500 offer is a limited time offer that EGNB has made available to residential customers that are "on main". In addition to the standard $3,000 incentive that is available for prospective residential customers, an additional $500 has been made available for customers that sign up for natural gas service by March 31, 2009. This limited time offer has been put in place to stimulate signing activity by "on main" prospective customers during the winter months. Encouraging conversion activity at this time of year assists in the scheduling of construction resources during the later part of the winter and early spring, a time period when activity levels are traditionally slower.

This incentive program, as with other incentive programs, does not require approval by the Board. On July 20, 2006, the Board issued a "Policy re Customer Incentives" that EGNB uses as a guide for establishing its incentive programs. A copy of this Policy and a clarification letter regarding the Policy sent to the Board by EGNB on August 8, 2006 are attached. EGNB believes that this program is consistent with the Policy.

This rebate program and other incentive programs were not taken into account in determining the proposed formula.

Public Intervenor
Interrogatory No. 6

Reference: Objectives of Market-Based Rate Formula
Fixed Price Offer and Enbridge Variable Product

Interrogatory

1. What were the objectives behind EGNB's development of a Fixed Price Offer for EUG commodity service? Are these different from the objectives used in setting the proposed formula rate for delivery service? Please describe any differences and the rationale for such differences.
2. What were the objectives behind EGNB's development of an Enbridge Variable Product for commodity service? Are these different from the objectives used in setting the proposed formula rate for delivery service? Please describe any differences and the rationale for such differences.
3. Please provide all analysis performed by EGNB and all data reviewed by EGNB in connection with the introduction of a Fixed Price Offer and Enbridge Variable Product for EUG commodity service. Please provide all internal documents in EGNB's possession relating to the formation of its opinion on the objectives of the EUG Fixed Price Offer and the Enbridge Variable Product. Such documents should include preliminary or final drafts of correspondence, letters, telegrams, facsimile transmissions, email communications, memoranda, reports, notes, minutes, agendas, notices and any other relevant documents.
4. Has EGNB's introduced any other EUG commodity service pricing offers other than the Fixed Price Offer, Standard Offer and Enbridge Variable Product? If so, please list each pricing offer and terms. Please describe the rationale for electing to make such a pricing offer available to customers and provide all data reviewed by and analysis performed by EGNB in connection with the evaluation of new pricing offers.
5. Was one objective behind the introduction of a Fixed Price Offer for EUG commodity service to reduce the volatility of gas costs for customers? Is this a concern for EGNB when developing the market-based rate formula for delivery service? What priority is given by EGNB to reducing volatility? How is this taken into account in the January 26 proposal? Please provide all internal documents in EGNB's possession related to EGNB's consideration of volatility in the delivery rate formula, including preliminary or final drafts of correspondence, letters, telegrams, facsimile transmissions, email communications, memoranda, reports, notes, minutes, agendas, notices and any other relevant documents.

Response

1. The objective behind EGNB's development of the Fixed Price Offer was to provide a commodity offering that provided customers with certainty regarding their commodity costs for a 12 month period. This objective differs from the objectives used in setting the formula, as the formula objectives are related to the ability to achieve target savings and minimizing additions to the deferral account.

2. The objectives behind EGNB's development of the Enbridge Variable Product ("EVP") was to provide a commodity offering for commercial customers that EGNB believed provided pricing that was comparable to the manner in which many larger customers acquire supply in other markets and was similar to the manner in which EGNB acquires its own supply. EVP also provided the customer with pricing through a transparent formula that was simple for the customer to forecast forward for budget purposes. By providing EVP, EGNB provides more choice to commercial customers.

3. EGNB does not believe analysis performed regarding the Fixed Price Offer is relevant to the Board's examination of the elements in the market-based formula used by EGNB.

   The analysis performed regarding EVP related to the structure of the pricing for EVP. This is seen in EGNB's response to AWL Interrogatory No. 4. The data used in developing this structure is attached:
   - The Tetco Basis Average was determined using the market trading data for Tetco and was then used to price the contract that underpinned the EVP product back to NYMEX and to assess the degree of risk associated with Tetco basis.
   - The foreign exchange average was determined using the Bank of Canada exchange rate data and was used to assess the degree of foreign exchange volatility.
   - The forecast department costs and total supply requirements were used to determine the average operating costs associated with administering EGNB's gas supply.

   EGNB does not have any other documents or analysis related to the development of EVP.

4. EGNB also provides an Off-Peak service commodity offering that is only available to customers taking service under its off-peak rates. This product was made available in recognition of the fact that other EGNB commodity offerings factor in the impact of winter basis spreads. Since the Off-Peak service commodity offering is only available for consumption outside of the winter months, it provides a price that is more indicative of what pricing these customers should see. The Off-Peak product is priced at NYMEX + US$1.25/mmbtu, with a surcharge of CDN$3.00/GJ applied to any gas consumed between December and March inclusive.

5. As indicated in the response to 1 above, reducing the volatility of gas costs was the main objective behind the introduction of the Fixed Price Offer. This however was not a concern in developing the market-based rate formula for delivery service as there were

differing objectives behind the formula development. While providing a certain degree of rate stability is preferable, the ability for a typical customer to achieve target savings is the principal concern for EGNB in setting its rates. The introduction of the Fixed Price Offer supported a desire to provide more choice with regards to commodity offerings in the market.

Public Intervenor
Interrogatory No. 9

Reference: Impact of Pricing of Commodity Services on Ability of Formula to Meet Objectives
Pricing

Interrogatory

1. Please provide, in spreadsheet form, historic pricing for EUG's Standard Offer, Fixed Price Offer and all other EUG commodity offers from the date such offers were first made available to customers through February 1, 2009.

2. Please provide a detailed explanation for how EGNB determines the price of the EUG Fixed Price Offer. Is it based on forward prices for natural gas? Is there a profit margin embedded in the price? Is a premium included for the risks that EGNB takes by offering a fixed-price service? Does EGNB make up in future rate periods any shortfalls in commodity revenue received from customers taking the Fixed Price Offer and the actual costs of supplying the gas commodity to those customers? Does EGNB credit back in future rate periods any excess commodity revenue received from customers taking the Fixed Price Offer over and above the actual costs of supplying the gas commodity to those customers? Does EGNB hedge the risks of supplying customers under a Fixed Price Offer? If so, how does EGNB hedge those risks? Please provide all spreadsheets used by EGNB to formulate the Fixed Price Offer and to manage its implementation.

3. Please provide a detailed explanation for how EGNB determines the price of the Enbridge Variable Product. Is a premium included for the risks that EGNB takes by offering this product? Does EGNB make up in future rate periods any shortfalls in commodity revenue received from customers taking the Enbridge Variable Product and the actual costs of supplying the gas commodity to those customers? Does EGNB credit back in future rate periods any excess commodity revenue received from customers taking the Enbridge Variable Product over and above the actual costs of supplying the gas commodity to those customers? What risks does EGNB bear in supplying customers under the Enbridge Variable Product? Does EGNB hedge any of those risks? Please provide all spreadsheets used by EGNB to formulate the Fixed Price Offer and to manage its implementation.

4. Do EGNB's regulatory financial statements, as filed with the Board, include the revenues and costs associated with providing EUG commodity services? If not, why not? Please provide a copy of the financial statements that include the profit and loss, cash flow and asset/liability positions related to EGNB's EUG commodity services for each fiscal year since 2003.

Response

1. The historic pricing of the different commodity offerings by EGNB are shown in the table below:

Effective Date	EUG	Off-Peak	EVP	Fixed Price
May-03	$8.49			
Jun-03	$8.49			
Jul-03	$8.49			
Aug-03	$8.20			
Sep-03	$8.20			
Oct-03	$7.35			
Nov-03	$7.35			
Dec-03	$7.35			
Jan-04	$7.35			
Feb-04	$7.75			
Mar-04	$7.75			
Apr-04	$7.75			
May-04	$8.40			
Jun-04	$9.20			
Jul-04	$9.20			
Aug-04	$9.20			
Sep-04	$9.20			
Oct-04	$9.20			
Nov-04	$10.10			
Dec-04	$9.45			
Jan-05	$9.45			
Feb-05	$9.45			
Mar-05	$9.45			
Apr-05	$9.45			
May-05	$10.30			
Jun-05	$9.98			
Jul-05	$10.50			
Aug-05	$10.50			
Sep-05	$11.60			
Oct-05	$13.57			
Nov-05	$14.71			
Dec-05	$14.26			
Jan-06	$14.26			
Feb-06	$11.95			
Mar-06	$11.45			
Apr-06	$11.45			
May-06	$11.45			
Jun-06	$10.80			
Jul-06	$11.30	$7.64		
Aug-06	$11.30	$8.79		
Sep-06	$11.95	$8.53		

Oct-06	$10.95	$5.83		
Nov-06	$10.95	$9.05		
Dec-06	$10.95	$10.46		
Jan-07	$10.95	$7.09		
Feb-07	$10.95	$8.17		
Mar-07	$10.95	$8.80		
Apr-07	$11.95	$9.64	$10.73	
May-07	$11.95	$9.21	$10.27	
Jun-07	$11.95	$8.96	$9.98	
Jul-07	$11.40	$8.26	$9.27	
Aug-07	$10.80	$7.44	$8.45	
Sep-07	$10.80	$6.69	$7.69	
Oct-07	$10.80	$7.23	$8.18	
Nov-07	$10.80	$7.63	$8.52	$10.80
Dec-07	$11.20	$8.01	$8.96	$10.80
Jan-08	$11.20	$7.91	$8.85	$10.80
Feb-08	$11.20	$8.80	$9.75	$10.80
Mar-08	$12.35	$9.50	$10.43	$10.80
Apr-08	$13.13	$10.53	$11.51	$10.80
May-08	$13.13	$11.96	$12.92	$10.80
Jun-08	$14.15	$12.39	$13.33	$10.80
Jul-08	$14.95	$13.87	$14.84	$10.80
Aug-08	$13.55	$10.16	$11.13	$10.80
Sep-08	$11.85	$9.71	$10.71	$10.80
Oct-08	$10.90	$8.80	$9.81	$10.80
Nov-08	$10.90	$8.81	$9.95	$12.50
Dec-08	$10.90	$9.54	$10.71	$12.50
Jan-09	$10.90	$8.53	$9.68	$12.50
Feb-09	$10.55	$6.66	$7.82	$12.50

An electronic version of this table is attached.

2. EGNB provides supply for this offering by entering into a physical supply agreement for a volume of gas that will support the expected interest in the Fixed Price Offer at a price that is fixed for the contract term with the supplier. An additional charge is then added to cover volumetric risk and administrative costs associated with this offering. The product is priced in a manner that it recovers all of its costs, with no potential for a shortfall in the commodity revenue received from the customers being supplied by the Fixed Price Offer. Any excess revenues that arise would be related to lower than anticipated administration costs or volumetric fluctuations. These revenues are credited back to the Purchase Gas Variance Account (PGVA) which will flow as a credit to the EUG price.

   EGNB does not make any adjustments in future rate periods to account for any shortfalls or surpluses, as this is handled monthly through PGVA balance adjustments using aggregated results from all combined alternate products.

3. As indicated in A27 of EGNB's evidence, EVP is priced based on the monthly NYMEX price plus a market spread that is currently set at US$2.25/mmbtu. Please see the response to AWL Interrogatory No. 4 for an explanation on how the market spread is established. The product is priced in a manner that it recovers all of its costs within the current period, with no potential for a shortfall in the commodity revenue received from the customers being supplied by EVP. Any excess revenues that arise would be related to lower than anticipated administration, basis or exchange rate costs. These revenues are credited back to the PGVA which will flow as a credit to the EUG price.

   EGNB believes that it bears no risk in supplying customers under EVP due to the manner in which the price is structured and the nature of the gas supply contract that is used to support EVP deliveries. Similarly, because of the nature of the gas supply contract, it is not necessary for EGNB to hedge any aspect of the offering.

4. EGNB's regulatory financial statements, as filed with the Board, do not include the revenues and costs associated with providing EUG commodity services as these costs and revenues do not form part of the revenue requirement that is subject to regulation. EGNB files this information with the Board on an annual basis as part of its Commodity Sales report. A copy of the 2007 report is attached to this response.

   On March 10, 2009, EGNB filed its 2008 Commodity Sales report with the Board. A copy of this report is attached.

Public Intervenor
Interrogatory No. 13

Reference: Impact of Pricing of Commodity Services on Ability of Formula to Meet Objectives
Delivering Target Savings

Interrogatory

1. Does EGNB have any customer research or analysis that supports the proposition that the proposed formula will deliver the target savings for existing and potential customers? If yes, please provide a copy of this analysis. If no, why not?
2. Please provide all backcasting analyses performed by EGNB or its consultants that evaluate the level of savings achieved by the market-based rate formula, since the market-based rate methodology was implemented. If no such analyses exist, please explain why EGNB has not backcast the formula to determine the level of savings actually achieved by customers.
3. Please provide all studies related to the price elasticity of demand of natural gas customers that have been reviewed by or performed by EGNB or MJ Ervin during the past five years. Did EGNB rely on any of these studies when formulating its January 26 recommendation for the market-based rate formula? Why or why not?

Response

1. EGNB relies on the derivation table as the basis that the formula will deliver the target savings for typical existing and potential customers. All of the variables used within the table are either based on market information, customer data or reasonable estimates based on industry information and standard conversion factors.

2. EGNB monitors and reviews anticipated and achieved target savings on a regular basis. The following table provides this analysis since 2002:

	Historic Savings (%)						
Rate	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
SGS	33%	40%	28%	28%	22%		
SGSRO						18%	26%
SGSRE						21%	20%
SGSC						18%	25%
GS	30%	39%	25%	29%	12%	15%	22%
CGS	21%	35%	22%	27%	12%	14%	23%
LFO	18%	18%	13%	14%	16%	20%	31%

	Savings Target (%)						
Rate	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
SGS	30%	30%	20%	20%	20%		
SGSRO						20%	20%
SGSRE						20%	20%
SGSC						20%	20%
GS	15%	15%	15%	15%	15%	15%	15%
CGS	15%	15%	15%	15%	15%	15%	15%
LFO	15%	15%	15%	10%	10%	10%	10%

	Variance (%)						
Rate	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
SGS	3%	10%	8%	8%	2%		
SGSRO						-2%	6%
SGSRE						1%	0%
SGSC						-2%	5%
GS	15%	24%	10%	14%	-3%	0%	7%
CGS	6%	20%	7%	12%	-3%	-1%	8%
LFO	3%	3%	-2%	4%	6%	10%	21%

This table was prepared using information from response to Competitive Energy Services Interrogatory No. 11 in the 2006 Rate Proceeding (NBPUB 2005-009) for the years 2002 through 2005 and calculations for 2006 through 2008. Copies of the spreadsheets used to calculate the 2006 through 2008 savings are attached.

3. EGNB did not review or perform any studies related to the price elasticity of demand of natural gas customers. In addition, MJ Ervin & Associates has not performed or reviewed any studies related to the price elasticity of demand for natural gas during the past five years. The purpose of the market-based rates formula is to provide target savings for typical natural gas customers. Price elasticity was not a consideration in determining a mechanism for achieving this.

Schedule 2

Derivation Tables

Amended: March 19, 2009

Derivation Table - Oil

		Units	Calculation	SGSRO	SGSC	GS	CGS	CLGS_LFO	HFO
1	**Alternative Energy Price**	CAN$/l	Retail Oil Price	$0.7769	$0.7639	$0.7554	$0.7535	$0.7396	$0.3136
2	**Assumed Efficiency factor**		Assigned	78.16%	78.16%	81.25%	81.25%	100%	100%
3	**Typical Annual Consumption**	GJs/year	Line 10 / Line 2	107	285	1,124	6,087	33,474	132,327
4	**Conversion Factor**	l/GJ	Assigned	25.8532	25.8532	25.8532	25.8532	25.8532	23.9636
5	**Typical Annual Consumption**	in litres	Line 3 x Line 4	2,766.29	7,368.16	29,059.00	157,368.43	865,410.02	3,171,031.30
6	**Total Alternative Energy Cost**	$/ year	Line 1 x Line 5	$2,149.13	$5,628.54	$21,951.17	$118,577.11	$640,057.25	$994,435.42
7	**Target Savings Level**	%	Assigned	20%	20%	15%	15%	10%	5%
8	**Target Savings Amount**	$	Line 6 x Line 7	$429.83	$1,125.71	$3,292.68	$17,786.57	$64,005.73	$49,721.77
9	**Target Natural Gas Cost**	$	Line 6 - Line 8	$1,719.30	$4,502.83	$18,658.49	$100,790.54	$576,051.52	$944,713.65
10	**Typical Annual Natural Gas Consumption**	GJs/ year	Typical Customer	84	223	913	4,946	33,474	132,327
11	**Target Burner Tip Price**	$/GJ	Line 9 / 10	$20.4679	$20.1921	$20.4365	$20.3782	$17.2089	$7.1392
12	**Commodity Cost**	$/GJ	EUG or EVP price	$11.7998	$11.7998	$11.7998	$11.7998	$10.3412	$10.3412
13	**Target Distribution Rate**	$/GJ	Line 11 - Line 13	$8.6681	$8.3923	$8.6367	$8.5784	$6.8677	-$3.2020
14	**Target Annual Distribution Charge**	$	Line 13 x Line 10	$728.12	$1,871.48	$7,885.31	$42,428.77	$229,890.23	-$423,707.75
15	**Monthly Customer Charge**	$	Assigned	$16.00	$16.00	$16.00			
16	**Annual Customer Charge**	$	Line 15 * 12	$192.00	$192.00	$192.00	0	0	
17	**Average Contract Demand**	GJs	Average				46	275	865
18	**Contract Demand Charge**	$	Assigned	0	0	0	$5.20	$5.20	$3.90
19	**Revenue from Demand Charge**	$	Line 17 * Line 18 * 12	0	0	0	$2,870.40	$17,160.00	$40,482.00
20	**Target Revenue From Delivery Charge**	$	Line 14 - Lines 16 or 19	$536.12	$1,679.48	$7,693.31	$39,558.37	$212,730.23	-$464,189.75
21	**Distribution Delivery Charge**	$/GJ	Line 20/Line 10	$6.3824	$7.5313	$8.4264	$7.9981	$6.3551	-$3.5079

* Table shows potential rates for calendar 2009 based on the application of the Formula using market information from November and December 2008. Natural gas consumption and contract demand amounts are based on 2008 billing data.

Alternative Energy Price – SGSRO, SGSC, GS, CGS, LFO

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
3-Nov-08	2.0143	2.0378	2.0503	2.0508	2.0548	2.0633	2.0823	2.1053	2.1293	2.1538	2.1733	2.1923
4-Nov-08	2.1916	2.2141	2.2261	2.2261	2.2301	2.2381	2.2571	2.2806	2.3051	2.3306	2.3506	2.3706
5-Nov-08	2.0846	2.1076	2.1211	2.1216	2.1261	2.1346	2.1536	2.1761	2.1996	2.2256	2.2461	2.2661
6-Nov-08	1.9706	1.9931	2.0071	2.0081	2.0136	2.0236	2.0426	2.0651	2.0881	2.1151	2.1356	2.1576
7-Nov-08	2.0064	2.0259	2.0404	2.0404	2.0444	2.0534	2.0724	2.0949	2.1174	2.1454	2.1674	2.1904
10-Nov-08	1.9807	2.0002	2.0140	2.0125	2.0155	2.0235	2.0410	2.0627	2.0847	2.1130	2.1362	2.1605
11-Nov-08	1.9550	1.9745	1.9875	1.9845	1.9865	1.9935	2.0095	2.0305	2.0520	2.0805	2.1050	2.1305
12-Nov-08	1.8609	1.8819	1.8949	1.8899	1.8944	1.9044	1.9219	1.9419	1.9634	1.9919	2.0174	2.0434
13-Nov-08	1.8985	1.9205	1.9330	1.9280	1.9325	1.9430	1.9600	1.9800	2.0030	2.0320	2.0590	2.0865
14-Nov-08	1.8590	1.8805	1.8920	1.8880	1.8935	1.9045	1.9205	1.9395	1.9640	1.9950	2.0245	2.0540
17-Nov-08	1.8090	1.8275	1.8360	1.8310	1.8370	1.8485	1.8640	1.8840	1.9100	1.9410	1.9705	2.0000
18-Nov-08	1.7749	1.7944	1.8049	1.8034	1.8099	1.8214	1.8379	1.8594	1.8864	1.9184	1.9489	1.9789
19-Nov-08	1.7737	1.7912	1.8017	1.8012	1.8082	1.8202	1.8372	1.8602	1.8882	1.9207	1.9512	1.9802
20-Nov-08	1.6865	1.7025	1.7130	1.7135	1.7205	1.7330	1.7510	1.7765	1.8050	1.8370	1.8670	1.8955
21-Nov-08	1.7086	1.7241	1.7346	1.7336	1.7406	1.7531	1.7726	1.7976	1.8256	1.8576	1.8876	1.9161
24-Nov-08	1.7961	1.8136	1.8246	1.8231	1.8296	1.8416	1.8596	1.8861	1.9156	1.9476	1.9776	2.0061
25-Nov-08	1.7069	1.7264	1.7399	1.7404	1.7479	1.7599	1.7799	1.8079	1.8384	1.8709	1.9014	1.9299
26-Nov-08	1.7616	1.7861	1.8031	1.8066	1.8151	1.8266	1.8456	1.8731	1.9036	1.9361	1.9666	1.9951
27-Nov-08	1.7616	1.7861	1.8031	1.8066	1.8151	1.8266	1.8456	1.8731	1.9036	1.9361	1.9666	1.9951
28-Nov-08	1.7271	1.7526	1.7706	1.7761	1.7856	1.7981	1.8166	1.8441	1.8746	1.9071	1.9376	1.9661
1-Dec-08	1.6151	1.6421	1.6636	1.6736	1.6881	1.7031	1.7241	1.7541	1.7876	1.8221	1.8536	1.8826
2-Dec-08	1.5832	1.6092	1.6327	1.6457	1.6622	1.6787	1.6992	1.7277	1.7612	1.7962	1.8287	1.8582
3-Dec-08	1.5840	1.6080	1.6265	1.6395	1.6560	1.6745	1.6955	1.7240	1.7575	1.7915	1.8240	1.8535
4-Dec-08	1.5091	1.5346	1.5576	1.5726	1.5886	1.6076	1.6301	1.6581	1.6911	1.7261	1.7601	1.7901
5-Dec-08	1.4265	1.4578	1.4863	1.5038	1.5213	1.5408	1.5633	1.5903	1.6233	1.6568	1.6898	1.7183
8-Dec-08	1.4904	1.5216	1.5541	1.5746	1.5946	1.6146	1.6366	1.6606	1.6921	1.7246	1.7566	1.7836
9-Dec-08	1.4369	1.4679	1.5019	1.5239	1.5459	1.5674	1.5904	1.6139	1.6444	1.6754	1.7064	1.7334
10-Dec-08	1.4027	1.4357	1.4712	1.4942	1.5177	1.5412	1.5657	1.5907	1.6187	1.6467	1.6747	1.6987
11-Dec-08	1.5066	1.5396	1.5771	1.6006	1.6236	1.6461	1.6706	1.6961	1.7231	1.7491	1.7746	1.7976
12-Dec-08	1.4934	1.5194	1.5549	1.5784	1.6014	1.6249	1.6499	1.6769	1.7059	1.7324	1.7579	1.7814
15-Dec-08	1.4601	1.4871	1.5191	1.5416	1.5641	1.5871	1.6126	1.6401	1.6691	1.6961	1.7221	1.7456
16-Dec-08	1.4603	1.4833	1.5098	1.5293	1.5488	1.5718	1.5968	1.6228	1.6493	1.6768	1.7033	1.7273
17-Dec-08	1.4425	1.4650	1.4880	1.5040	1.5200	1.5415	1.5665	1.5955	1.6250	1.6525	1.6795	1.7035
18-Dec-08	1.3729	1.3955	1.4180	1.4330	1.4500	1.4705	1.4960	1.5265	1.5575	1.5840	1.6100	1.6335
19-Dec-08	1.3920	1.4164	1.4419	1.4614	1.4814	1.5054	1.5354	1.5684	1.6009	1.6274	1.6534	1.6769
22-Dec-08	1.3415	1.3619	1.3844	1.4024	1.4219	1.4464	1.4769	1.5109	1.5444	1.5719	1.5989	1.6239
23-Dec-08	1.3270	1.3452	1.3667	1.3837	1.4022	1.4262	1.4562	1.4902	1.5232	1.5502	1.5767	1.6022
24-Dec-08	1.2860	1.3066	1.3309	1.3481	1.3671	1.3906	1.4209	1.4544	1.4871	1.5139	1.5401	1.5659
26-Dec-08	1.2450	1.2680	1.2950	1.3125	1.3320	1.3550	1.3855	1.4185	1.4510	1.4775	1.5035	1.5295
29-Dec-08	1.2853	1.3088	1.3383	1.3568	1.3773	1.4008	1.4313	1.4638	1.4963	1.5223	1.5478	1.5733
30-Dec-08	1.2880	1.3061	1.3361	1.3561	1.3761	1.3991	1.4296	1.4626	1.4961	1.5221	1.5481	1.5736
31-Dec-08	1.4057	1.4421	1.4676	1.4896	1.5116	1.5341	1.5636	1.5961	1.6291	1.6551	1.6811	1.7071
AVERAGE (	$1.6353	$1.6586	$1.6790	$1.6884	$1.7013	$1.7176	$1.7397	$1.7662	$1.7950	$1.8244	$1.8519	$1.8780
CAN$/litre	$0.5322	$0.5397	$0.5440	$0.5471	$0.5512	$0.5558	$0.5630	$0.5715	$0.5799	$0.5894	$0.5983	$0.6064
Market Spreads (Can$/litre)												
SGSRO	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250
SGSC	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050
GS	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950
CGS	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850
LFO	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750
Monthly Price (Can$/litre)												
SGSRO	$0.7572	$0.7647	$0.7690	$0.7721	$0.7762	$0.7808	$0.7880	$0.7965	$0.8049	$0.8144	$0.8233	$0.8314
SGSC	$0.7372	$0.7447	$0.7490	$0.7521	$0.7562	$0.7608	$0.7680	$0.7765	$0.7849	$0.7944	$0.8033	$0.8114
GS	$0.7272	$0.7347	$0.7390	$0.7421	$0.7462	$0.7508	$0.7580	$0.7665	$0.7749	$0.7844	$0.7933	$0.8014
CGS	$0.7172	$0.7247	$0.7290	$0.7321	$0.7362	$0.7408	$0.7480	$0.7565	$0.7649	$0.7744	$0.7833	$0.7914
LFO	$0.7072	$0.7147	$0.7190	$0.7221	$0.7262	$0.7308	$0.7380	$0.7465	$0.7549	$0.7644	$0.7733	$0.7814

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	
Usage Profile & Weighted Average													
SGSRO	19%	16%	15%	8%	5%	2%	2%	2%	3%	4%	8%	15%	
	$ 0.1439	$ 0.1224	$ 0.1154	$ 0.0618	$ 0.0388	$ 0.0156	$ 0.0158	$ 0.0159	$ 0.0241	$ 0.0326	$ 0.0659	$ 0.1247	$0.7769
SGSC	18%	17%	16%	9%	5%	2%	2%	2%	3%	4%	8%	14%	
	$ 0.1327	$ 0.1266	$ 0.1198	$ 0.0677	$ 0.0378	$ 0.0152	$ 0.0154	$ 0.0155	$ 0.0235	$ 0.0318	$ 0.0643	$ 0.1136	$0.7639
GS	16%	16%	15%	9%	5%	3%	2%	2%	3%	6%	9%	13%	
	$ 0.1140	$ 0.1189	$ 0.1137	$ 0.0640	$ 0.0396	$ 0.0216	$ 0.0182	$ 0.0186	$ 0.0220	$ 0.0447	$ 0.0736	$ 0.1065	$0.7554
CGS	15%	15%	16%	9%	5%	3%	3%	3%	3%	6%	10%	13%	
	$ 0.1076	$ 0.1087	$ 0.1166	$ 0.0659	$ 0.0368	$ 0.0222	$ 0.0224	$ 0.0227	$ 0.0229	$ 0.0465	$ 0.0783	$ 0.1029	$0.7535
LFO	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	
	$ 0.0589	$ 0.0595	$ 0.0599	$ 0.0601	$ 0.0605	$ 0.0609	$ 0.0615	$ 0.0622	$ 0.0629	$ 0.0637	$ 0.0644	$ 0.0651	$0.7396

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Alternative Energy Price – HFO

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
03-Nov-08	64.59	65.30	66.02	66.73	67.43	68.11	68.75	69.39	70.03	70.66	71.28	71.90
04-Nov-08	71.19	71.96	72.79	73.63	74.46	75.25	76.00	76.72	77.42	78.09	78.74	79.38
05-Nov-08	66.01	66.84	67.77	68.69	69.59	70.45	71.24	72.00	72.75	73.49	74.21	74.92
06-Nov-08	61.47	62.36	63.33	64.29	65.24	66.15	67.04	67.89	68.73	69.55	70.33	71.08
07-Nov-08	61.87	62.81	63.76	64.69	65.61	66.49	67.33	68.16	68.99	69.80	70.59	71.36
10-Nov-08	61.05	61.97	62.91	63.82	64.73	65.59	66.42	67.22	68.01	68.78	69.54	70.28
11-Nov-08	60.22	61.12	62.05	62.95	63.84	64.69	65.51	66.28	67.02	67.75	68.48	69.20
12-Nov-08	57.03	57.95	58.84	59.73	60.62	61.47	62.30	63.10	63.87	64.64	65.41	66.17
13-Nov-08	59.06	60.00	60.95	61.90	62.83	63.70	64.52	65.30	66.05	66.80	67.55	68.29
14-Nov-08	57.60	58.40	59.30	60.25	61.19	62.10	62.98	63.83	64.66	65.48	66.30	67.08
17-Nov-08	55.49	56.28	57.15	58.06	58.99	59.90	60.78	61.64	62.49	63.34	64.18	64.97
18-Nov-08	54.76	55.58	56.45	57.32	58.17	59.00	59.79	60.57	61.35	62.13	62.90	63.67
19-Nov-08	54.10	54.95	55.88	56.83	57.77	58.69	59.58	60.45	61.31	62.15	62.99	63.83
20-Nov-08	49.42	50.41	51.44	52.46	53.44	54.39	55.31	56.22	57.13	58.03	58.93	59.83
21-Nov-08	49.93	50.96	52.05	53.09	54.08	55.05	55.96	56.85	57.73	58.59	59.44	60.29
22-Nov-08	54.50	55.62	56.68	57.68	58.64	59.59	60.48	61.35	62.21	63.07	63.92	64.77
25-Nov-08	50.77	52.01	53.21	54.33	55.40	56.43	57.40	58.32	59.22	60.10	60.96	61.82
26-Nov-08	54.44	55.70	56.92	58.04	59.09	60.12	61.06	61.95	62.83	63.69	64.53	65.35
27-Nov-08	54.44	55.70	56.92	58.04	59.09	60.12	61.06	61.95	62.83	63.69	64.53	65.35
28-Nov-08	54.43	55.82	57.09	58.24	59.29	60.28	61.20	62.08	62.94	63.78	64.61	65.42
01-Dec-08	49.28	50.68	52.00	53.22	54.40	55.51	56.54	57.52	58.46	59.38	60.28	61.15
02-Dec-08	46.96	48.43	49.84	51.15	52.38	53.54	54.60	55.60	56.56	57.50	58.42	59.32
03-Dec-08	46.79	48.32	49.87	51.34	52.70	53.95	55.07	56.10	57.07	58.01	58.94	59.85
04-Dec-08	43.67	45.21	46.86	48.43	49.89	51.20	52.36	53.42	54.44	55.43	56.41	57.36
05-Dec-08	40.81	42.93	44.76	46.27	47.61	48.84	49.92	50.92	51.89	52.82	53.74	54.65
08-Dec-08	43.71	46.36	48.62	50.29	51.64	52.78	53.76	54.63	55.48	56.32	57.15	57.98
09-Dec-08	42.07	44.66	46.86	48.56	49.90	50.98	51.89	52.72	53.54	54.33	55.11	55.88
10-Dec-08	43.52	46.02	48.04	49.56	50.66	51.52	52.27	52.96	53.65	54.31	54.96	55.60
11-Dec-08	47.98	50.84	52.97	54.46	55.53	56.34	57.01	57.65	58.28	58.88	59.47	60.06
12-Dec-08	46.28	49.12	51.54	53.18	54.32	55.15	55.85	56.50	57.14	57.76	58.38	59.00
15-Dec-08	44.51	47.47	50.00	51.73	52.95	53.83	54.59	55.31	56.03	56.73	57.42	58.11
16-Dec-08	43.60	46.70	49.17	50.91	52.16	53.10	53.90	54.65	55.37	56.05	56.72	57.39
17-Dec-08	40.06	44.61	47.27	49.16	50.64	51.86	52.87	53.72	54.53	55.27	55.96	56.64
18-Dec-08	36.22	41.67	44.39	46.44	48.13	49.52	50.69	51.66	52.54	53.31	54.04	54.76
19-Dec-08	33.87	42.36	45.16	47.15	48.74	50.05	51.15	52.06	52.90	53.71	54.50	55.28
22-Dec-08		39.91	42.88	44.76	46.25	47.46	48.48	49.34	50.16	50.96	51.75	52.52
23-Dec-08		38.98	42.03	43.86	45.30	46.52	47.56	48.46	49.34	50.20	51.06	51.90
24-Dec-08		38.35	41.28	43.07	44.53	45.80	46.95	47.95	48.90	49.82	50.73	51.62
26-Dec-08		37.71	40.53	42.28	43.75	45.08	46.33	47.43	48.45	49.44	50.40	51.33
29-Dec-08		40.02	43.03	44.81	46.19	47.46	48.66	49.68	50.66	51.58	52.49	53.37
30-Dec-08		39.03	42.76	44.80	46.33	47.67	48.91	49.96	50.95	51.87	52.78	53.66
31-Dec-08		44.60	48.59	50.57	51.96	53.16	54.31	55.36	56.30	57.13	57.93	58.73
Average	51.4770	51.0883	52.8561	54.2088	55.3679	56.4021	57.3423	58.2111	59.0524	59.8670	60.6680	61.4551
72% US$/bbl	37.0634	36.7836	38.0564	39.0303	39.8649	40.6095	41.2865	41.9120	42.5177	43.1042	43.6810	44.2477
HFO Can $/Litre	0.2872	0.2850	0.2936	0.3011	0.3075	0.3129	0.3181	0.3229	0.3270	0.3316	0.3360	0.3402
Average Price	0.3136											

Amended: March 19, 2009

Derivation Table - Electricity

		Units	Calculation	SGSRE
1	**Lines 1 - 5 not used**			
6	**Total Alternative Energy Cost**	$/ year	Retail Electricity Cost	$2,461.83
7	**Target Savings Level**	%	Assigned	20%
8	**Target Savings Amount**	$	Line 6 x Line 7	$492.37
9	**Target Natural Gas Cost**	$	Line 6 - Line 8	$1,969.46
10	**Typical Annual Natural Gas Consumption**	GJs/ year	Typical Customer	111
11	**Target Burner Tip Price**	$/GJ	Line 9 / 10	17.7429
12	**Commodity Cost**	$/GJ	EUG Price	11.7998
13	**Target Distribution Rate**	$/GJ	Line 11 - Line 13	5.9431
14	**Target Annual Distribution Charge**	$	Line 13 x Line 10	$659.68
15	**Monthly Customer Charge**	$	Assigned	$16.00
16	**Annual Customer Charge**	$	Line 15 * 12	$192.00
17	**Average Contract Demand**	GJs	Average	
18	**Contract Demand Charge**	$	Assigned	0
19	**Revenue from Demand Charge**	$	Line 17 * Line 18 * 12	0
20	**Target Revenue From Delivery Charge**	$	Line 14 - Lines 16 or 19	$467.68
21	**Distribution Delivery Charge**	$/GJ	Line 20/Line 10	$4.2134

* Table shows potential rates for calendar 2009 based on the application of the Formula using market information from November and December 2008. Natural gas consumption is based on 2008 billing data.

Total Alternative Energy Cost - Electricity

Month	Block 1 Incr	Block 2 Incr	Base kWh	Electic Heating Usage Usage Profile	Electic Heating Usage kWh usage	Electric Water Heater Usage Usage Profile	Electric Water Heater Usage kWh usage	Total Usage	Water Heater Rental	Total Electric Cost
Jan '09			806	19.1%	4,150	9.8%	472	5,428	$7.34	$410.30
Feb '09			806	16.7%	3,628	9.2%	443	4,877	$7.34	$362.81
Mar '09			806	17.3%	3,759	9.8%	472	5,037	$7.34	$376.60
Apr '09	3%	3%	806	8.1%	1,760	9.7%	467	3,033	$7.34	$209.76
May '09	3%	3%	806	5.6%	1,217	8.1%	390	2,413	$7.34	$154.71
Jun '09	3%	3%	806	2.7%	587	7.0%	337	1,730	$7.34	$94.07
Jul '09	3%	3%	806	0.0%	-	6.5%	313	1,119	$7.34	$38.10
Aug '09	3%	3%	806	0.0%	-	6.4%	308	1,114	$7.34	$37.63
Sep '09	3%	3%	806	3.2%	695	6.8%	327	1,828	$7.34	$102.80
Oct '09	3%	3%	806	2.3%	500	7.8%	376	1,682	$7.34	$89.77
Nov '09	3%	3%	806	10.8%	2,347	8.8%	424	3,577	$7.34	$258.03
Dec '09	3%	3%	806	14.1%	3,064	10.1%	486	4,356	$7.34	$327.25
			9,672	**100%**	**21,727**	**100.0%**	**4,816**	**36,195**	$88.08	**$ 2,461.83**

Price for electricity	
First 1300 KWh	**$0.0954**
Above 1300 KWh	**$0.0862**
Estimated Heating Use	**21727**
Estimated Water Heater Use	**4816**
Water Heater Rental (60 Gallon)	**$7.34**

Amended: March 19, 2009

MJ Ervin & Associates

Report

Forecasting Distillate Fuel Prices in New Brunswick

Prepared for:
Enbridge Gas New Brunswick

Amended: March 19, 2009

Deleted: 26 January

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Report

Forecasting Distillate Fuel Prices in New Brunswick

I: Introduction

MJ Ervin & Associates Inc. has been engaged by Enbridge Gas New Brunswick (EGNB) to assist in the determination of wholesale and retail distillate fuel prices in New Brunswick to be used in its formula to establish market-based natural gas prices. Specifically we have been asked to research and develop a formula that would quantify a set of distillate fuel price differentials (from a given benchmark) corresponding to a range of customers based on their annual volume requirements. This determination is to be made for each of six EGNB rate classes as follows:

1. Small General Service Residential Oil (SGSRO)
2. Small General Service Commercial (SGSC)
3. General Service (GS)
4. Contract General Service (CGS)
5. Light Fuel Oil (LFO)
6. Heavy Fuel Oil (HFO)

There are two categories of distillate fuels that are relevant to the development of formulae for the above rate classes. The HFO rate class applies to the use of a category of distillates used only in heavy commercial and industrial applications, whereas the other five rate classes applies to standard furnace oil (also referred to as No. 2 heating oil).

It is our understanding that the proposed EGNB price model would develop forward-looking prices for each of these rate classes by using price differentials from our model, which would then be applied to a relevant futures price benchmark (such as those quoted on the NYMEX futures exchange), as part of its rate proposal process before the New Brunswick Energy and Utilities Board.

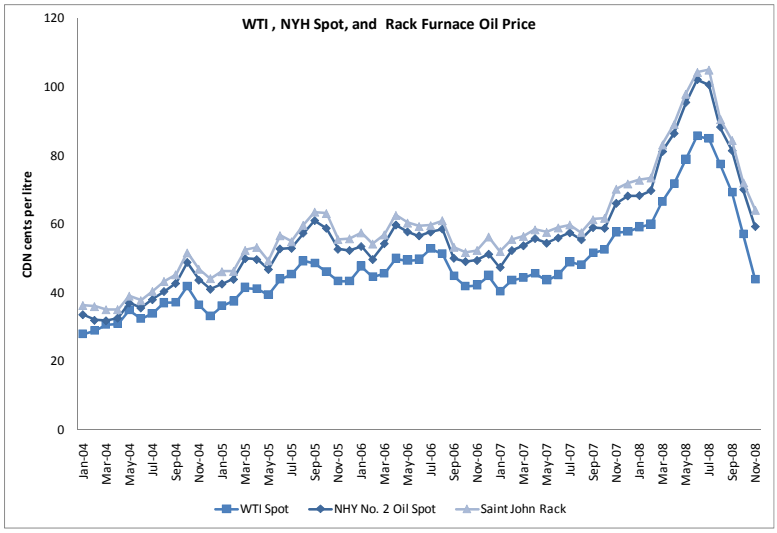
This report was prepared by MJ Ervin & Associates Inc, a consulting firm with considerable industry and project experience in the downstream (refining and marketing) petroleum industry. Our entire focus is on this industry, and our project résumé (see Annexes A and B) includes several specifically related engagements, particularly in the area of petroleum prices and regulatory structures and analysis.

II: Historical Price Relationships

A review of historical crude oil and wholesale and retail furnace oil prices is critical to understanding how the various prices relate to one another, as this will provide a basis for the determination of a formula to establish market based prices.

North American wholesale furnace oil prices are determined by two key factors: the underlying global crude oil price, and the balance between furnace oil supply and demand in the North American market. Figure 1 presents historical crude oil and wholesale furnace oil prices.

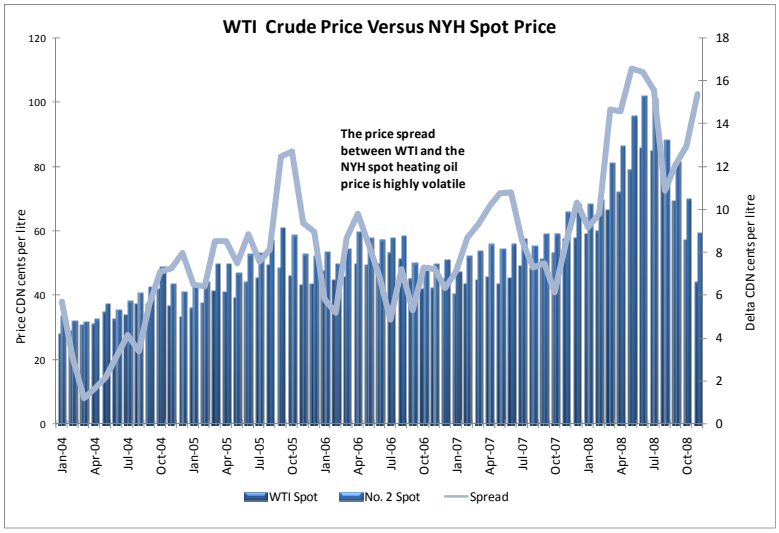
Figure 1: Historical Crude Oil and Wholesale Furnace Oil Prices



Source: EIA (Energy Information Administration) and MJ Ervin & Associates

While wholesale furnace oil prices generally tend to follow the trend in underlying crude oil prices, it is important to understand that furnace oil as a finished petroleum product is a commodity, and just like crude oil, its price will be determined largely by the balance between supply and demand for that commodity. As a result, the spread between "West Texas Intermediate" (WTI, a benchmark crude oil) and the benchmark New York Harbour (NYH) No. 2 oil spot price is highly volatile as evidenced in Figure 2.

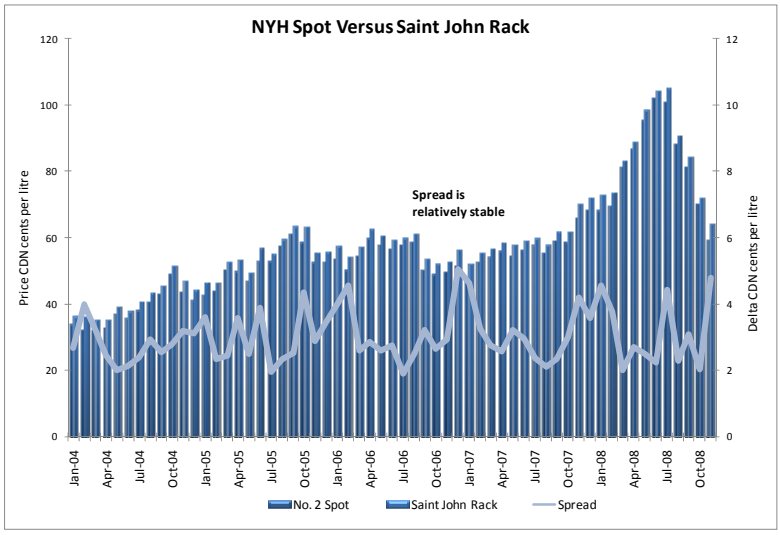
Figure 2: Historical Spread between WTI and NYH No. 2 Oil Spot Price



Source: EIA

By contrast, the spread between the NYH No. 2 oil spot price and the furnace oil rack price in Saint John is relatively stable, as both prices reflect the balance between supply and demand for furnace oil in the North American market (Figure 3). Over the past five years, the spread between the NYH No. 2 oil spot price and the furnace oil rack price in Saint John averaged around 3 cents per litre, ranging in a very narrow band from a low of around 2 cents per litre to a high of around 5 cents per litre.

Figure 3: Historical Spread between NYH Spot Price and Saint John Rack

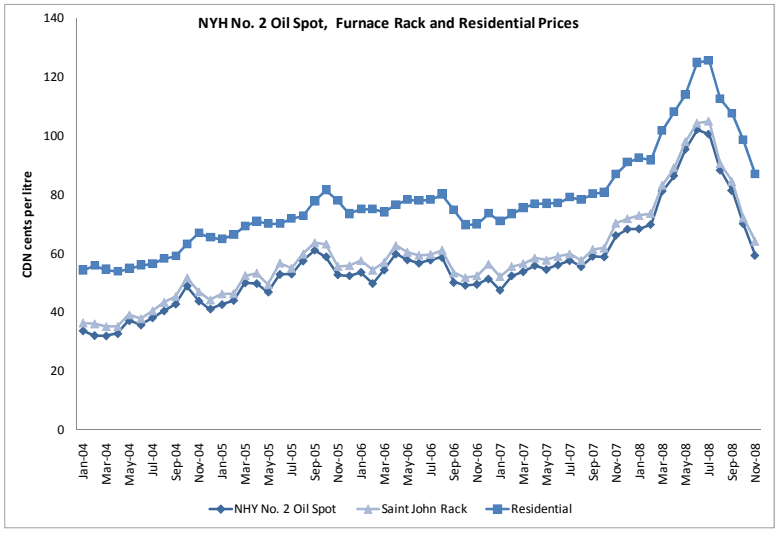


Source: EIA and MJ Ervin & Associates

Figure 4 shows the historical relationship between residential furnace oil prices in New Brunswick, the NYH No. 2 oil spot price and the Saint John furnace oil rack

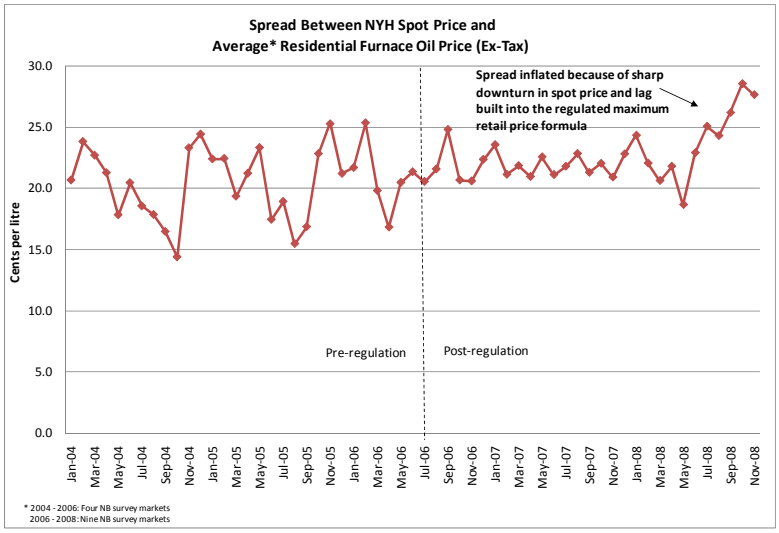
price. Predictably, retail furnace oil prices have closely followed changes in wholesale furnace oil prices, and as a consequence the spread between the average retail price and the NYH No. 2 oil spot price is relatively stable as shown in Figure 5. Over the past five years the spot-to-retail spread in New Brunswick averaged 21.5 cents per litre, with a standard deviation of just 2.8 cents per litre.

Figure 4: Historical Wholesale and Retail Furnace Oil Prices



Source: MJ Ervin & Associates

Figure 5: Historical Spread between NYH Spot and Retail Furnace Oil Prices



Source: EIA and MJ Ervin & Associates

III: EGNB Proposed Pricing Model

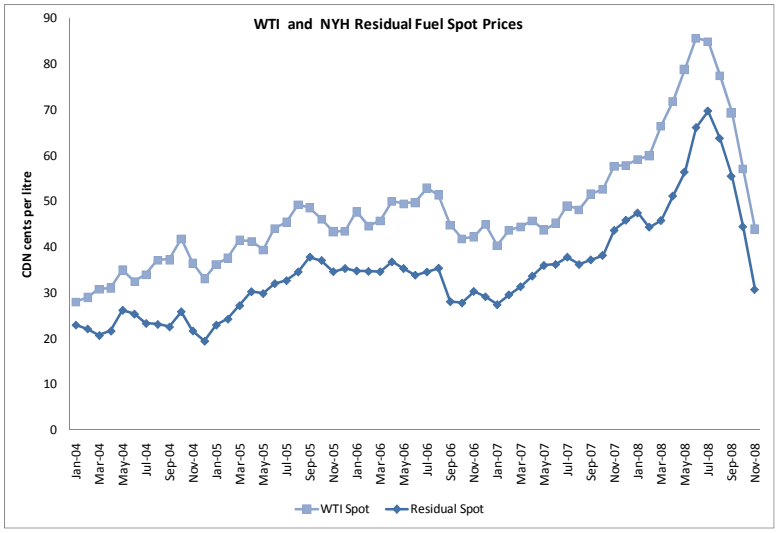
The EGNB pricing model applies two key components in its determination of prices for each of its six rate classes. The first component is the selection of an appropriate market-based benchmark price and the second component is the establishment of market spreads, or the differential between the prices that typical customers in each of EGNB's rate classes might be paying for furnace oil. The choice of the benchmark price has implications with respect to market spreads, and therefore warrants further discussion.

The current EGNB model implicitly acknowledges the strong relationship between the NYH price for No. 2 oil and furnace oil prices in New Brunswick, but does not apply it directly in the model. Rather, the model attempts to extrapolate No. 2 oil prices by applying a fixed adjustment to the WTI price. This methodology is undesirable, as it assumes that the spread between crude prices and No. 2 oil prices is unchanging, when in fact it is highly variable as illustrated in Figure 2. Applying a fixed differential to WTI prices will thus represent a poor approximation of No. 2 oil prices. Given that there exists an established futures market for No. 2 heating oil, The NYMEX No. 2 (Heating Oil) NYH futures trading prices (converted from US dollars per US Gallon to Cdn dollars per litre at Bank of Canada established currency conversion rates) would be our proposed benchmark for the five EGNB light fuel oil rate classes.

In the case of the Heavy Fuel Oil (HFO) rate class, establishing an appropriate price benchmark is somewhat more challenging. HFO's fall into a category of refinery outputs known as "resids" or residuals, and the supply and consequent price of residuals can fluctuate significantly as a result of a number of factors such as changes in refinery feedstocks, non-standard specifications, refined product margins, process unit shutdowns or startups, etc. In addition, a limited customer base, and logistical challenges in transporting HFO's contribute to a lack of fungibility, and consequently, a lack of price transparency.

Although there is no established futures market for residual fuels, residual fuel prices tend to generally follow the trend in WTI crude oil prices (as evidenced in Figure 6), although the Resid/WTI spread can fluctuate significantly, as explained above. In the absence of a better indicator however, we recommend that WTI crude be used as the benchmark for residual fuel prices, using a conversion factor of 159 litres per barrel, and the Bank of Canada established currency rates.

Figure 6: Historical Crude Oil and Residual Fuel Spot Prices



Source: EIA

IV: Rate Class Price Determination

A conceptual model of the EGNB rate class price relationships is presented in Figure 7. We populated the model by determining the maximum available margin – the spread between the NYH No. 2 oil spot price and the residential furnace oil price. We then made a determination of the margin spreads for each of the remaining rate classes (except HFO which will be discussed separately). This determination was based on interviews we conducted with three of the larger furnace oil marketers operating in the New Brunswick market, which findings were in accordance with our own expectations, based on past industry experience. All prices and spreads referred to are in Canadian cents per litre unless otherwise indicated.

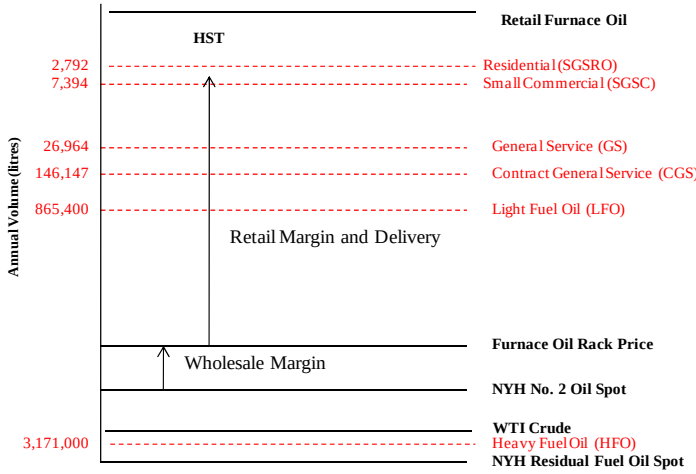
Furnace oil marketers typically "post" an established residential furnace oil price, and then negotiate discounts from that posted price for residential customers who form part of a "buying group", or for commercial or industrial customers whose annual volume requirements are more substantial. Our non-HFO rate class determinations are thus based on typical discounts for those volume categories.

It is important to stress that our model is based on "typical" discounts, as we have determined in interviews with fuel marketers. No marketer was willing (nor did we expect) to formally provide a discount schedule based on volume, since none exists. As there are no "posted" prices for other than residential (i.e. no formal rate "classes" as per EGNB), discounts can vary from one customer to another, and will vary over time according to competitive pressures.

It is evident from our findings that the relationship between furnace oil prices (or discounts) and the annual volumes associated with the EGNB rate classes, is not linear in nature. This further illustrates that furnace oil prices as they relate to customer volumes, do not follow a set "formula", and as such may not even appear to

be rational. We can offer no particular explanation for this, other than to reaffirm our findings as taken from our industry interviews.

Figure 7: EGNB Rate Class Price Model



Residential Furnace Oil Prices (SGSRO)

Retail furnace oil prices in New Brunswick have been regulated since July 1 2006, at which time the New Brunswick Government implemented its pricing regulations (Regulation 2006-41) for Motor Fuels and Heating Fuels, under the Petroleum Products Pricing Act. Authority for regulating these prices rests with the New Brunswick Energy and Utilities Board (EUB). The regulation establishes a maximum residential furnace oil price on a weekly basis as follows:

- Benchmark Price: Average NYH cargo price averaged over a 7-day period
- Maximum Wholesale Margin: 5 cents per litre
- Maximum Retail Margin: 13 cents per litre
- Maximum Delivery: 5 cents per litre

The EUB benchmark uses a varying blend of Platts (a market reporting service) Jet fuel and No. 2 oil from September to March, whereas the NYMEX futures basis for our recommended formula already incorporates differing product specifications for summer vs. winter No. 2 heating oil[1]. Although actual specifications for furnace oil used in New Brunswick may differ from those specified by NYMEX, these differences would not warrant establishing a Jet component to our proposed formula.

The maximum available spot-to-retail margin is therefore 23 cents per litre. However the regulation does allow marketers to charge less than the maximum price to encourage competition. A comparison of actual retail prices in Saint John versus the regulated maximum price over the past year indicates that the actual retail price was

[1] NYMEX Rulebook 150.03

around 0.5 cents per litre lower than the regulated maximum. The total available spot-to-retail margin was therefore 22.5 cents per litre. This represents the maximum available margin.

Small Commercial (SGSC)

The Small Commercial rate class represents relatively small volume customers whose purchases would entitle them to a small discount to the residential heating oil price. Customers in the Small Commercial rate class could expect to receive a discount in the range of 2 cents per litre relative to the retail furnace oil price. This translates to a spread of 20.5 cents over the NYH spot price.

General Service (GS)

The General Service rate class represents customers that purchase in the range of 27,000 litres annually. Based on this volume, a discount of 3 cents per litre relative to the residential heating oil price would be typical, or a 19.5 cent per litre spread over the NYH spot price.

Contract General Service (CGS)

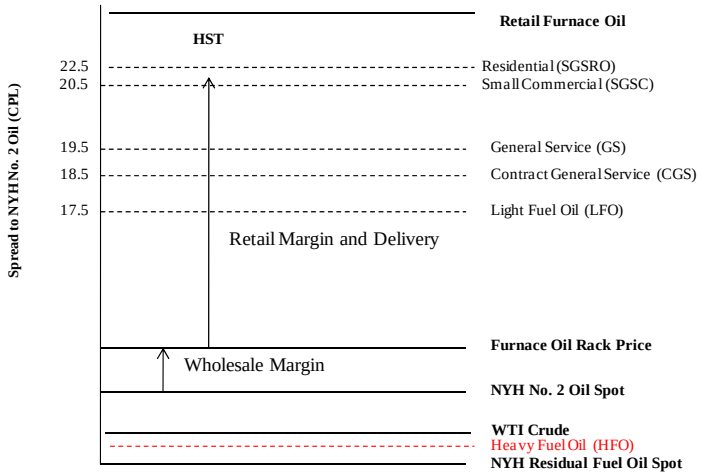
The Contract General Service rate class is characterized by large volume purchasers. Customers with this level of purchasing power can typically buy at a discount of 4 cents per litre off the residential furnace oil price, or an 18.5 cent per litre spread over the NYH spot price.

Light Fuel Oil Prices (LFO)

The LFO rate class is characteristic of large industrial accounts with significant purchasing power. Customers purchasing No. 2 oil in the order of 865,000 litres would generally receive a discount of about 5 cents per litre off the residential price. A 5 cent per litre discount would translate into a spread of 17.5 cents per litre over the NYH No. 2 oil spot price.

Figure 8 summarizes our recommendations for market spreads for the five light fuel oil rate classes.

Figure 8: Recommended Spread Over New York Harbour No. 2 Oil



Heavy Fuel Oil (HFO)

As discussed earlier, there is no established futures market for residual fuels, and the price relationship of residuals to either LFO's or crude oil is not particularly tight. Of those two benchmarks however, WTI would serve as the better basis for establishing an objective reference point for an HFO price predictor.

Over the past five years, the NYH spot price for residual fuels has averaged 72 percent of the WTI crude spot price with a standard deviation of around six percentage points. While the price relationship is highly variable as evidenced in Figure 9, the WTI price benchmark is the best available petroleum basis. We recommend the HFO price be calculated at 72 percent of the WTI crude price.

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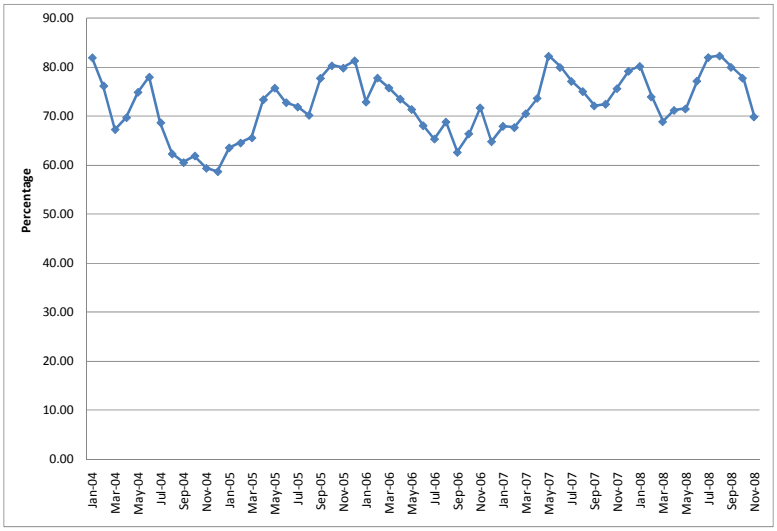
Figure 9: NYH Residual Fuel Oil as a Percentage of WTI Spot Price



Source: EIA

V: Conclusion

We recommend that EGNB use WTI crude oil (for HFO) and No. 2 Oil futures (for furnace/LFO) as the basis for the application of our proposed price spread as follows:

Table 1: Recommended Market Spreads

Rate Class	Benchmark (NYMEX futures)	Spread
SGSRO	No. 2 Heating Oil	22.5 cpl
SGSC	No. 2 Heating Oil	20.5 cpl
GS	No. 2 Heating Oil	19.5 cpl
CGS	No. 2 Heating Oil	18.5 cpl
LFO	No. 2 Heating Oil	17.5 cpl
HFO	WTI	72%

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Our methodology and associated price differentials represent the best available approach for benchmarking EGNB's proposed gas rates against furnace oil prices, across EGNB's range of rate classes.

Annex A: Our Project Qualifications and Experience

MJ Ervin & Associates Inc. specializes in the downstream sector of the petroleum industry. As downstream industry consultants, our knowledge, experience, and contacts with this industry in Canada are unmatched. In particular, our experience in conducting and presenting petroleum prices has given us a reputation as the premier source for this type of information. Some of our project experience that is directly relevant to this report includes:

PETROLEUM MARKET REGULATORY ANALYSIS IN NOVA SCOTIA

For the Province of Nova Scotia, and in partnership with consultants Gardner Pinfold, we conducted a comprehensive review of the Nova Scotia retail fuel industry. We documented and analyzed the infrastructure trends in that province, and we identified and assessed the regulatory options for addressing the principal stakeholder issues. We participated in interviews of a variety of industry stakeholders, and we collected, presented, and analyzed a number of price and margin data related to fuel prices.

MARKET PRICE MONITORING AND ANALYSIS

From 1999 to 2006, our firm operated the Canadian Petroleum Markets Data Service (CPMDS), a web-based market information and data resources service for subscribers. CPMDS offered our clients up to date petroleum markets information and analysis of crude, wholesale, and retail gasoline and furnace fuel prices and operating margins. Natural Resources Canada (NRCan) purchased our historical price database in April 2006. Since that time, we have been under contract with NRCan to provide the data to populate their Fuel Focus database.

We also produced a regular industry newsletter entitled FuelFacts, in collaboration with Purvin & Gertz Inc., and funded by the Canadian Petroleum Products Institute. FuelFacts provided subscribers with a twice-monthly overview and analysis of retail, wholesale and crude market activity, aimed at the non-industry observer.

COMPETITIVENESS STUDIES

In 1997 we released a major industry study of competitiveness in the Canadian Petroleum Retail industry, for a consortium of clients which included two federal government ministries and the Canadian Petroleum Products Institute. Entitled the "Canadian Petroleum Markets Study", this 105-page document still serves as an oft-cited reference for understanding the petroleum marketing industry in general, and competitiveness issues in particular. The study provided some unique insights into the state of competitiveness and price differentiation in the Canadian petroleum marketing industry, one of the most competitive markets in the industrialized world.

REGULATORY ANALYSIS

We have been directly involved in examining and preparing analytical reports on a number of industry regulatory issues, including:

- Assisting the **State of Hawaii's Division of Consumer Advocacy** during the pre-implementation phase of Hawaii's price regulation statutes. Our assistance consisted of performing detailed reviews of the statutes and

intervener submissions, and providing the Consumer Advocate with assistance in preparing its own position and submission to the state regulator.

- Assisting a major Eastern Canada marketer with their submission to the **Québec Regie de l'Energie**, concerning the setting of below-cost selling laws.

- Helping a national industry association make representations to several regional municipalities on the matter of regulating retail petroleum service offerings.

- Preparing a government briefing package to provide an overview of the background, issues, merits and drawbacks of a range of regulatory options pertaining to petroleum marketing and pricing.

PERFORMANCE BENCHMARKING

Since 1991, MJ Ervin & Associates has worked with Canada's top petroleum marketers to conduct a comprehensive annual performance benchmark analysis of their bulk plant, retail and commercial cardlock operations. We take in detailed, confidential operating data on thousands of marketing facilities across Canada, and provide our clients with detailed analysis (over 50,000 data measurements) of their overall site performance relative to the industry in general. Our clients have used this information to set strategic goals, and to identify "performance gaps" in their operations. Our reports have become an intrinsic part of strategic planning processes at companies like Shell Canada and Imperial Oil. We have also conducted intra-organizational benchmarking for Shell UK and Shell Canada, using this exclusive benchmarking tool.

GOVERNMENT BRIEFINGS

We have conducted well over 20 comprehensive briefings to governmental organizations at ministerial and senior departmental levels, on the issue of petroleum marketing competitiveness. This has included briefings to Federal caucus committees, task forces, provincial governments, and several municipal governments.

SEMINARS

We have provided a hundreds of individuals and dozens of organizations across North America with a comprehensive two-day familiarization workshop into the Canadian and US petroleum refining and marketing industry. Clients have included petroleum employees, lawyers, investment analysts, and third-party vendor organizations.

MICHAEL J. ERVIN

Mr. Ervin is the President of MJ Ervin & Associates. His functional specialties include marketing economics, operations management and reviews, feasibility studies, and marketing strategy and planning.

Mr. Ervin has had a successful and varied career in the downstream petroleum industry spanning twenty-eight years. Management assignments have taken him to all regions of Canada, working with major integrated oil companies such as Gulf Canada, as well as regional refiners and marketers. A great deal of Mr. Ervin's time in industry was in the heating fuels sector, and this experience included responsibilities for setting heating fuel discounts for commercial customers. He has an extensive background in marketing, and has supplemented his base of experience with undergraduate and graduate studies in Business Administration. Prior to forming MJ Ervin & Associates in 1991, Mr. Ervin was a Senior Consultant with Peat Marwick Stevenson & Kellogg, an international consulting firm.

Mr. Ervin is active in explaining the petroleum marketing industry to the public through speaking engagements and the media. He has also written feature articles for several industry trade journals.

Mr. Ervin is a serving officer in the Canadian Forces Reserve, holding the rank of Commander. From 2000 to 2003 he served as Commanding Officer of HMCS Tecumseh, Calgary's Naval Reserve establishment, and was an Honorary Aide-de-Camp to Her Excellency, Madame Adrienne Clarkson, Governor General of Canada. He is an avid runner, and has completed over 17 marathons, including the 2006 Boston Marathon. Mr. Ervin is a private pilot, and enjoys downhill and cross-country skiing, and summer hiking and backpacking.

Mr. Ervin has had a principal role in a number of petroleum marketing consulting and management assignments, including:

Canadian Petroleum Markets Data Service (CPMDS) – Mr. Ervin implemented an extensive petroleum markets price data collection and reporting service, available to subscribers and the general public through a web-based system. This service is a central source of petroleum markets data, meeting the critical information needs of a variety of organizations with an interest in the downstream petroleum sector.

FuelFacts – Mr. Ervin's firm published a twice-monthly newsletter entitled FuelFacts, in collaboration with Purvin & Gertz Inc. This publication served to provide timely and comprehensive analysis of petroleum markets in Canada, and was directed towards a primary audience of elected officials and media organizations.

Canadian Petroleum Markets Study - Mr. Ervin conducted a major review of competitiveness in the Canadian retail petroleum sector for Industry Canada, Natural Resources Canada, and the Canadian Petroleum Products Institute, in 1997. In this study, he developed several unique models and views of industry competitiveness that have been widely cited in explaining the downstream sector to the public.

Regulatory Issues - Mr. Ervin has appeared before the Quebec Regie de l'Energie as an expert witness in the petroleum marketing industry, particularly in Canadian

wholesale and retail marketing, cardlock and bulk operations, with emphasis on price economics, performance benchmarking and analysis, and marketing mix and infrastructure issues. Mr. Ervin's testimony played an important role in assisting the Regie in determining appropriate provisions of that province's retail petroleum pricing laws.

CATHY HAY

Ms. Cathy Hay is an MBA with extensive marketing experience in the downstream oil industry. Cathy is currently a Senior Associate at MJ Ervin & Associates, providing specialized consulting services in all aspects of petroleum marketing, including performance benchmarking, price/margin analysis, and industry economic research and analysis.

Cathy's career in the downstream industry spans over 23 years. Her experience includes strategic and operational planning, marketing management, relationship marketing, pricing and business process re-engineering. Prior to joining MJ Ervin & Associates Cathy was employed at Petro-Canada and Calgary Co-operative Association. During her tenure at Petro-Canada, Cathy held a number of progressively responsible positions in the marketing area including, Wholesale Category Manager, Re-engineering Project Manager, Retail Pricing Manager, and Credit Card Marketing Manager.

Ms. Hay has a broad range of expertise within the downstream sector, including petroleum price and market analysis; regulatory structures relating to the marketing of petroleum products; and competitiveness dynamics at the retail and wholesale level

Written Direct Testimony of David B. Charleson

Q 1: Please state your name and position.

A 1: My name is David Bryce Charleson. I am the General Manager of Enbridge Gas New Brunswick Inc., the general partner of Enbridge Gas New Brunswick Limited Partnership ("EGNB"). My Curriculum Vitae is attached as Exhibit A, Schedule 1.

Q 2: What is the purpose of this pre-filed evidence?

A 2: In its April 9, 2008 decision on an application by EGNB for approval of rates for the Small General Service Residential Oil ("SGSRO"), Small General Service Commercial ("SGSC"), General Service ("GS"), Contract General Service ("CGS"), Off Peak Service ("OPS"), Contract Large Volume Off Peak Service ("CLVOPS") and Natural Gas Vehicle Fueling ("NGVF") rate classes the Board indicated that:

> "This has been the first time that the details associated with the various elements of the formula have been discussed at a public hearing. The results of this discussion have made it clear to the Board that there are a number of elements of the formula that require the exercise of judgement and that the choices made can have a significant impact on the distribution rates." (p. 3)

and

> "The Board continues to believe that the use of market-based rates is appropriate during the development period. However, the specific elements of the formula used to develop the market-based rates need to be carefully examined." (p. 4)

As a result of this finding, the Board directed Board staff to convene a meeting with EGNB and other interested parties for the purpose of establishing a process in which the details of the market-based formula (the "Formula") can be examined. This process was to allow recommendations concerning the Formula to

be put before the Board prior to the next application for an increase in the maximum rates that may be charged by EGNB. The Board made a similar finding in its April 9, 2008 decision on an application by EGNB for approval of rates for the Contract Large General Service Light Fuel Oil ("LFO") rate class. EGNB participated in several Board staff facilitated sessions between April and November 2008 in an effort to reach consensus with interested parties on the elements of the Formula.

In November, the parties determined that a consensus on the Formula could not be reached. On December 16, 2008, the Board issued a Notice indicating that it would "hold a public hearing to examine all of the elements in the market-based formula used by Enbridge Gas New Brunswick ("Enbridge") to derive the rates charged to customers." This evidence presents EGNB's proposal regarding the Formula and information supporting the proposed derivation.

Q 3: Are there any overall guidelines that EGNB believes should form part of the basis for calculating the delivery rates?

A 3: Yes. To allow for consistent replication of the Formula calculation, all numbers should be rounded to four decimals, unless specified otherwise.

EGNB also believes that the Formula should only be used to determine the first block of the LFO delivery rates. This block is designed to provide typical customers in this class with the opportunity to achieve target savings, while the second and third block were established to recognize the buying power that larger LFO customers would have. EGNB does not believe that the second and third block delivery charges should be addressed through the Formula.

Q 4: On what basis does EGNB believe that retail oil prices should be determined?

A 4: For SGSRO, SGSC, GS, CGS and LFO rates, future prices for No. 2 oil traded on the New York Harbour Market for each of the 12 months of the test year will be collected for two calendar months.

For each of the 12 months, the two months of data will be averaged resulting in 12 futures prices in US dollars per US gallon.

Quarterly futures prices for the US$-CDN$ exchange will be collected for the same time period. These prices in CDN$ per US$ will be averaged resulting in an average price for each quarter.

The No. 2 oil prices will be converted to Canadian dollars/litre by using the appropriate quarterly foreign exchange average for the corresponding month and then converting to litres by dividing by 3.785 litres/gallon.

The "market spread" in CDN¢/litre for each class will be added to each month's price to arrive at a NB market price for each class. The appropriate market spreads are listed below:

	(Cdn¢/L)
SGSRO	22.5
SGSC	20.5
GS	19.5
CGS	18.5
LFO	17.5

A weighted average will be created using the usage profile below:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
SGSRO	19%	16%	15%	8%	5%	2%	2%	2%	3%	4%	8%	15%
SGSC	18%	17%	16%	9%	5%	2%	2%	2%	3%	4%	8%	14%
GS	16%	16%	15%	9%	5%	3%	2%	2%	3%	6%	9%	13%
CGS	15%	15%	16%	9%	5%	3%	3%	3%	3%	6%	10%	13%
LFO	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%

The resulting weighted average is inserted in Line 1 of the Derivation Table - Oil found at Exhibit A, Schedule 2; the Alternative Energy Price.

Q 5: Why is No. 2 oil used as the basis for determining retail oil prices?

A 5: EGNB engaged MJ Ervin & Associates ("MJ Ervin"), a well respected organization with regards to retail oil pricing in Canada, to conduct a study to assist in the determination of retail heating oil prices in New Brunswick. The MJ Ervin report discusses the relationship between West Texas Intermediate Crude at Cushing ("WTI"), No. 2 New York Harbour ("NYH") and New Brunswick retail prices and concludes that "the spread between the average retail price and the NYH No. 2 oil spot price is relatively stable" (p. 6). As a result of this relationship the report recommends that "No.2 Oil futures (for furnace/LFO) as the basis for the application of our proposed price spread" (p. 12). A copy of this report can be found at Exhibit A, Schedule 3 (the "MJ Ervin Report").

Q 6: Why is EGNB proposing that 12 months of future information be used?

A 6: The Formula assesses total fuel consumption on an annual basis so that fluctuations in demand over the course of the year do not require frequent changes to delivery rates. Since 12 months of consumption data forms the basis for determining rates, EGNB believes it is appropriate that the commodity price forecast to be used matches the 12 month period that the formula is applicable to.

Q 7: Why does EGNB propose that two calendar months of data be collected?

A 7: In the hearings arising from EGNB's 2008 rates applications, the Board heard testimony from various parties regarding the appropriate period of time that data should be collected for the purpose of establishing rates. Based on the evidence, the Board ruled that two months of data be used for establishing the 2008 rates.

EGNB believes that the testimony put before the Board in those proceedings is still relevant.

EGNB is proposing that two calendar months of data be used so that there is no question regarding an arbitrary date being selected within a month for collecting data.

Q 8: What is the basis for determining the market spreads?

A 8: The market spreads proposed are based on the findings of MJ Ervin, as seen on page 12 of the MJ Ervin Report.

Q 9: What is the basis for determining the usage profile to create the weighted average?

A 9: The usage profile has been created based on the actual 2008 consumption of the SGSRO, SGSC, GS and CGS customers used to determine the Typical Annual Natural Gas Consumption used in Line 10 of the Derivation Table - Oil. This usage profile would be updated for each rate application to reflect the previous 12 month consumption of these customers. No usage profile is being applied to the LFO and HFO customers as these larger customer loads have a lower degree of temperature sensitivity.

Q 10: On what basis does EGNB believe that retail oil prices for the Contract Large General Service Heavy Fuel Oil ("HFO") rate should be determined?

A 10: EGNB believes that retail oil prices for the HFO rate should be determined in the manner recommended by the MJ Ervin Report.

Futures prices for WTI will be collected for the same two calendar months as for other market data. The average future price for each month will then be

calculated and multiplied by 0.72 (72%) to arrive at the HFO retail oil price in US$/barrel.

The US$/barrel price will then be converted to CDN$ using the corresponding foreign exchange and then converted to litres by dividing by 42 gallons/barrel and 3.785 litres/gallon.

A simple average of these monthly prices will be calculated and inserted in the Derivation Table - Oil in Line 1.

Q 11: How will EGNB determine the Typical Annual Consumption (Line 3 and Line 5) of oil for the various rate classes?

A 11: The Typical Annual Consumption is first calculated to the nearest gigajoule ("GJ") (Line 3) by taking the Typical Annual Natural Gas Consumption (Line 10) and dividing it by the efficiency factors listed below:

SGSRO	SGSC	GS	CGS	LFO	HFO
0.7816	0.7816	0.8125	0.8125	1	1

The Typical Annual Consumption will then be converted from GJs to litres by multiplying by 25.853 litres/GJ. In the case of the HFO class, the conversion factor will be 23.963 litres/GJ. The resulting figure will be inserted in Line 5 of the Derivation Table - Oil.

Q 12: What is the basis for the use of the efficiency factors proposed?

A 12: The typical efficiency of oil equipment within the New Brunswick market used in all rate classes, excluding LFO and HFO, is typically lower than the efficiency of the natural gas equipment being installed. As a result, more oil will historically

have been required to achieve the same level of heating provided by the new natural gas appliance.

EGNB proposes the continued use of the following blended efficiencies in setting the relationship between input energy requirements and typical equipment energy output. They are based on different possible equipment types and combinations relevant to a class. Understandably, the actual efficiency of gas and alternative equipment will vary by customer and will impact actual savings realized.

Rate Class	**Natural Gas**	**Oil**
SGSRO, SGSC	87%	68%
GS, CGS	80%	65%

These efficiencies are then used to arrive at the factors shown above by taking the oil efficiency as a percentage of the natural gas efficiency (e.g. 68% / 87% = 0.7816).

Q 13: What is the basis for the gigajoules to litres conversion factors and why does it differ for HFO?

A 13: The conversion factors are based on a table of conversion factors found on the Natural Resources Canada ("NRCan") web site. HFO will have a lower conversion factor as HFO has a higher heating value than fuel oil, meaning that fewer litres are required to generate the same amount of energy.

Q 14: How is the Total Alternative Energy Cost (Line 6) calculated?

A 14: For all rates excluding Small General Service Residential Electric ("SGSRE"), this is calculated by multiplying the Alternative Energy Price (Line 1) by the Typical Annual Consumption (Line 5).

Q 15: Why is the same approach not used for the SGSRE rate class?

A 15: The SGSRE rate class is designed to provide target savings to typical residential customers that have converted from electricity. As a result, it is necessary to use an approach that is appropriate to determine the retail electricity costs that would be incurred by these customers.

Q 16: On what basis does EGNB believe that retail electricity costs should be determined?

A 16: EGNB believes that NB Power's residential electricity rates and water heater rental charges are the most appropriate starting point for determining retail electricity costs. The approved cost of a 60 gallon water heater rental should be used to determine water heater rental costs. For electricity rates, currently approved NB Power pricing and any forecast increases in NB Power rates should be used in the applicable months. These rates must then be applied to the typical energy consumption within a home.

The estimated annual energy use is 21,727 kWh for heating and 4,816 kWh for water heating. This consumption is over and above base lighting and other plug loads within a home, which is estimated to be 806 kWh per month.

Using the monthly usage profile below, annual electric use will be divided to monthly usage and the monthly electricity costs will be calculated using the appropriate first and second block rates, assuming that base lighting and other plug loads within a home are consumed within the first block rate. The monthly rates will be added to arrive at a weighted total annual electricity cost. The 12 month water heater rental cost is added to this number and entered in the Derivation Table – Electricity in Exhibit A, Schedule 2 as the Total Alternative Energy Cost (Line 6) for the SGSRE rate.

Heating use

Jan.	Feb.	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
19.1%	16.7%	17.3%	8.1%	5.6%	2.7%	0.0%	0.0%	3.2%	2.3%	10.8%	14.1%

Water Heater Use:

Jan.	Feb.	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
9.8%	9.2%	9.8%	9.7%	8.1%	7.0%	6.5%	6.4%	6.8%	7.8%	8.8%	10.1%

Q 17: Why does EGNB include a water heater rental cost for SGSRE customers?

A 17: EGNB's rates are designed to provide target savings to a typical residential heat and hot water customer. Since most existing electric heating customers rent their water heater, their electric bill will be reduced by the cost of the water heater rental after converting to gas. As a result, this cost needs to be factored into the total electricity costs prior to determining the savings to be achieved. Not doing so would provide greater than target savings to these customers, adding unnecessarily to EGNB's deferral account.

Q 18: What is the basis for the estimated annual energy use and usage profile for SGSRE customers?

A 18: EGNB has determined the energy use and usage profile for heating and water heating by using the typical SGSRE gas consumption profile of 111 GJ/yr for heat and hot water. The profile for a typical hot water heating load was then deducted based on information collected by the Load Research group within Enbridge Gas Distribution ("EGD") to provide a profile of the typical heating load and typical water heater load.

The EGD Load Research group collects data at an appliance level within residences for the purpose of monitoring load patterns throughout the different communities served by EGD. For comparability purposes, data collected in the Ottawa market was used as it was considered to have temperature patterns that were most consistent with the New Brunswick market.

Q 19: Given that EGNB has a number of customers that reside within Saint John and Saint John Energy has different residential electricity rates than NB Power, is there a reason why Saint John Energy pricing is not factored into the electricity pricing?

A 19: Given that residential customers in Saint John represented only 11% of EGNB's residential electric customers at the end of 2008, there are several reasons why Saint John Energy pricing is not factored into the electricity pricing:

- One of the objectives of reviewing the Formula is to improve the transparency of the Formula. The inclusion of Saint John Energy pricing would have to be done on a weighted basis to reflect the total distribution of EGNB customers and the electricity rates paid by them. A third party would need another piece of information (the percentage of Saint John residential customers) to try to replicate the Formula calculation.

- By moving to a weighted average of the NB Power and Saint John Energy prices, it increases the complexity of the Formula with limited impact and to address a small percentage of the customer base.

- The retail alternative energy price used in the Formula is meant to be reflective of the cost incurred by "typical" customers, not all customers. Since nearly 90% of the SGSRE customers are subject to NB Power rates, the NB Power rates would be a typical cost incurred across the entire distribution system.

- The use of NB Power rates has not impacted the ability of EGNB to convert residential electric customers in Saint John. Saint John currently has the second highest percentage of residential customers that have converted from electricity out of the nine communities that EGNB serves.

Q 20: What is the basis for the Target Savings Levels (Line 7)?

A 20: EGNB is proposing that the Board approved savings levels continue to be used. These savings levels have been approved by the Board based on the evidence presented in prior rate cases that the savings level struck a balance between providing sufficient incentive to convert to natural gas and recovering as much of EGNB's costs as possible during the development period. EGNB believes that the current savings levels will continue to provide a sufficient incentive for customers to convert to and continue to use natural gas, while also minimizing additions to the deferral account.

Q 21: Can you describe how the Target Savings Amount (Line 8) and Target Natural Gas Cost (Line 9) are determined?

A 21: The Target Savings Amount (Line 8) is calculated by multiplying the Total Alternative Energy Cost (Line 6) by the Target Savings Level (Line 7). The Target Natural Gas Cost (Line 9) is then determined by subtracting the Target Savings Amount (Line 8) from the Total Alternative Energy Cost (Line 6).

Q 22: How will EGNB determine the Typical Annual Natural Gas Consumption to be used in Line 10 of the Derivation Tables?

A 22: The typical natural gas consumption will be calculated (to the nearest unit) by using the consumer data from the previous 12 months. Only customers who have been attached to the system for 12 months or more and have consumption that qualifies them for the rate class will be included in the calculation.

In the case of SGSRO, SGSRE and SGSC classes, only customers having an annual consumption of more than 45 GJ/year will be included. Since the rates are established to provide target savings to customers using natural gas for heating and hot water it is necessary to exclude customers that are not using natural gas

for these purposes. EGNB believes that a minimum of 45 GJ/year is required for even the smallest residence to provide heat and hot water.

In the case of the LFO class, only customers who have consumption below 400,000 GJ/year will be included in the calculation.

Q 23: Is the Target Burner Tip Price (Line 11) determined by dividing the Target Natural Gas Cost (Line 9) by the Typical Annual Natural Gas Consumption (Line 10)?

A 23: Yes.

Q 24: How is the Commodity Cost (Line 12) determined?

A 24: For the SGSRE, SGSRO, SGSC, GS and CGS rates, the 12 month forward expected Enbridge Utility Gas ("EUG") price is used. For the LFO and HFO rates, the 12 month forward projection for the Enbridge Variable Product ("EVP") is used.

Q 25: On what basis will EGNB determine the EUG price?

A 25: EGNB proposes that the manner in which the EUG price is determined remain unchanged from the manner in which it has been done since the introduction of EUG in 2003. Natural gas futures prices for Henry Hub will be collected from the NYMEX market for each of the months of the test year. The future prices will be collected for the same two calendar months as other market data.

EGNB will use this market data to develop "commodity costs". The factors included in developing the commodity costs include forecast EUG consumption, supply contract parameters, fuel ratios, hedging costs, load balancing activities,

department administration costs and recovery of the Purchased Gas Variance Account (PGVA).

In an application, EGNB will submit these forecasts and estimates supporting these calculations to the Board in confidence for independent verification.

Q 26: How will the EUG price information be used in the rate derivation?

A 26: A weighted average will be calculated using the usage profiles for SGSRO, SGSC, GS and CGS listed above and the similar usage profile for SGSRE based on the SGSRE customers included in the determination of the Typical Annual Natural Gas Consumption (Line 10). The highest weighted average EUG price will be used for the SGSRE, SGSRO, SGSC, GS and CGS classes and inserted in the Derivation Tables on Line 12.

Q 27: How will EGNB determine the EVP price?

A 27: Using the market data collected for the EUG price calculation, an average futures price in US$/mmbtu for each of the months in the test year will be calculated. The market spread then in effect for the EVP product will be added to each month's average to arrive at a retail price for New Brunswick. This market spread is currently set by EGNB at US$2.25/mmbtu, to recover the supply and administrative costs associated with providing EVP.

EGNB will make the determination of the market spread available to the Board in confidence for independent verification.

Each month's price will be converted to $CDN per gigajoule using the corresponding foreign exchange data and a conversion factor of 1.0546 GJ/mmbtu.

As with retail oil prices, a simple monthly average of the prices will be calculated, with the result being inserted in the Derivation Table - Oil on Line 12 for the LFO and HFO class.

Q 28: What are the reasons for using the EUG and EVP prices in the various classes?

A 28: EGNB believes that it is appropriate to use EUG and EVP prices as they are both publicly available in the marketplace and are representative of the type of pricing that customers within the rate classes are able obtain.

In the case of the SGSRE, SGSRO, SGSC, GS and CGS rate classes, 57% of customers in these rate classes are currently purchasing EUG. The following table presents the percentage of natural gas customers by rate class who have chosen EUG for their gas supply:

Rate Class	EUG	EVP	Others
SGSRE	54%	0%	46%
SGSRO	67%	0%	33%
SGSC	54%	0%	46%
GS	36%	0%	64%
CGS	24%	1%	75%
LFO	5%	20%	75%
HFO	0%	14%	86%
Total	**57%**	**0%**	**43%**

Though EUG serves fewer customers in the GS and CGS rate classes, EGNB believes the use of EUG is appropriate because of its price transparency.

EVP was introduced as an alternative commodity product by EGNB in April 2007. EGNB began using it for LFO and HFO customers in assessing and establishing its 2008 rates. EVP provides the necessary price transparency for establishing these delivery rates. Given that EVP is used more by LFO and HFO customers than EUG, the EVP product is more reflective of the type of gas purchased by this class of customer.

Additionally, EGNB believes that larger customers with greater purchasing power are able to contract for natural gas at more favourable pricing than what EUG and EVP provide, resulting in additional savings.

It is important to note that EGNB's objective in choosing EUG and EVP is to provide a reasonable approximation of what typical customers will pay for the provision of commodity. Each supplier will take into account its own value proposition objectives and related cost structures when establishing its prices.

Q 29: Is the Target Distribution Rate (Line 13) determined by subtracting the Commodity Cost (Line 12) from the Target Burner Tip Price (Line 11)?

A 29: Yes.

Q 30: Please describe how the final Distribution Delivery Charge (Line 21) is derived from the Target Distribution Rate (Line 13).

A 30: A Target Annual Distribution Charge (Line 14) is first calculated by multiplying the Target Distribution Rate (Line 13) by the Typical Annual Natural Gas Consumption (Line 10). The Annual Customer Charge (Line 16) or Revenue from Demand Charge (Line 19) is then subtracted from this amount. The resulting Target Revenue from Delivery Charge (Line 20) is then divided by the Typical Annual Natural Gas Consumption (Line 10) to arrive at the Distribution Delivery Charge (Line 21).

The Annual Customer Charge (Line 16) is applicable to all SGSRE, SGSRO, SGSC and GS customers. It is determined by multiplying the Board approved Monthly Customer Charge (Line 15) by 12 months. EGNB believes that the current customer charges continue to be appropriate under market-based rates.

The Revenue from Demand Charge (Line 19) is applicable to all CGS, LFO and HFO customers. It is determined by multiplying the Average Contract Demand (Line 17) by the Board approved Contract Demand Charge (Line 18) and then multiplying this result by 12 months. Similar to the Monthly Customer Charge (Line 15), EGNB believes the current Contract Demand Charge (Line 18) continues to be appropriate under market-based rates.

Q 31: How is the Average Contract Demand (Line 17) determined?

A 31: This is determined by taking the simple average of the individual Contract Demands (calculated to the nearest unit) of the customers in each rate class used to determine the Typical Annual Natural Gas Consumption (Line 10).

Q 32: How are the CLVOPS, OPS and NGVF rates to be determined?

A 32: EGNB proposes that Board approved method for determining these rates continue to be applied. The OPS and CLVOPS rates are set at 75% of the GS and CGS rates, respectively. The NGVF rate is set at the same level as the GS rate.

Q 33: Is the same Formula to be used for Rate Rider applications?

A 33: Yes, with one exception. EGNB proposes that the sample data period to be used for a Rate Rider application should continue to be the 21 trading days (one month of data) leading up to the preparation of the application, instead of the two calendar months to be used in an application to increase the maximum rate.

*** I have no further questions.

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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PROVINCE OF NEW BRUNSWICK
PROVINCE DU NOUVEAU-BRUNSWICK

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July 20, 2006

SENT BY POST & EMAIL

Ms. Shelley Black, CGA
Manager, regulatory Affairs & Upstream
Enbridge Gas New Brunswick Inc.
440 Wilsey Road, Suite 101
Fredericton, N.B.
E3B 7G5

Dear Ms. Black:

Re: Policy concerning Customer Incentives

The Board has established the attached policies in respect of incentives that might be offered to EGNB customers.

Sincerely,

Lorraine Légère
Secretary to the Board

Board of Commissioners of Public utilities

Policy re Customer Incentives

The Board recognizes that, during the development period, it may be appropriate for Enbridge Gas New Brunswick Inc. (EGNB) to offer incentives to potential customers. The objective of such incentives would be to convince persons to become customers who, in the absence of an incentive, would not likely become a customer of EGNB.

The Board provides the following comments as guidelines that should be followed by EGNB with respect to customer incentives. If these guidelines are followed, the Board will, in the absence of compelling evidence to do otherwise, consider EGNB's costs of providing customer incentives to be prudent.

Incentives that are to be offered to potential small volume customers:

These incentives should be of a relatively low cost on an individual customer basis.

These incentives should be available to all potential customers who are similar in nature.

The incentive should be publicized in a manner that makes it reasonably likely that all qualifying potential customers have the opportunity to participate.

Incentives that are to be offered to potential large volume customers:

These incentives may be targeted at individual potential customers.

The rationale for the incentive should be documented and supported by the facts of the particular situation.

The use of incentives should not result in a situation whereby existing customers would be worse off than if the incentive had not been provided.

All incentives should be designed so as to expire at or near the end of the development period.

All customers who receive an incentive must be taking a distribution service from EGNB under the terms and conditions contained in the tariff as currently approved by the Board.

Enbridge Gas New Brunswick
Enbridge Gaz Nouveau-Brunswick
440 Wilsey Road Suite 101
Fredericton, NB E3B 7G5

Shelley Black, CGA
Manager, Regulatory & Gas Supply
Tel . 506-457-7751
Fax 506-452-2868
Email shelley.black@enbridge.com

Enbridge Gas New Brunswick
Enbridge Gaz Nouveau-Brunswick

August 8, 2006

Ms. Lorraine Légère
Board of Commissioners of Public Utilities
P.O. Box 5001
15 Market Square, Suite 1400
Saint John, NB E2L 4Y9

Dear Ms. Légère:

RE: Policy re Customer Incentives

On July 20, 2006 the Board of Commissioners of Public Utilities of New Brunswick ("Board") issued a policy in respect of incentives offered to Enbridge Gas New Brunswick ("EGNB") customers. EGNB subsequently discussed the policy guidelines with Board staff and would like to confirm its understanding of two of the policy guidelines.

Firstly, the policy states "*All incentives should be designed so as to expire at or near the end of the development period.*"

There are instances where very large volume customers are required to commit to take service from EGNB for a specific term in order to receive an incentive from EGNB. The term varies in the number of years but is generally at least 3 years and possibly up to 7 years, depending on the individual customer. In many cases, the incentive will be paid over the term to ensure that the customer continues to use EGNB's distribution system and generate revenue for EGNB. In some instances, the term could expire after the Development Period. As the end of the Development Period is a moving target, EGNB understands that the Board included the specific wording "*at or near*" to provide EGNB with the flexibility to allow for instances where incentive agreements with large volumes customers expire after the Development Period.

Secondly, the policy states *"The use of incentives should not result in a situation whereby existing customers would be worse off than if the incentive had not been provided."*

Where EGNB enters into multi-year incentive agreements with very large volume customers, the agreement will either provide that an incentive is only paid where the customer takes service at target levels for a specified term or provide some other mechanism to protect existing customers from "*being worse off*" if this customer stops taking service for any reason.

For all other incentive programs, EGNB understands the policy is intended to ensure that incentives do not exceed distribution revenue billed over a reasonable time period, and any review of such programs would be done on a group or class basis.

If EGNB's understanding of the policy in these two aspects is not correct, please advise us as soon as possible.

Sincerely,

Shelley Black, CGA
Manager, Regulatory & Gas Supply

cc: Len Hoyt

Enbridge Gas New Brunswick
Financial Report for Regulatory Purposes
For the year ended December 31, 2008

(in thousands of dollars)

	EUG Standard Offer		
Revenue			
Gas Sales	Revenue YTD	Customers YTD	Throughput TJs YTD
Small general service (SGS)	$ 4,673	4,820	402.1
General service (GS)	3,143	484	281.9
Contract general service (CGS)	1,839	60	173.3
Contract large general service (CLGS-LFO)	649	2	32.3
Contract large general service (CLGS-HFO)	-	-	-
Contract large volume off peak (CLVOPS)	-5	-	-
Off peak service	67	17	5.4
Total	$ 10,365	5,383	895.0
Expenses			
Commodity	9,626		
Transportation	933		
ABC Billing	75		
Administration	239		
Total	10,873		
Price of Gas Variance Account (PGVA)	508		

Notes: The price of the EUG standard offer is calculated using a forecast of the average cost of gas for the following twelve month period. Any difference between the forecast cost and the actual cost is recorded in the PGVA balance.

Monthly 2008 EUG standard offer price ($/GJ):	
January	$ 11.20
February	$ 11.20
March	$ 12.35
April	$ 13.13
May	$ 13.13
June	$ 14.15
July	$ 14.95
August	$ 13.55
September	$ 11.85
October	$ 10.90
November	$ 10.90
December	$ 10.90

Enbridge Gas New Brunswick
Financial Report for Regulatory Purposes
For the year ended December 31, 2008

(in thousands of dollars)

	EUG Alternate Offers		
Revenue			
Gas Sales	Revenue YTD	Customers YTD	Throughput TJs YTD
Small general service (SGS)	828	1,171	74.3
General service (GS)	45	7	4.5
Contract general service (CGS)	56	2	5.7
Contract large general service (CLGS-LFO)	619	6	537.6
Contract large general service (CLGS-HFO)	3,519	1	335.6
Contract large volume off peak (CLVOPS)	605	-	20.4
Off peak service	-	-	-
Total	$ 5,670	1,187	978.1
Expenses			
Commodity	5,238		
Transportation	399		
ABC Billing	12		
Administration	21		
Total	5,670		
Price of Gas Variance Account (PGVA)	0		

Notes: The PGVA for alternate products is used to establish that annual gas costs do not exceed revenue, as required under section 4.1 of the Gas Distributor Marketing Regulation - Gas Distribution Act, 199

Monthly 2008 EUG alternate offer price ($/GJ):	**Off-Peak**	**Commercial Variable**	**Fixed Price**
January	$ 7.91	$ 8.85	$ 10.80
February	$ 8.80	$ 9.75	$ 10.80
March	$ 9.50	$ 10.43	$ 10.80
April	$ 10.53	$ 11.51	$ 10.80
May	$ 11.96	$ 12.92	$ 10.80
June	$ 12.39	$ 13.33	$ 10.80
July	$ 13.87	$ 14.84	$ 10.80
August	$ 10.16	$ 11.13	$ 10.80
September	$ 9.71	$ 10.71	$ 10.80
October	$ 8.80	$ 9.81	$ 10.80
November	$ 8.81	$ 9.95	$ 12.50
December	$ 9.54	$ 10.71	$ 12.50

Public Intervenor
Interrogatory No. 2

Reference: Background to the Market-Based Rate Setting Methodology
Marketing and Promotion

Interrogatory

1. For the initial launch of EGNB's natural gas distribution service and for each medium used (print, television, radio, internet etc.), provide copies of the text used to inform potential customers of the benefits of switching to natural gas.
2. For each subsequent promotion program beyond the initial launch, provide the same information as requested in (1) above.
3. Please describe the $3,500 in currently available rebates, as indicated on the EGNB website. Was this rebate program approved by the Board? Please describe how these rebates are taken into account in determining the Company's proposed market-based rate formula. Please provide all documents and spreadsheets in EGNB's possession that address the expected cost of the rebates, expected benefits and risks.

Note: For each promotion campaign, specify the medium, the text, and the date that the promotion campaign began.

Response

1. The information requested in this interrogatory is not readily available and would require substantial effort on the part of EGNB to assemble. More importantly, EGNB does not believe this information is relevant to the Board's examination of the elements in the market-based formula used by EGNB.

2. See 1. above.

3. The $3,500 offer is a limited time offer that EGNB has made available to residential customers that are "on main". In addition to the standard $3,000 incentive that is available for prospective residential customers, an additional $500 has been made available for customers that sign up for natural gas service by March 31, 2009. This limited time offer has been put in place to stimulate signing activity by "on main" prospective customers during the winter months. Encouraging conversion activity at this time of year assists in the scheduling of construction resources during the later part of the winter and early spring, a time period when activity levels are traditionally slower.

This incentive program, as with other incentive programs, does not require approval by the Board. On July 20, 2006, the Board issued a "Policy re Customer Incentives" that EGNB uses as a guide for establishing its incentive programs. A copy of this Policy and a clarification letter regarding the Policy sent to the Board by EGNB on August 8, 2006 are attached. EGNB believes that this program is consistent with the Policy.

This rebate program and other incentive programs were not taken into account in determining the proposed formula.

Public Intervenor
Interrogatory No. 6

Reference: Objectives of Market-Based Rate Formula
Fixed Price Offer and Enbridge Variable Product

Interrogatory

1. What were the objectives behind EGNB's development of a Fixed Price Offer for EUG commodity service? Are these different from the objectives used in setting the proposed formula rate for delivery service? Please describe any differences and the rationale for such differences.
2. What were the objectives behind EGNB's development of an Enbridge Variable Product for commodity service? Are these different from the objectives used in setting the proposed formula rate for delivery service? Please describe any differences and the rationale for such differences.
3. Please provide all analysis performed by EGNB and all data reviewed by EGNB in connection with the introduction of a Fixed Price Offer and Enbridge Variable Product for EUG commodity service. Please provide all internal documents in EGNB's possession relating to the formation of its opinion on the objectives of the EUG Fixed Price Offer and the Enbridge Variable Product. Such documents should include preliminary or final drafts of correspondence, letters, telegrams, facsimile transmissions, email communications, memoranda, reports, notes, minutes, agendas, notices and any other relevant documents.
4. Has EGNB's introduced any other EUG commodity service pricing offers other than the Fixed Price Offer, Standard Offer and Enbridge Variable Product? If so, please list each pricing offer and terms. Please describe the rationale for electing to make such a pricing offer available to customers and provide all data reviewed by and analysis performed by EGNB in connection with the evaluation of new pricing offers.
5. Was one objective behind the introduction of a Fixed Price Offer for EUG commodity service to reduce the volatility of gas costs for customers? Is this a concern for EGNB when developing the market-based rate formula for delivery service? What priority is given by EGNB to reducing volatility? How is this taken into account in the January 26 proposal? Please provide all internal documents in EGNB's possession related to EGNB's consideration of volatility in the delivery rate formula, including preliminary or final drafts of correspondence, letters, telegrams, facsimile transmissions, email communications, memoranda, reports, notes, minutes, agendas, notices and any other relevant documents.

Response

1. The objective behind EGNB's development of the Fixed Price Offer was to provide a commodity offering that provided customers with certainty regarding their commodity costs for a 12 month period. This objective differs from the objectives used in setting the formula, as the formula objectives are related to the ability to achieve target savings and minimizing additions to the deferral account.

2. The objectives behind EGNB's development of the Enbridge Variable Product ("EVP") was to provide a commodity offering for commercial customers that EGNB believed provided pricing that was comparable to the manner in which many larger customers acquire supply in other markets and was similar to the manner in which EGNB acquires its own supply. EVP also provided the customer with pricing through a transparent formula that was simple for the customer to forecast forward for budget purposes. By providing EVP, EGNB provides more choice to commercial customers.

3. EGNB does not believe analysis performed regarding the Fixed Price Offer is relevant to the Board's examination of the elements in the market-based formula used by EGNB.

   The analysis performed regarding EVP related to the structure of the pricing for EVP. This is seen in EGNB's response to AWL Interrogatory No. 4. The data used in developing this structure is attached:
   - The Tetco Basis Average was determined using the market trading data for Tetco and was then used to price the contract that underpinned the EVP product back to NYMEX and to assess the degree of risk associated with Tetco basis.
   - The foreign exchange average was determined using the Bank of Canada exchange rate data and was used to assess the degree of foreign exchange volatility.
   - The forecast department costs and total supply requirements were used to determine the average operating costs associated with administering EGNB's gas supply.

   EGNB does not have any other documents or analysis related to the development of EVP.

4. EGNB also provides an Off-Peak service commodity offering that is only available to customers taking service under its off-peak rates. This product was made available in recognition of the fact that other EGNB commodity offerings factor in the impact of winter basis spreads. Since the Off-Peak service commodity offering is only available for consumption outside of the winter months, it provides a price that is more indicative of what pricing these customers should see. The Off-Peak product is priced at NYMEX + US$1.25/mmbtu, with a surcharge of CDN$3.00/GJ applied to any gas consumed between December and March inclusive.

5. As indicated in the response to 1 above, reducing the volatility of gas costs was the main objective behind the introduction of the Fixed Price Offer. This however was not a concern in developing the market-based rate formula for delivery service as there were

differing objectives behind the formula development. While providing a certain degree of rate stability is preferable, the ability for a typical customer to achieve target savings is the principal concern for EGNB in setting its rates. The introduction of the Fixed Price Offer supported a desire to provide more choice with regards to commodity offerings in the market.

Public Intervenor
Interrogatory No. 9

Reference: Impact of Pricing of Commodity Services on Ability of Formula to Meet Objectives
Pricing

Interrogatory

1. Please provide, in spreadsheet form, historic pricing for EUG's Standard Offer, Fixed Price Offer and all other EUG commodity offers from the date such offers were first made available to customers through February 1, 2009.

2. Please provide a detailed explanation for how EGNB determines the price of the EUG Fixed Price Offer. Is it based on forward prices for natural gas? Is there a profit margin embedded in the price? Is a premium included for the risks that EGNB takes by offering a fixed-price service? Does EGNB make up in future rate periods any shortfalls in commodity revenue received from customers taking the Fixed Price Offer and the actual costs of supplying the gas commodity to those customers? Does EGNB credit back in future rate periods any excess commodity revenue received from customers taking the Fixed Price Offer over and above the actual costs of supplying the gas commodity to those customers? Does EGNB hedge the risks of supplying customers under a Fixed Price Offer? If so, how does EGNB hedge those risks? Please provide all spreadsheets used by EGNB to formulate the Fixed Price Offer and to manage its implementation.

3. Please provide a detailed explanation for how EGNB determines the price of the Enbridge Variable Product. Is a premium included for the risks that EGNB takes by offering this product? Does EGNB make up in future rate periods any shortfalls in commodity revenue received from customers taking the Enbridge Variable Product and the actual costs of supplying the gas commodity to those customers? Does EGNB credit back in future rate periods any excess commodity revenue received from customers taking the Enbridge Variable Product over and above the actual costs of supplying the gas commodity to those customers? What risks does EGNB bear in supplying customers under the Enbridge Variable Product? Does EGNB hedge any of those risks? Please provide all spreadsheets used by EGNB to formulate the Fixed Price Offer and to manage its implementation.

4. Do EGNB's regulatory financial statements, as filed with the Board, include the revenues and costs associated with providing EUG commodity services? If not, why not? Please provide a copy of the financial statements that include the profit and loss, cash flow and asset/liability positions related to EGNB's EUG commodity services for each fiscal year since 2003.

Response

1. The historic pricing of the different commodity offerings by EGNB are shown in the table below:

Effective Date	EUG	Off-Peak	EVP	Fixed Price
May-03	$8.49			
Jun-03	$8.49			
Jul-03	$8.49			
Aug-03	$8.20			
Sep-03	$8.20			
Oct-03	$7.35			
Nov-03	$7.35			
Dec-03	$7.35			
Jan-04	$7.35			
Feb-04	$7.75			
Mar-04	$7.75			
Apr-04	$7.75			
May-04	$8.40			
Jun-04	$9.20			
Jul-04	$9.20			
Aug-04	$9.20			
Sep-04	$9.20			
Oct-04	$9.20			
Nov-04	$10.10			
Dec-04	$9.45			
Jan-05	$9.45			
Feb-05	$9.45			
Mar-05	$9.45			
Apr-05	$9.45			
May-05	$10.30			
Jun-05	$9.98			
Jul-05	$10.50			
Aug-05	$10.50			
Sep-05	$11.60			
Oct-05	$13.57			
Nov-05	$14.71			
Dec-05	$14.26			
Jan-06	$14.26			
Feb-06	$11.95			
Mar-06	$11.45			
Apr-06	$11.45			
May-06	$11.45			
Jun-06	$10.80			
Jul-06	$11.30	$7.64		
Aug-06	$11.30	$8.79		
Sep-06	$11.95	$8.53		

Oct-06	$10.95	$5.83		
Nov-06	$10.95	$9.05		
Dec-06	$10.95	$10.46		
Jan-07	$10.95	$7.09		
Feb-07	$10.95	$8.17		
Mar-07	$10.95	$8.80		
Apr-07	$11.95	$9.64	$10.73	
May-07	$11.95	$9.21	$10.27	
Jun-07	$11.95	$8.96	$9.98	
Jul-07	$11.40	$8.26	$9.27	
Aug-07	$10.80	$7.44	$8.45	
Sep-07	$10.80	$6.69	$7.69	
Oct-07	$10.80	$7.23	$8.18	
Nov-07	$10.80	$7.63	$8.52	$10.80
Dec-07	$11.20	$8.01	$8.96	$10.80
Jan-08	$11.20	$7.91	$8.85	$10.80
Feb-08	$11.20	$8.80	$9.75	$10.80
Mar-08	$12.35	$9.50	$10.43	$10.80
Apr-08	$13.13	$10.53	$11.51	$10.80
May-08	$13.13	$11.96	$12.92	$10.80
Jun-08	$14.15	$12.39	$13.33	$10.80
Jul-08	$14.95	$13.87	$14.84	$10.80
Aug-08	$13.55	$10.16	$11.13	$10.80
Sep-08	$11.85	$9.71	$10.71	$10.80
Oct-08	$10.90	$8.80	$9.81	$10.80
Nov-08	$10.90	$8.81	$9.95	$12.50
Dec-08	$10.90	$9.54	$10.71	$12.50
Jan-09	$10.90	$8.53	$9.68	$12.50
Feb-09	$10.55	$6.66	$7.82	$12.50

An electronic version of this table is attached.

2. EGNB provides supply for this offering by entering into a physical supply agreement for a volume of gas that will support the expected interest in the Fixed Price Offer at a price that is fixed for the contract term with the supplier. An additional charge is then added to cover volumetric risk and administrative costs associated with this offering. The product is priced in a manner that it recovers all of its costs, with no potential for a shortfall in the commodity revenue received from the customers being supplied by the Fixed Price Offer. Any excess revenues that arise would be related to lower than anticipated administration costs or volumetric fluctuations. These revenues are credited back to the Purchase Gas Variance Account (PGVA) which will flow as a credit to the EUG price.

   EGNB does not make any adjustments in future rate periods to account for any shortfalls or surpluses, as this is handled monthly through PGVA balance adjustments using aggregated results from all combined alternate products.

3. As indicated in A27 of EGNB's evidence, EVP is priced based on the monthly NYMEX price plus a market spread that is currently set at US$2.25/mmbtu. Please see the response to AWL Interrogatory No. 4 for an explanation on how the market spread is established. The product is priced in a manner that it recovers all of its costs within the current period, with no potential for a shortfall in the commodity revenue received from the customers being supplied by EVP. Any excess revenues that arise would be related to lower than anticipated administration, basis or exchange rate costs. These revenues are credited back to the PGVA which will flow as a credit to the EUG price.

   EGNB believes that it bears no risk in supplying customers under EVP due to the manner in which the price is structured and the nature of the gas supply contract that is used to support EVP deliveries. Similarly, because of the nature of the gas supply contract, it is not necessary for EGNB to hedge any aspect of the offering.

4. EGNB's regulatory financial statements, as filed with the Board, do not include the revenues and costs associated with providing EUG commodity services as these costs and revenues do not form part of the revenue requirement that is subject to regulation. EGNB files this information with the Board on an annual basis as part of its Commodity Sales report. A copy of the 2007 report is attached to this response.

   On March 10, 2009, EGNB filed its 2008 Commodity Sales report with the Board. A copy of this report is attached.

Public Intervenor
Interrogatory No. 13

Reference: Impact of Pricing of Commodity Services on Ability of Formula to Meet Objectives
Delivering Target Savings

Interrogatory

1. Does EGNB have any customer research or analysis that supports the proposition that the proposed formula will deliver the target savings for existing and potential customers? If yes, please provide a copy of this analysis. If no, why not?
2. Please provide all backcasting analyses performed by EGNB or its consultants that evaluate the level of savings achieved by the market-based rate formula, since the market-based rate methodology was implemented. If no such analyses exist, please explain why EGNB has not backcast the formula to determine the level of savings actually achieved by customers.
3. Please provide all studies related to the price elasticity of demand of natural gas customers that have been reviewed by or performed by EGNB or MJ Ervin during the past five years. Did EGNB rely on any of these studies when formulating its January 26 recommendation for the market-based rate formula? Why or why not?

Response

1. EGNB relies on the derivation table as the basis that the formula will deliver the target savings for typical existing and potential customers. All of the variables used within the table are either based on market information, customer data or reasonable estimates based on industry information and standard conversion factors.

2. EGNB monitors and reviews anticipated and achieved target savings on a regular basis. The following table provides this analysis since 2002:

	Historic Savings (%)						
Rate	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
SGS	33%	40%	28%	28%	22%		
SGSRO						18%	26%
SGSRE						21%	20%
SGSC						18%	25%
GS	30%	39%	25%	29%	12%	15%	22%
CGS	21%	35%	22%	27%	12%	14%	23%
LFO	18%	18%	13%	14%	16%	20%	31%

	Savings Target (%)						
Rate	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
SGS	30%	30%	20%	20%	20%		
SGSRO						20%	20%
SGSRE						20%	20%
SGSC						20%	20%
GS	15%	15%	15%	15%	15%	15%	15%
CGS	15%	15%	15%	15%	15%	15%	15%
LFO	15%	15%	15%	10%	10%	10%	10%

	Variance (%)						
Rate	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**
SGS	3%	10%	8%	8%	2%		
SGSRO						-2%	6%
SGSRE						1%	0%
SGSC						-2%	5%
GS	15%	24%	10%	14%	-3%	0%	7%
CGS	6%	20%	7%	12%	-3%	-1%	8%
LFO	3%	3%	-2%	4%	6%	10%	21%

This table was prepared using information from response to Competitive Energy Services Interrogatory No. 11 in the 2006 Rate Proceeding (NBPUB 2005-009) for the years 2002 through 2005 and calculations for 2006 through 2008. Copies of the spreadsheets used to calculate the 2006 through 2008 savings are attached.

3. EGNB did not review or perform any studies related to the price elasticity of demand of natural gas customers. In addition, MJ Ervin & Associates has not performed or reviewed any studies related to the price elasticity of demand for natural gas during the past five years. The purpose of the market-based rates formula is to provide target savings for typical natural gas customers. Price elasticity was not a consideration in determining a mechanism for achieving this.

Schedule 2

Derivation Tables

Amended: March 19, 2009

Derivation Table - Oil

		Units	Calculation	SGSRO	SGSC	GS	CGS	CLGS_LFO	HFO
1	**Alternative Energy Price**	CAN$/l	Retail Oil Price	$0.7769	$0.7639	$0.7554	$0.7535	$0.7396	$0.3136
2	**Assumed Efficiency factor**		Assigned	78.16%	78.16%	81.25%	81.25%	100%	100%
3	**Typical Annual Consumption**	GJs/year	Line 10 / Line 2	107	285	1,124	6,087	33,474	132,327
4	**Conversion Factor**	l/GJ	Assigned	25.8532	25.8532	25.8532	25.8532	25.8532	23.9636
5	**Typical Annual Consumption**	in litres	Line 3 x Line 4	2,766.29	7,368.16	29,059.00	157,368.43	865,410.02	3,171,031.30
6	**Total Alternative Energy Cost**	$/ year	Line 1 x Line 5	$2,149.13	$5,628.54	$21,951.17	$118,577.11	$640,057.25	$994,435.42
7	**Target Savings Level**	%	Assigned	20%	20%	15%	15%	10%	5%
8	**Target Savings Amount**	$	Line 6 x Line 7	$429.83	$1,125.71	$3,292.68	$17,786.57	$64,005.73	$49,721.77
9	**Target Natural Gas Cost**	$	Line 6 - Line 8	$1,719.30	$4,502.83	$18,658.49	$100,790.54	$576,051.52	$944,713.65
10	**Typical Annual Natural Gas Consumption**	GJs/ year	Typical Customer	84	223	913	4,946	33,474	132,327
11	**Target Burner Tip Price**	$/GJ	Line 9 / 10	$20.4679	$20.1921	$20.4365	$20.3782	$17.2089	$7.1392
12	**Commodity Cost**	$/GJ	EUG or EVP price	$11.7998	$11.7998	$11.7998	$11.7998	$10.3412	$10.3412
13	**Target Distribution Rate**	$/GJ	Line 11 - Line 13	$8.6681	$8.3923	$8.6367	$8.5784	$6.8677	-$3.2020
14	**Target Annual Distribution Charge**	$	Line 13 x Line 10	$728.12	$1,871.48	$7,885.31	$42,428.77	$229,890.23	-$423,707.75
15	**Monthly Customer Charge**	$	Assigned	$16.00	$16.00	$16.00			
16	**Annual Customer Charge**	$	Line 15 * 12	$192.00	$192.00	$192.00	0	0	
17	**Average Contract Demand**	GJs	Average				46	275	865
18	**Contract Demand Charge**	$	Assigned	0	0	0	$5.20	$5.20	$3.90
19	**Revenue from Demand Charge**	$	Line 17 * Line 18 * 12	0	0	0	$2,870.40	$17,160.00	$40,482.00
20	**Target Revenue From Delivery Charge**	$	Line 14 - Lines 16 or 19	$536.12	$1,679.48	$7,693.31	$39,558.37	$212,730.23	-$464,189.75
21	**Distribution Delivery Charge**	$/GJ	Line 20/Line 10	$6.3824	$7.5313	$8.4264	$7.9981	$6.3551	-$3.5079

* Table shows potential rates for calendar 2009 based on the application of the Formula using market information from November and December 2008. Natural gas consumption and contract demand amounts are based on 2008 billing data.

Alternative Energy Price – SGSRO, SGSC, GS, CGS, LFO

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
3-Nov-08	2.0143	2.0378	2.0503	2.0508	2.0548	2.0633	2.0823	2.1053	2.1293	2.1538	2.1733	2.1923
4-Nov-08	2.1916	2.2141	2.2261	2.2261	2.2301	2.2381	2.2571	2.2806	2.3051	2.3306	2.3506	2.3706
5-Nov-08	2.0846	2.1076	2.1211	2.1216	2.1261	2.1346	2.1536	2.1761	2.1996	2.2256	2.2461	2.2661
6-Nov-08	1.9706	1.9931	2.0071	2.0081	2.0136	2.0236	2.0426	2.0651	2.0881	2.1151	2.1356	2.1576
7-Nov-08	2.0064	2.0259	2.0404	2.0404	2.0444	2.0534	2.0724	2.0949	2.1174	2.1454	2.1674	2.1904
10-Nov-08	1.9807	2.0002	2.0140	2.0125	2.0155	2.0235	2.0410	2.0627	2.0847	2.1130	2.1362	2.1605
11-Nov-08	1.9550	1.9745	1.9875	1.9845	1.9865	1.9935	2.0095	2.0305	2.0520	2.0805	2.1050	2.1305
12-Nov-08	1.8609	1.8819	1.8949	1.8899	1.8944	1.9044	1.9219	1.9419	1.9634	1.9919	2.0174	2.0434
13-Nov-08	1.8985	1.9205	1.9330	1.9280	1.9325	1.9430	1.9600	1.9800	2.0030	2.0320	2.0590	2.0865
14-Nov-08	1.8590	1.8805	1.8920	1.8880	1.8935	1.9045	1.9205	1.9395	1.9640	1.9950	2.0245	2.0540
17-Nov-08	1.8090	1.8275	1.8360	1.8310	1.8370	1.8485	1.8640	1.8840	1.9100	1.9410	1.9705	2.0000
18-Nov-08	1.7749	1.7944	1.8049	1.8034	1.8099	1.8214	1.8379	1.8594	1.8864	1.9184	1.9489	1.9789
19-Nov-08	1.7737	1.7912	1.8017	1.8012	1.8082	1.8202	1.8372	1.8602	1.8882	1.9207	1.9512	1.9802
20-Nov-08	1.6865	1.7025	1.7130	1.7135	1.7205	1.7330	1.7510	1.7765	1.8050	1.8370	1.8670	1.8955
21-Nov-08	1.7086	1.7241	1.7346	1.7336	1.7406	1.7531	1.7726	1.7976	1.8256	1.8576	1.8876	1.9161
24-Nov-08	1.7961	1.8136	1.8246	1.8231	1.8296	1.8416	1.8596	1.8861	1.9156	1.9476	1.9776	2.0061
25-Nov-08	1.7069	1.7264	1.7399	1.7404	1.7479	1.7599	1.7799	1.8079	1.8384	1.8709	1.9014	1.9299
26-Nov-08	1.7616	1.7861	1.8031	1.8066	1.8151	1.8266	1.8456	1.8731	1.9036	1.9361	1.9666	1.9951
27-Nov-08	1.7616	1.7861	1.8031	1.8066	1.8151	1.8266	1.8456	1.8731	1.9036	1.9361	1.9666	1.9951
28-Nov-08	1.7271	1.7526	1.7706	1.7761	1.7856	1.7981	1.8166	1.8441	1.8746	1.9071	1.9376	1.9661
1-Dec-08	1.6151	1.6421	1.6636	1.6736	1.6881	1.7031	1.7241	1.7541	1.7876	1.8221	1.8536	1.8826
2-Dec-08	1.5832	1.6092	1.6327	1.6457	1.6622	1.6787	1.6992	1.7277	1.7612	1.7962	1.8287	1.8582
3-Dec-08	1.5840	1.6080	1.6265	1.6395	1.6560	1.6745	1.6955	1.7240	1.7575	1.7915	1.8240	1.8535
4-Dec-08	1.5091	1.5346	1.5576	1.5726	1.5886	1.6076	1.6301	1.6581	1.6911	1.7261	1.7601	1.7901
5-Dec-08	1.4265	1.4578	1.4863	1.5038	1.5213	1.5408	1.5633	1.5903	1.6233	1.6568	1.6898	1.7183
8-Dec-08	1.4904	1.5216	1.5541	1.5746	1.5946	1.6146	1.6366	1.6606	1.6921	1.7246	1.7566	1.7836
9-Dec-08	1.4369	1.4679	1.5019	1.5239	1.5459	1.5674	1.5904	1.6139	1.6444	1.6754	1.7064	1.7334
10-Dec-08	1.4027	1.4357	1.4712	1.4942	1.5177	1.5412	1.5657	1.5907	1.6187	1.6467	1.6747	1.6987
11-Dec-08	1.5066	1.5396	1.5771	1.6006	1.6236	1.6461	1.6706	1.6961	1.7231	1.7491	1.7746	1.7976
12-Dec-08	1.4934	1.5194	1.5549	1.5784	1.6014	1.6249	1.6499	1.6769	1.7059	1.7324	1.7579	1.7814
15-Dec-08	1.4601	1.4871	1.5191	1.5416	1.5641	1.5871	1.6126	1.6401	1.6691	1.6961	1.7221	1.7456
16-Dec-08	1.4603	1.4833	1.5098	1.5293	1.5488	1.5718	1.5968	1.6228	1.6493	1.6768	1.7033	1.7273
17-Dec-08	1.4425	1.4650	1.4880	1.5040	1.5200	1.5415	1.5665	1.5955	1.6250	1.6525	1.6795	1.7035
18-Dec-08	1.3729	1.3955	1.4180	1.4330	1.4500	1.4705	1.4960	1.5265	1.5575	1.5840	1.6100	1.6335
19-Dec-08	1.3920	1.4164	1.4419	1.4614	1.4814	1.5054	1.5354	1.5684	1.6009	1.6274	1.6534	1.6769
22-Dec-08	1.3415	1.3619	1.3844	1.4024	1.4219	1.4464	1.4769	1.5109	1.5444	1.5719	1.5989	1.6239
23-Dec-08	1.3270	1.3452	1.3667	1.3837	1.4022	1.4262	1.4562	1.4902	1.5232	1.5502	1.5767	1.6022
24-Dec-08	1.2860	1.3066	1.3309	1.3481	1.3671	1.3906	1.4209	1.4544	1.4871	1.5139	1.5401	1.5659
26-Dec-08	1.2450	1.2680	1.2950	1.3125	1.3320	1.3550	1.3855	1.4185	1.4510	1.4775	1.5035	1.5295
29-Dec-08	1.2853	1.3088	1.3383	1.3568	1.3773	1.4008	1.4313	1.4638	1.4963	1.5223	1.5478	1.5733
30-Dec-08	1.2880	1.3061	1.3361	1.3561	1.3761	1.3991	1.4296	1.4626	1.4961	1.5221	1.5481	1.5736
31-Dec-08	1.4057	1.4421	1.4676	1.4896	1.5116	1.5341	1.5636	1.5961	1.6291	1.6551	1.6811	1.7071
AVERAGE (	$1.6353	$1.6586	$1.6790	$1.6884	$1.7013	$1.7176	$1.7397	$1.7662	$1.7950	$1.8244	$1.8519	$1.8780
CAN$/litre	$0.5322	$0.5397	$0.5440	$0.5471	$0.5512	$0.5558	$0.5630	$0.5715	$0.5799	$0.5894	$0.5983	$0.6064
Market Spreads (Can$/litre)												
SGSRO	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250	$0.2250
SGSC	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050	$0.2050
GS	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950	$0.1950
CGS	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850	$0.1850
LFO	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750	$0.1750
Monthly Price (Can$/litre)												
SGSRO	$0.7572	$0.7647	$0.7690	$0.7721	$0.7762	$0.7808	$0.7880	$0.7965	$0.8049	$0.8144	$0.8233	$0.8314
SGSC	$0.7372	$0.7447	$0.7490	$0.7521	$0.7562	$0.7608	$0.7680	$0.7765	$0.7849	$0.7944	$0.8033	$0.8114
GS	$0.7272	$0.7347	$0.7390	$0.7421	$0.7462	$0.7508	$0.7580	$0.7665	$0.7749	$0.7844	$0.7933	$0.8014
CGS	$0.7172	$0.7247	$0.7290	$0.7321	$0.7362	$0.7408	$0.7480	$0.7565	$0.7649	$0.7744	$0.7833	$0.7914
LFO	$0.7072	$0.7147	$0.7190	$0.7221	$0.7262	$0.7308	$0.7380	$0.7465	$0.7549	$0.7644	$0.7733	$0.7814

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	
Usage Profile & Weighted Average													
SGSRO	19%	16%	15%	8%	5%	2%	2%	2%	3%	4%	8%	15%	
	$ 0.1439	$ 0.1224	$ 0.1154	$ 0.0618	$ 0.0388	$ 0.0156	$ 0.0158	$ 0.0159	$ 0.0241	$ 0.0326	$ 0.0659	$ 0.1247	$0.7769
SGSC	18%	17%	16%	9%	5%	2%	2%	2%	3%	4%	8%	14%	
	$ 0.1327	$ 0.1266	$ 0.1198	$ 0.0677	$ 0.0378	$ 0.0152	$ 0.0154	$ 0.0155	$ 0.0235	$ 0.0318	$ 0.0643	$ 0.1136	$0.7639
GS	16%	16%	15%	9%	5%	3%	2%	2%	3%	6%	9%	13%	
	$ 0.1140	$ 0.1189	$ 0.1137	$ 0.0640	$ 0.0396	$ 0.0216	$ 0.0182	$ 0.0186	$ 0.0220	$ 0.0447	$ 0.0736	$ 0.1065	$0.7554
CGS	15%	15%	16%	9%	5%	3%	3%	3%	3%	6%	10%	13%	
	$ 0.1076	$ 0.1087	$ 0.1166	$ 0.0659	$ 0.0368	$ 0.0222	$ 0.0224	$ 0.0227	$ 0.0229	$ 0.0465	$ 0.0783	$ 0.1029	$0.7535
LFO	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	
	$ 0.0589	$ 0.0595	$ 0.0599	$ 0.0601	$ 0.0605	$ 0.0609	$ 0.0615	$ 0.0622	$ 0.0629	$ 0.0637	$ 0.0644	$ 0.0651	$0.7396

Amended: March 19, 2009

Alternative Energy Price – HFO

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
03-Nov-08	64.59	65.30	66.02	66.73	67.43	68.11	68.75	69.39	70.03	70.66	71.28	71.90
04-Nov-08	71.19	71.96	72.79	73.63	74.46	75.25	76.00	76.72	77.42	78.09	78.74	79.38
05-Nov-08	66.01	66.84	67.77	68.69	69.59	70.45	71.24	72.00	72.75	73.49	74.21	74.92
06-Nov-08	61.47	62.36	63.33	64.29	65.24	66.15	67.04	67.89	68.73	69.55	70.33	71.08
07-Nov-08	61.87	62.81	63.76	64.69	65.61	66.49	67.33	68.16	68.99	69.80	70.59	71.36
10-Nov-08	61.05	61.97	62.91	63.82	64.73	65.59	66.42	67.22	68.01	68.78	69.54	70.28
11-Nov-08	60.22	61.12	62.05	62.95	63.84	64.69	65.51	66.28	67.02	67.75	68.48	69.20
12-Nov-08	57.03	57.95	58.84	59.73	60.62	61.47	62.30	63.10	63.87	64.64	65.41	66.17
13-Nov-08	59.06	60.00	60.95	61.90	62.83	63.70	64.52	65.30	66.05	66.80	67.55	68.29
14-Nov-08	57.60	58.40	59.30	60.25	61.19	62.10	62.98	63.83	64.66	65.48	66.30	67.08
17-Nov-08	55.49	56.28	57.15	58.06	58.99	59.90	60.78	61.64	62.49	63.34	64.18	64.97
18-Nov-08	54.76	55.58	56.45	57.32	58.17	59.00	59.79	60.57	61.35	62.13	62.90	63.67
19-Nov-08	54.10	54.95	55.88	56.83	57.77	58.69	59.58	60.45	61.31	62.15	62.99	63.83
20-Nov-08	49.42	50.41	51.44	52.46	53.44	54.39	55.31	56.22	57.13	58.03	58.93	59.83
21-Nov-08	49.93	50.96	52.05	53.09	54.08	55.05	55.96	56.85	57.73	58.59	59.44	60.29
22-Nov-08	54.50	55.62	56.68	57.68	58.64	59.59	60.48	61.35	62.21	63.07	63.92	64.77
25-Nov-08	50.77	52.01	53.21	54.33	55.40	56.43	57.40	58.32	59.22	60.10	60.96	61.82
26-Nov-08	54.44	55.70	56.92	58.04	59.09	60.12	61.06	61.95	62.83	63.69	64.53	65.35
27-Nov-08	54.44	55.70	56.92	58.04	59.09	60.12	61.06	61.95	62.83	63.69	64.53	65.35
28-Nov-08	54.43	55.82	57.09	58.24	59.29	60.28	61.20	62.08	62.94	63.78	64.61	65.42
01-Dec-08	49.28	50.68	52.00	53.22	54.40	55.51	56.54	57.52	58.46	59.38	60.28	61.15
02-Dec-08	46.96	48.43	49.84	51.15	52.38	53.54	54.60	55.60	56.56	57.50	58.42	59.32
03-Dec-08	46.79	48.32	49.87	51.34	52.70	53.95	55.07	56.10	57.07	58.01	58.94	59.85
04-Dec-08	43.67	45.21	46.86	48.43	49.89	51.20	52.36	53.42	54.44	55.43	56.41	57.36
05-Dec-08	40.81	42.93	44.76	46.27	47.61	48.84	49.92	50.92	51.89	52.82	53.74	54.65
08-Dec-08	43.71	46.36	48.62	50.29	51.64	52.78	53.76	54.63	55.48	56.32	57.15	57.98
09-Dec-08	42.07	44.66	46.86	48.56	49.90	50.98	51.89	52.72	53.54	54.33	55.11	55.88
10-Dec-08	43.52	46.02	48.04	49.56	50.66	51.52	52.27	52.96	53.65	54.31	54.96	55.60
11-Dec-08	47.98	50.84	52.97	54.46	55.53	56.34	57.01	57.65	58.28	58.88	59.47	60.06
12-Dec-08	46.28	49.12	51.54	53.18	54.32	55.15	55.85	56.50	57.14	57.76	58.38	59.00
15-Dec-08	44.51	47.47	50.00	51.73	52.95	53.83	54.59	55.31	56.03	56.73	57.42	58.11
16-Dec-08	43.60	46.70	49.17	50.91	52.16	53.10	53.90	54.65	55.37	56.05	56.72	57.39
17-Dec-08	40.06	44.61	47.27	49.16	50.64	51.86	52.87	53.72	54.53	55.27	55.96	56.64
18-Dec-08	36.22	41.67	44.39	46.44	48.13	49.52	50.69	51.66	52.54	53.31	54.04	54.76
19-Dec-08	33.87	42.36	45.16	47.15	48.74	50.05	51.15	52.06	52.90	53.71	54.50	55.28
22-Dec-08		39.91	42.88	44.76	46.25	47.46	48.48	49.34	50.16	50.96	51.75	52.52
23-Dec-08		38.98	42.03	43.86	45.30	46.52	47.56	48.46	49.34	50.20	51.06	51.90
24-Dec-08		38.35	41.28	43.07	44.53	45.80	46.95	47.95	48.90	49.82	50.73	51.62
26-Dec-08		37.71	40.53	42.28	43.75	45.08	46.33	47.43	48.45	49.44	50.40	51.33
29-Dec-08		40.02	43.03	44.81	46.19	47.46	48.66	49.68	50.66	51.58	52.49	53.37
30-Dec-08		39.03	42.76	44.80	46.33	47.67	48.91	49.96	50.95	51.87	52.78	53.66
31-Dec-08		44.60	48.59	50.57	51.96	53.16	54.31	55.36	56.30	57.13	57.93	58.73
Average	51.4770	51.0883	52.8561	54.2088	55.3679	56.4021	57.3423	58.2111	59.0524	59.8670	60.6680	61.4551
72% US$/bbl	37.0634	36.7836	38.0564	39.0303	39.8649	40.6095	41.2865	41.9120	42.5177	43.1042	43.6810	44.2477
HFO Can $/Litre	0.2872	0.2850	0.2936	0.3011	0.3075	0.3129	0.3181	0.3229	0.3270	0.3316	0.3360	0.3402
Average Price	0.3136											

Amended: March 19, 2009

Derivation Table - Electricity

		Units	Calculation	SGSRE
1	**Lines 1 - 5 not used**			
6	**Total Alternative Energy Cost**	$/ year	Retail Electricity Cost	$2,461.83
7	**Target Savings Level**	%	Assigned	20%
8	**Target Savings Amount**	$	Line 6 x Line 7	$492.37
9	**Target Natural Gas Cost**	$	Line 6 - Line 8	$1,969.46
10	**Typical Annual Natural Gas Consumption**	GJs/ year	Typical Customer	111
11	**Target Burner Tip Price**	$/GJ	Line 9 / 10	17.7429
12	**Commodity Cost**	$/GJ	EUG Price	11.7998
13	**Target Distribution Rate**	$/GJ	Line 11 - Line 13	5.9431
14	**Target Annual Distribution Charge**	$	Line 13 x Line 10	$659.68
15	**Monthly Customer Charge**	$	Assigned	$16.00
16	**Annual Customer Charge**	$	Line 15 * 12	$192.00
17	**Average Contract Demand**	GJs	Average	
18	**Contract Demand Charge**	$	Assigned	0
19	**Revenue from Demand Charge**	$	Line 17 * Line 18 * 12	0
20	**Target Revenue From Delivery Charge**	$	Line 14 - Lines 16 or 19	$467.68
21	**Distribution Delivery Charge**	$/GJ	Line 20/Line 10	$4.2134

* Table shows potential rates for calendar 2009 based on the application of the Formula using market information from November and December 2008. Natural gas consumption is based on 2008 billing data.

Total Alternative Energy Cost - Electricity

Month	Block 1 Incr	Block 2 Incr	Base kWh	Electic Heating Usage Usage Profile	Electic Heating Usage kWh usage	Electric Water Heater Usage Usage Profile	Electric Water Heater Usage kWh usage	Total Usage	Water Heater Rental	Total Electric Cost
Jan '09			806	19.1%	4,150	9.8%	472	5,428	$7.34	$410.30
Feb '09			806	16.7%	3,628	9.2%	443	4,877	$7.34	$362.81
Mar '09			806	17.3%	3,759	9.8%	472	5,037	$7.34	$376.60
Apr '09	3%	3%	806	8.1%	1,760	9.7%	467	3,033	$7.34	$209.76
May '09	3%	3%	806	5.6%	1,217	8.1%	390	2,413	$7.34	$154.71
Jun '09	3%	3%	806	2.7%	587	7.0%	337	1,730	$7.34	$94.07
Jul '09	3%	3%	806	0.0%	-	6.5%	313	1,119	$7.34	$38.10
Aug '09	3%	3%	806	0.0%	-	6.4%	308	1,114	$7.34	$37.63
Sep '09	3%	3%	806	3.2%	695	6.8%	327	1,828	$7.34	$102.80
Oct '09	3%	3%	806	2.3%	500	7.8%	376	1,682	$7.34	$89.77
Nov '09	3%	3%	806	10.8%	2,347	8.8%	424	3,577	$7.34	$258.03
Dec '09	3%	3%	806	14.1%	3,064	10.1%	486	4,356	$7.34	$327.25
			9,672	**100%**	**21,727**	**100.0%**	**4,816**	**36,195**	$88.08	**$ 2,461.83**

Price for electricity	
First 1300 KWh	**$0.0954**
Above 1300 KWh	**$0.0862**
Estimated Heating Use	**21727**
Estimated Water Heater Use	**4816**
Water Heater Rental (60 Gallon)	**$7.34**

Amended: March 19, 2009

MJ Ervin & Associates

Report

Forecasting Distillate Fuel Prices in New Brunswick

Prepared for:
Enbridge Gas New Brunswick

Amended: March 19, 2009

Deleted: 26 January

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Report

Forecasting Distillate Fuel Prices in New Brunswick

I: Introduction

MJ Ervin & Associates Inc. has been engaged by Enbridge Gas New Brunswick (EGNB) to assist in the determination of wholesale and retail distillate fuel prices in New Brunswick to be used in its formula to establish market-based natural gas prices. Specifically we have been asked to research and develop a formula that would quantify a set of distillate fuel price differentials (from a given benchmark) corresponding to a range of customers based on their annual volume requirements. This determination is to be made for each of six EGNB rate classes as follows:

1. Small General Service Residential Oil (SGSRO)
2. Small General Service Commercial (SGSC)
3. General Service (GS)
4. Contract General Service (CGS)
5. Light Fuel Oil (LFO)
6. Heavy Fuel Oil (HFO)

There are two categories of distillate fuels that are relevant to the development of formulae for the above rate classes. The HFO rate class applies to the use of a category of distillates used only in heavy commercial and industrial applications, whereas the other five rate classes applies to standard furnace oil (also referred to as No. 2 heating oil).

It is our understanding that the proposed EGNB price model would develop forward-looking prices for each of these rate classes by using price differentials from our model, which would then be applied to a relevant futures price benchmark (such as those quoted on the NYMEX futures exchange), as part of its rate proposal process before the New Brunswick Energy and Utilities Board.

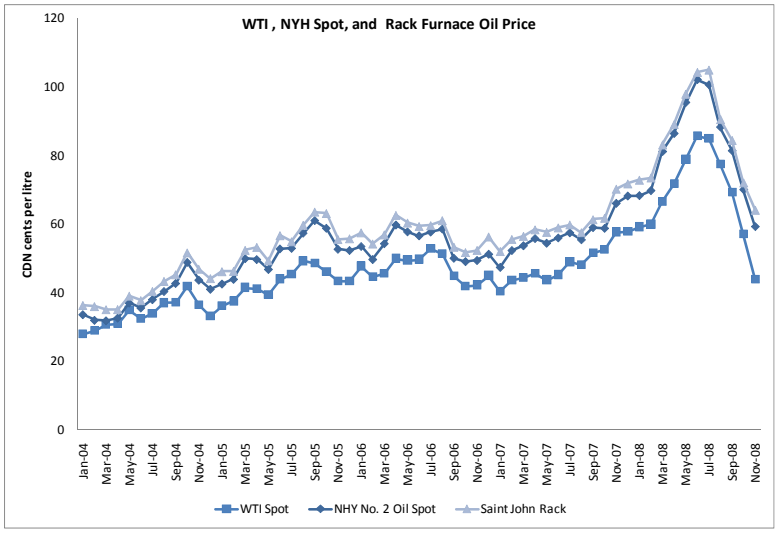
This report was prepared by MJ Ervin & Associates Inc, a consulting firm with considerable industry and project experience in the downstream (refining and marketing) petroleum industry. Our entire focus is on this industry, and our project résumé (see Annexes A and B) includes several specifically related engagements, particularly in the area of petroleum prices and regulatory structures and analysis.

II: Historical Price Relationships

A review of historical crude oil and wholesale and retail furnace oil prices is critical to understanding how the various prices relate to one another, as this will provide a basis for the determination of a formula to establish market based prices.

North American wholesale furnace oil prices are determined by two key factors: the underlying global crude oil price, and the balance between furnace oil supply and demand in the North American market. Figure 1 presents historical crude oil and wholesale furnace oil prices.

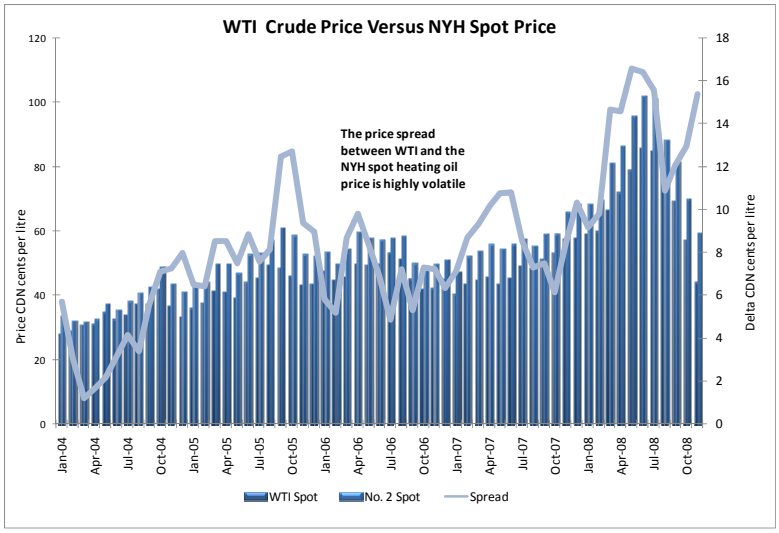
Figure 1: Historical Crude Oil and Wholesale Furnace Oil Prices



Source: EIA (Energy Information Administration) and MJ Ervin & Associates

While wholesale furnace oil prices generally tend to follow the trend in underlying crude oil prices, it is important to understand that furnace oil as a finished petroleum product is a commodity, and just like crude oil, its price will be determined largely by the balance between supply and demand for that commodity. As a result, the spread between "West Texas Intermediate" (WTI, a benchmark crude oil) and the benchmark New York Harbour (NYH) No. 2 oil spot price is highly volatile as evidenced in Figure 2.

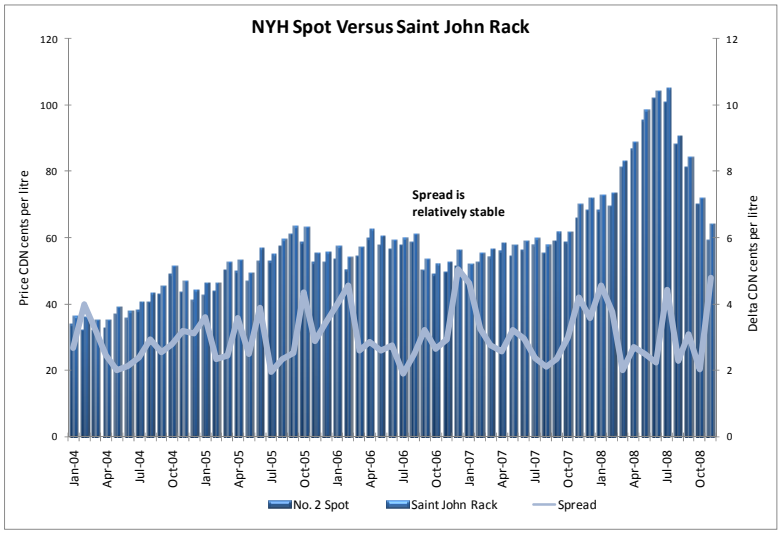
Figure 2: Historical Spread between WTI and NYH No. 2 Oil Spot Price



Source: EIA

By contrast, the spread between the NYH No. 2 oil spot price and the furnace oil rack price in Saint John is relatively stable, as both prices reflect the balance between supply and demand for furnace oil in the North American market (Figure 3). Over the past five years, the spread between the NYH No. 2 oil spot price and the furnace oil rack price in Saint John averaged around 3 cents per litre, ranging in a very narrow band from a low of around 2 cents per litre to a high of around 5 cents per litre.

Figure 3: Historical Spread between NYH Spot Price and Saint John Rack

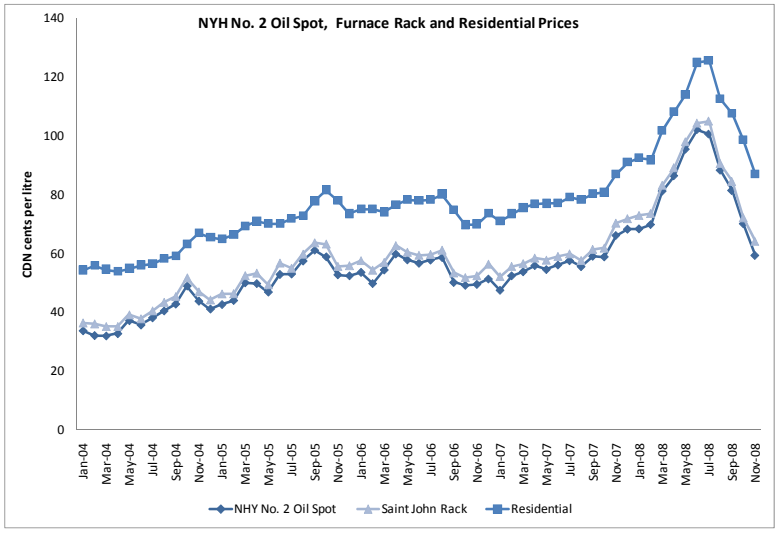


Source: EIA and MJ Ervin & Associates

Figure 4 shows the historical relationship between residential furnace oil prices in New Brunswick, the NYH No. 2 oil spot price and the Saint John furnace oil rack

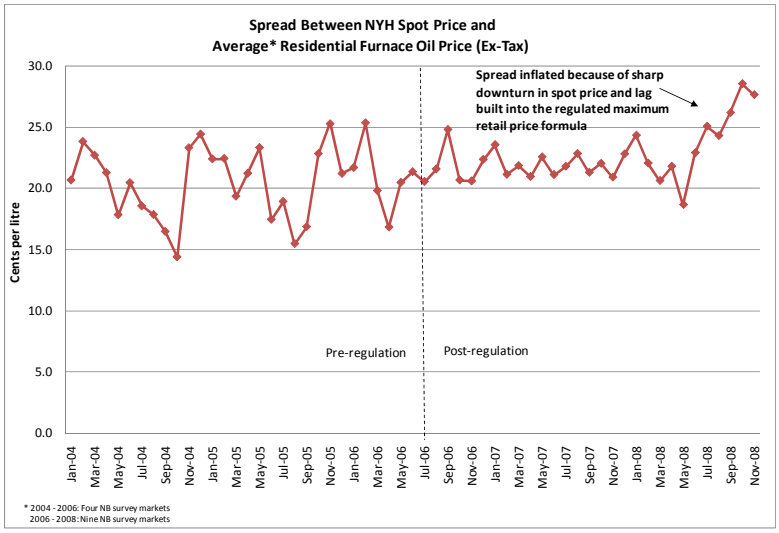
price. Predictably, retail furnace oil prices have closely followed changes in wholesale furnace oil prices, and as a consequence the spread between the average retail price and the NYH No. 2 oil spot price is relatively stable as shown in Figure 5. Over the past five years the spot-to-retail spread in New Brunswick averaged 21.5 cents per litre, with a standard deviation of just 2.8 cents per litre.

Figure 4: Historical Wholesale and Retail Furnace Oil Prices



Source: MJ Ervin & Associates

Figure 5: Historical Spread between NYH Spot and Retail Furnace Oil Prices



Source: EIA and MJ Ervin & Associates

III: EGNB Proposed Pricing Model

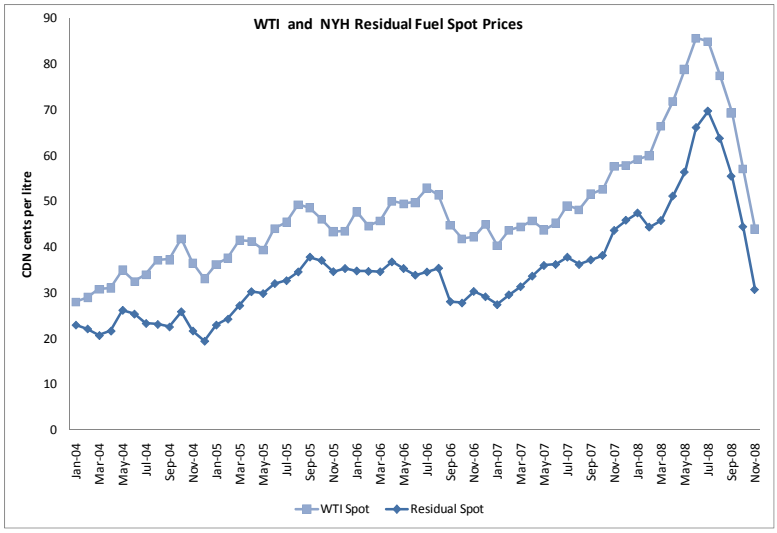
The EGNB pricing model applies two key components in its determination of prices for each of its six rate classes. The first component is the selection of an appropriate market-based benchmark price and the second component is the establishment of market spreads, or the differential between the prices that typical customers in each of EGNB's rate classes might be paying for furnace oil. The choice of the benchmark price has implications with respect to market spreads, and therefore warrants further discussion.

The current EGNB model implicitly acknowledges the strong relationship between the NYH price for No. 2 oil and furnace oil prices in New Brunswick, but does not apply it directly in the model. Rather, the model attempts to extrapolate No. 2 oil prices by applying a fixed adjustment to the WTI price. This methodology is undesirable, as it assumes that the spread between crude prices and No. 2 oil prices is unchanging, when in fact it is highly variable as illustrated in Figure 2. Applying a fixed differential to WTI prices will thus represent a poor approximation of No. 2 oil prices. Given that there exists an established futures market for No. 2 heating oil, The NYMEX No. 2 (Heating Oil) NYH futures trading prices (converted from US dollars per US Gallon to Cdn dollars per litre at Bank of Canada established currency conversion rates) would be our proposed benchmark for the five EGNB light fuel oil rate classes.

In the case of the Heavy Fuel Oil (HFO) rate class, establishing an appropriate price benchmark is somewhat more challenging. HFO's fall into a category of refinery outputs known as "resids" or residuals, and the supply and consequent price of residuals can fluctuate significantly as a result of a number of factors such as changes in refinery feedstocks, non-standard specifications, refined product margins, process unit shutdowns or startups, etc. In addition, a limited customer base, and logistical challenges in transporting HFO's contribute to a lack of fungibility, and consequently, a lack of price transparency.

Although there is no established futures market for residual fuels, residual fuel prices tend to generally follow the trend in WTI crude oil prices (as evidenced in Figure 6), although the Resid/WTI spread can fluctuate significantly, as explained above. In the absence of a better indicator however, we recommend that WTI crude be used as the benchmark for residual fuel prices, using a conversion factor of 159 litres per barrel, and the Bank of Canada established currency rates.

Figure 6: Historical Crude Oil and Residual Fuel Spot Prices



Source: EIA

IV: Rate Class Price Determination

A conceptual model of the EGNB rate class price relationships is presented in Figure 7. We populated the model by determining the maximum available margin – the spread between the NYH No. 2 oil spot price and the residential furnace oil price. We then made a determination of the margin spreads for each of the remaining rate classes (except HFO which will be discussed separately). This determination was based on interviews we conducted with three of the larger furnace oil marketers operating in the New Brunswick market, which findings were in accordance with our own expectations, based on past industry experience. All prices and spreads referred to are in Canadian cents per litre unless otherwise indicated.

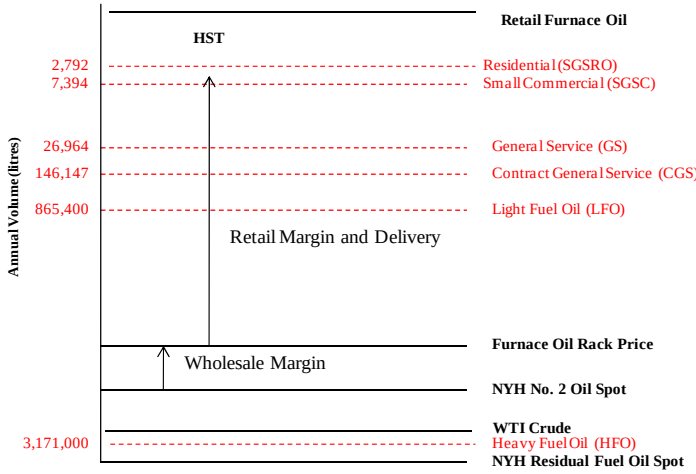
Furnace oil marketers typically "post" an established residential furnace oil price, and then negotiate discounts from that posted price for residential customers who form part of a "buying group", or for commercial or industrial customers whose annual volume requirements are more substantial. Our non-HFO rate class determinations are thus based on typical discounts for those volume categories.

It is important to stress that our model is based on "typical" discounts, as we have determined in interviews with fuel marketers. No marketer was willing (nor did we expect) to formally provide a discount schedule based on volume, since none exists. As there are no "posted" prices for other than residential (i.e. no formal rate "classes" as per EGNB), discounts can vary from one customer to another, and will vary over time according to competitive pressures.

It is evident from our findings that the relationship between furnace oil prices (or discounts) and the annual volumes associated with the EGNB rate classes, is not linear in nature. This further illustrates that furnace oil prices as they relate to customer volumes, do not follow a set "formula", and as such may not even appear to

be rational. We can offer no particular explanation for this, other than to reaffirm our findings as taken from our industry interviews.

Figure 7: EGNB Rate Class Price Model



Residential Furnace Oil Prices (SGSRO)

Retail furnace oil prices in New Brunswick have been regulated since July 1 2006, at which time the New Brunswick Government implemented its pricing regulations (Regulation 2006-41) for Motor Fuels and Heating Fuels, under the Petroleum Products Pricing Act. Authority for regulating these prices rests with the New Brunswick Energy and Utilities Board (EUB). The regulation establishes a maximum residential furnace oil price on a weekly basis as follows:

- Benchmark Price: Average NYH cargo price averaged over a 7-day period
- Maximum Wholesale Margin: 5 cents per litre
- Maximum Retail Margin: 13 cents per litre
- Maximum Delivery: 5 cents per litre

The EUB benchmark uses a varying blend of Platts (a market reporting service) Jet fuel and No. 2 oil from September to March, whereas the NYMEX futures basis for our recommended formula already incorporates differing product specifications for summer vs. winter No. 2 heating oil[1]. Although actual specifications for furnace oil used in New Brunswick may differ from those specified by NYMEX, these differences would not warrant establishing a Jet component to our proposed formula.

The maximum available spot-to-retail margin is therefore 23 cents per litre. However the regulation does allow marketers to charge less than the maximum price to encourage competition. A comparison of actual retail prices in Saint John versus the regulated maximum price over the past year indicates that the actual retail price was

[1] NYMEX Rulebook 150.03

around 0.5 cents per litre lower than the regulated maximum. The total available spot-to-retail margin was therefore 22.5 cents per litre. This represents the maximum available margin.

Small Commercial (SGSC)

The Small Commercial rate class represents relatively small volume customers whose purchases would entitle them to a small discount to the residential heating oil price. Customers in the Small Commercial rate class could expect to receive a discount in the range of 2 cents per litre relative to the retail furnace oil price. This translates to a spread of 20.5 cents over the NYH spot price.

General Service (GS)

The General Service rate class represents customers that purchase in the range of 27,000 litres annually. Based on this volume, a discount of 3 cents per litre relative to the residential heating oil price would be typical, or a 19.5 cent per litre spread over the NYH spot price.

Contract General Service (CGS)

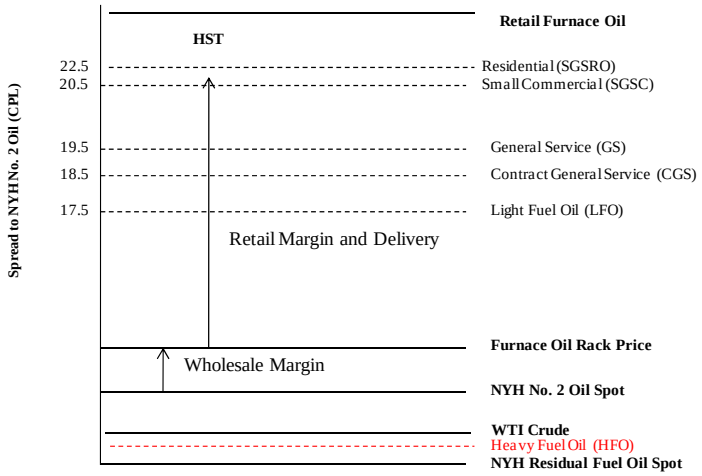
The Contract General Service rate class is characterized by large volume purchasers. Customers with this level of purchasing power can typically buy at a discount of 4 cents per litre off the residential furnace oil price, or an 18.5 cent per litre spread over the NYH spot price.

Light Fuel Oil Prices (LFO)

The LFO rate class is characteristic of large industrial accounts with significant purchasing power. Customers purchasing No. 2 oil in the order of 865,000 litres would generally receive a discount of about 5 cents per litre off the residential price. A 5 cent per litre discount would translate into a spread of 17.5 cents per litre over the NYH No. 2 oil spot price.

Figure 8 summarizes our recommendations for market spreads for the five light fuel oil rate classes.

Figure 8: Recommended Spread Over New York Harbour No. 2 Oil



Heavy Fuel Oil (HFO)

As discussed earlier, there is no established futures market for residual fuels, and the price relationship of residuals to either LFO's or crude oil is not particularly tight. Of those two benchmarks however, WTI would serve as the better basis for establishing an objective reference point for an HFO price predictor.

Over the past five years, the NYH spot price for residual fuels has averaged 72 percent of the WTI crude spot price with a standard deviation of around six percentage points. While the price relationship is highly variable as evidenced in Figure 9, the WTI price benchmark is the best available petroleum basis. We recommend the HFO price be calculated at 72 percent of the WTI crude price.

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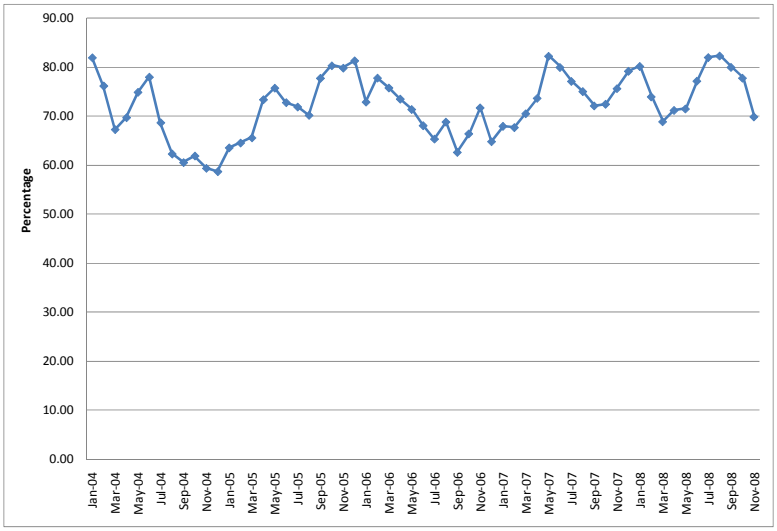
Figure 9: NYH Residual Fuel Oil as a Percentage of WTI Spot Price



Source: EIA

V: Conclusion

We recommend that EGNB use WTI crude oil (for HFO) and No. 2 Oil futures (for furnace/LFO) as the basis for the application of our proposed price spread as follows:

Table 1: Recommended Market Spreads

Rate Class	Benchmark (NYMEX futures)	Spread
SGSRO	No. 2 Heating Oil	22.5 cpl
SGSC	No. 2 Heating Oil	20.5 cpl
GS	No. 2 Heating Oil	19.5 cpl
CGS	No. 2 Heating Oil	18.5 cpl
LFO	No. 2 Heating Oil	17.5 cpl
HFO	WTI	72%

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Our methodology and associated price differentials represent the best available approach for benchmarking EGNB's proposed gas rates against furnace oil prices, across EGNB's range of rate classes.

Annex A: Our Project Qualifications and Experience

MJ Ervin & Associates Inc. specializes in the downstream sector of the petroleum industry. As downstream industry consultants, our knowledge, experience, and contacts with this industry in Canada are unmatched. In particular, our experience in conducting and presenting petroleum prices has given us a reputation as the premier source for this type of information. Some of our project experience that is directly relevant to this report includes:

PETROLEUM MARKET REGULATORY ANALYSIS IN NOVA SCOTIA

For the Province of Nova Scotia, and in partnership with consultants Gardner Pinfold, we conducted a comprehensive review of the Nova Scotia retail fuel industry. We documented and analyzed the infrastructure trends in that province, and we identified and assessed the regulatory options for addressing the principal stakeholder issues. We participated in interviews of a variety of industry stakeholders, and we collected, presented, and analyzed a number of price and margin data related to fuel prices.

MARKET PRICE MONITORING AND ANALYSIS

From 1999 to 2006, our firm operated the Canadian Petroleum Markets Data Service (CPMDS), a web-based market information and data resources service for subscribers. CPMDS offered our clients up to date petroleum markets information and analysis of crude, wholesale, and retail gasoline and furnace fuel prices and operating margins. Natural Resources Canada (NRCan) purchased our historical price database in April 2006. Since that time, we have been under contract with NRCan to provide the data to populate their Fuel Focus database.

We also produced a regular industry newsletter entitled FuelFacts, in collaboration with Purvin & Gertz Inc., and funded by the Canadian Petroleum Products Institute. FuelFacts provided subscribers with a twice-monthly overview and analysis of retail, wholesale and crude market activity, aimed at the non-industry observer.

COMPETITIVENESS STUDIES

In 1997 we released a major industry study of competitiveness in the Canadian Petroleum Retail industry, for a consortium of clients which included two federal government ministries and the Canadian Petroleum Products Institute. Entitled the "Canadian Petroleum Markets Study", this 105-page document still serves as an oft-cited reference for understanding the petroleum marketing industry in general, and competitiveness issues in particular. The study provided some unique insights into the state of competitiveness and price differentiation in the Canadian petroleum marketing industry, one of the most competitive markets in the industrialized world.

REGULATORY ANALYSIS

We have been directly involved in examining and preparing analytical reports on a number of industry regulatory issues, including:

- Assisting the **State of Hawaii's Division of Consumer Advocacy** during the pre-implementation phase of Hawaii's price regulation statutes. Our assistance consisted of performing detailed reviews of the statutes and

intervener submissions, and providing the Consumer Advocate with assistance in preparing its own position and submission to the state regulator.

- Assisting a major Eastern Canada marketer with their submission to the **Québec Regie de l'Energie**, concerning the setting of below-cost selling laws.

- Helping a national industry association make representations to several regional municipalities on the matter of regulating retail petroleum service offerings.

- Preparing a government briefing package to provide an overview of the background, issues, merits and drawbacks of a range of regulatory options pertaining to petroleum marketing and pricing.

PERFORMANCE BENCHMARKING

Since 1991, MJ Ervin & Associates has worked with Canada's top petroleum marketers to conduct a comprehensive annual performance benchmark analysis of their bulk plant, retail and commercial cardlock operations. We take in detailed, confidential operating data on thousands of marketing facilities across Canada, and provide our clients with detailed analysis (over 50,000 data measurements) of their overall site performance relative to the industry in general. Our clients have used this information to set strategic goals, and to identify "performance gaps" in their operations. Our reports have become an intrinsic part of strategic planning processes at companies like Shell Canada and Imperial Oil. We have also conducted intra-organizational benchmarking for Shell UK and Shell Canada, using this exclusive benchmarking tool.

GOVERNMENT BRIEFINGS

We have conducted well over 20 comprehensive briefings to governmental organizations at ministerial and senior departmental levels, on the issue of petroleum marketing competitiveness. This has included briefings to Federal caucus committees, task forces, provincial governments, and several municipal governments.

SEMINARS

We have provided a hundreds of individuals and dozens of organizations across North America with a comprehensive two-day familiarization workshop into the Canadian and US petroleum refining and marketing industry. Clients have included petroleum employees, lawyers, investment analysts, and third-party vendor organizations.

MICHAEL J. ERVIN

Mr. Ervin is the President of MJ Ervin & Associates. His functional specialties include marketing economics, operations management and reviews, feasibility studies, and marketing strategy and planning.

Mr. Ervin has had a successful and varied career in the downstream petroleum industry spanning twenty-eight years. Management assignments have taken him to all regions of Canada, working with major integrated oil companies such as Gulf Canada, as well as regional refiners and marketers. A great deal of Mr. Ervin's time in industry was in the heating fuels sector, and this experience included responsibilities for setting heating fuel discounts for commercial customers. He has an extensive background in marketing, and has supplemented his base of experience with undergraduate and graduate studies in Business Administration. Prior to forming MJ Ervin & Associates in 1991, Mr. Ervin was a Senior Consultant with Peat Marwick Stevenson & Kellogg, an international consulting firm.

Mr. Ervin is active in explaining the petroleum marketing industry to the public through speaking engagements and the media. He has also written feature articles for several industry trade journals.

Mr. Ervin is a serving officer in the Canadian Forces Reserve, holding the rank of Commander. From 2000 to 2003 he served as Commanding Officer of HMCS Tecumseh, Calgary's Naval Reserve establishment, and was an Honorary Aide-de-Camp to Her Excellency, Madame Adrienne Clarkson, Governor General of Canada. He is an avid runner, and has completed over 17 marathons, including the 2006 Boston Marathon. Mr. Ervin is a private pilot, and enjoys downhill and cross-country skiing, and summer hiking and backpacking.

Mr. Ervin has had a principal role in a number of petroleum marketing consulting and management assignments, including:

Canadian Petroleum Markets Data Service (CPMDS) – Mr. Ervin implemented an extensive petroleum markets price data collection and reporting service, available to subscribers and the general public through a web-based system. This service is a central source of petroleum markets data, meeting the critical information needs of a variety of organizations with an interest in the downstream petroleum sector.

FuelFacts – Mr. Ervin's firm published a twice-monthly newsletter entitled FuelFacts, in collaboration with Purvin & Gertz Inc. This publication served to provide timely and comprehensive analysis of petroleum markets in Canada, and was directed towards a primary audience of elected officials and media organizations.

Canadian Petroleum Markets Study - Mr. Ervin conducted a major review of competitiveness in the Canadian retail petroleum sector for Industry Canada, Natural Resources Canada, and the Canadian Petroleum Products Institute, in 1997. In this study, he developed several unique models and views of industry competitiveness that have been widely cited in explaining the downstream sector to the public.

Regulatory Issues - Mr. Ervin has appeared before the Quebec Regie de l'Energie as an expert witness in the petroleum marketing industry, particularly in Canadian

wholesale and retail marketing, cardlock and bulk operations, with emphasis on price economics, performance benchmarking and analysis, and marketing mix and infrastructure issues. Mr. Ervin's testimony played an important role in assisting the Regie in determining appropriate provisions of that province's retail petroleum pricing laws.

CATHY HAY

Ms. Cathy Hay is an MBA with extensive marketing experience in the downstream oil industry. Cathy is currently a Senior Associate at MJ Ervin & Associates, providing specialized consulting services in all aspects of petroleum marketing, including performance benchmarking, price/margin analysis, and industry economic research and analysis.

Cathy's career in the downstream industry spans over 23 years. Her experience includes strategic and operational planning, marketing management, relationship marketing, pricing and business process re-engineering. Prior to joining MJ Ervin & Associates Cathy was employed at Petro-Canada and Calgary Co-operative Association. During her tenure at Petro-Canada, Cathy held a number of progressively responsible positions in the marketing area including, Wholesale Category Manager, Re-engineering Project Manager, Retail Pricing Manager, and Credit Card Marketing Manager.

Ms. Hay has a broad range of expertise within the downstream sector, including petroleum price and market analysis; regulatory structures relating to the marketing of petroleum products; and competitiveness dynamics at the retail and wholesale level

Written Direct Testimony of David B. Charleson

Q 1: Please state your name and position.

A 1: My name is David Bryce Charleson. I am the General Manager of Enbridge Gas New Brunswick Inc., the general partner of Enbridge Gas New Brunswick Limited Partnership ("EGNB"). My Curriculum Vitae is attached as Exhibit A, Schedule 1.

Q 2: What is the purpose of this pre-filed evidence?

A 2: In its April 9, 2008 decision on an application by EGNB for approval of rates for the Small General Service Residential Oil ("SGSRO"), Small General Service Commercial ("SGSC"), General Service ("GS"), Contract General Service ("CGS"), Off Peak Service ("OPS"), Contract Large Volume Off Peak Service ("CLVOPS") and Natural Gas Vehicle Fueling ("NGVF") rate classes the Board indicated that:

> "This has been the first time that the details associated with the various elements of the formula have been discussed at a public hearing. The results of this discussion have made it clear to the Board that there are a number of elements of the formula that require the exercise of judgement and that the choices made can have a significant impact on the distribution rates." (p. 3)

and

> "The Board continues to believe that the use of market-based rates is appropriate during the development period. However, the specific elements of the formula used to develop the market-based rates need to be carefully examined." (p. 4)

As a result of this finding, the Board directed Board staff to convene a meeting with EGNB and other interested parties for the purpose of establishing a process in which the details of the market-based formula (the "Formula") can be examined. This process was to allow recommendations concerning the Formula to

be put before the Board prior to the next application for an increase in the maximum rates that may be charged by EGNB. The Board made a similar finding in its April 9, 2008 decision on an application by EGNB for approval of rates for the Contract Large General Service Light Fuel Oil ("LFO") rate class. EGNB participated in several Board staff facilitated sessions between April and November 2008 in an effort to reach consensus with interested parties on the elements of the Formula.

In November, the parties determined that a consensus on the Formula could not be reached. On December 16, 2008, the Board issued a Notice indicating that it would "hold a public hearing to examine all of the elements in the market-based formula used by Enbridge Gas New Brunswick ("Enbridge") to derive the rates charged to customers." This evidence presents EGNB's proposal regarding the Formula and information supporting the proposed derivation.

Q 3: Are there any overall guidelines that EGNB believes should form part of the basis for calculating the delivery rates?

A 3: Yes. To allow for consistent replication of the Formula calculation, all numbers should be rounded to four decimals, unless specified otherwise.

EGNB also believes that the Formula should only be used to determine the first block of the LFO delivery rates. This block is designed to provide typical customers in this class with the opportunity to achieve target savings, while the second and third block were established to recognize the buying power that larger LFO customers would have. EGNB does not believe that the second and third block delivery charges should be addressed through the Formula.

Q 4: On what basis does EGNB believe that retail oil prices should be determined?

A 4: For SGSRO, SGSC, GS, CGS and LFO rates, future prices for No. 2 oil traded on the New York Harbour Market for each of the 12 months of the test year will be collected for two calendar months.

For each of the 12 months, the two months of data will be averaged resulting in 12 futures prices in US dollars per US gallon.

Quarterly futures prices for the US$-CDN$ exchange will be collected for the same time period. These prices in CDN$ per US$ will be averaged resulting in an average price for each quarter.

The No. 2 oil prices will be converted to Canadian dollars/litre by using the appropriate quarterly foreign exchange average for the corresponding month and then converting to litres by dividing by 3.785 litres/gallon.

The "market spread" in CDN¢/litre for each class will be added to each month's price to arrive at a NB market price for each class. The appropriate market spreads are listed below:

	(Cdn¢/L)
SGSRO	22.5
SGSC	20.5
GS	19.5
CGS	18.5
LFO	17.5

A weighted average will be created using the usage profile below:

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
SGSRO	19%	16%	15%	8%	5%	2%	2%	2%	3%	4%	8%	15%
SGSC	18%	17%	16%	9%	5%	2%	2%	2%	3%	4%	8%	14%
GS	16%	16%	15%	9%	5%	3%	2%	2%	3%	6%	9%	13%
CGS	15%	15%	16%	9%	5%	3%	3%	3%	3%	6%	10%	13%
LFO	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%	8.33%

The resulting weighted average is inserted in Line 1 of the Derivation Table - Oil found at Exhibit A, Schedule 2; the Alternative Energy Price.

Q 5: Why is No. 2 oil used as the basis for determining retail oil prices?

A 5: EGNB engaged MJ Ervin & Associates ("MJ Ervin"), a well respected organization with regards to retail oil pricing in Canada, to conduct a study to assist in the determination of retail heating oil prices in New Brunswick. The MJ Ervin report discusses the relationship between West Texas Intermediate Crude at Cushing ("WTI"), No. 2 New York Harbour ("NYH") and New Brunswick retail prices and concludes that "the spread between the average retail price and the NYH No. 2 oil spot price is relatively stable" (p. 6). As a result of this relationship the report recommends that "No.2 Oil futures (for furnace/LFO) as the basis for the application of our proposed price spread" (p. 12). A copy of this report can be found at Exhibit A, Schedule 3 (the "MJ Ervin Report").

Q 6: Why is EGNB proposing that 12 months of future information be used?

A 6: The Formula assesses total fuel consumption on an annual basis so that fluctuations in demand over the course of the year do not require frequent changes to delivery rates. Since 12 months of consumption data forms the basis for determining rates, EGNB believes it is appropriate that the commodity price forecast to be used matches the 12 month period that the formula is applicable to.

Q 7: Why does EGNB propose that two calendar months of data be collected?

A 7: In the hearings arising from EGNB's 2008 rates applications, the Board heard testimony from various parties regarding the appropriate period of time that data should be collected for the purpose of establishing rates. Based on the evidence, the Board ruled that two months of data be used for establishing the 2008 rates.

EGNB believes that the testimony put before the Board in those proceedings is still relevant.

EGNB is proposing that two calendar months of data be used so that there is no question regarding an arbitrary date being selected within a month for collecting data.

Q 8: What is the basis for determining the market spreads?

A 8: The market spreads proposed are based on the findings of MJ Ervin, as seen on page 12 of the MJ Ervin Report.

Q 9: What is the basis for determining the usage profile to create the weighted average?

A 9: The usage profile has been created based on the actual 2008 consumption of the SGSRO, SGSC, GS and CGS customers used to determine the Typical Annual Natural Gas Consumption used in Line 10 of the Derivation Table - Oil. This usage profile would be updated for each rate application to reflect the previous 12 month consumption of these customers. No usage profile is being applied to the LFO and HFO customers as these larger customer loads have a lower degree of temperature sensitivity.

Q 10: On what basis does EGNB believe that retail oil prices for the Contract Large General Service Heavy Fuel Oil ("HFO") rate should be determined?

A 10: EGNB believes that retail oil prices for the HFO rate should be determined in the manner recommended by the MJ Ervin Report.

Futures prices for WTI will be collected for the same two calendar months as for other market data. The average future price for each month will then be

calculated and multiplied by 0.72 (72%) to arrive at the HFO retail oil price in US$/barrel.

The US$/barrel price will then be converted to CDN$ using the corresponding foreign exchange and then converted to litres by dividing by 42 gallons/barrel and 3.785 litres/gallon.

A simple average of these monthly prices will be calculated and inserted in the Derivation Table - Oil in Line 1.

Q 11: How will EGNB determine the Typical Annual Consumption (Line 3 and Line 5) of oil for the various rate classes?

A 11: The Typical Annual Consumption is first calculated to the nearest gigajoule ("GJ") (Line 3) by taking the Typical Annual Natural Gas Consumption (Line 10) and dividing it by the efficiency factors listed below:

SGSRO	SGSC	GS	CGS	LFO	HFO
0.7816	0.7816	0.8125	0.8125	1	1

The Typical Annual Consumption will then be converted from GJs to litres by multiplying by 25.853 litres/GJ. In the case of the HFO class, the conversion factor will be 23.963 litres/GJ. The resulting figure will be inserted in Line 5 of the Derivation Table - Oil.

Q 12: What is the basis for the use of the efficiency factors proposed?

A 12: The typical efficiency of oil equipment within the New Brunswick market used in all rate classes, excluding LFO and HFO, is typically lower than the efficiency of the natural gas equipment being installed. As a result, more oil will historically

have been required to achieve the same level of heating provided by the new natural gas appliance.

EGNB proposes the continued use of the following blended efficiencies in setting the relationship between input energy requirements and typical equipment energy output. They are based on different possible equipment types and combinations relevant to a class. Understandably, the actual efficiency of gas and alternative equipment will vary by customer and will impact actual savings realized.

Rate Class	**Natural Gas**	**Oil**
SGSRO, SGSC	87%	68%
GS, CGS	80%	65%

These efficiencies are then used to arrive at the factors shown above by taking the oil efficiency as a percentage of the natural gas efficiency (e.g. 68% / 87% = 0.7816).

Q 13: What is the basis for the gigajoules to litres conversion factors and why does it differ for HFO?

A 13: The conversion factors are based on a table of conversion factors found on the Natural Resources Canada ("NRCan") web site. HFO will have a lower conversion factor as HFO has a higher heating value than fuel oil, meaning that fewer litres are required to generate the same amount of energy.

Q 14: How is the Total Alternative Energy Cost (Line 6) calculated?

A 14: For all rates excluding Small General Service Residential Electric ("SGSRE"), this is calculated by multiplying the Alternative Energy Price (Line 1) by the Typical Annual Consumption (Line 5).

Q 15: Why is the same approach not used for the SGSRE rate class?

A 15: The SGSRE rate class is designed to provide target savings to typical residential customers that have converted from electricity. As a result, it is necessary to use an approach that is appropriate to determine the retail electricity costs that would be incurred by these customers.

Q 16: On what basis does EGNB believe that retail electricity costs should be determined?

A 16: EGNB believes that NB Power's residential electricity rates and water heater rental charges are the most appropriate starting point for determining retail electricity costs. The approved cost of a 60 gallon water heater rental should be used to determine water heater rental costs. For electricity rates, currently approved NB Power pricing and any forecast increases in NB Power rates should be used in the applicable months. These rates must then be applied to the typical energy consumption within a home.

The estimated annual energy use is 21,727 kWh for heating and 4,816 kWh for water heating. This consumption is over and above base lighting and other plug loads within a home, which is estimated to be 806 kWh per month.

Using the monthly usage profile below, annual electric use will be divided to monthly usage and the monthly electricity costs will be calculated using the appropriate first and second block rates, assuming that base lighting and other plug loads within a home are consumed within the first block rate. The monthly rates will be added to arrive at a weighted total annual electricity cost. The 12 month water heater rental cost is added to this number and entered in the Derivation Table – Electricity in Exhibit A, Schedule 2 as the Total Alternative Energy Cost (Line 6) for the SGSRE rate.

Heating use

Jan.	Feb.	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
19.1%	16.7%	17.3%	8.1%	5.6%	2.7%	0.0%	0.0%	3.2%	2.3%	10.8%	14.1%

Water Heater Use:

Jan.	Feb.	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
9.8%	9.2%	9.8%	9.7%	8.1%	7.0%	6.5%	6.4%	6.8%	7.8%	8.8%	10.1%

Q 17: Why does EGNB include a water heater rental cost for SGSRE customers?

A 17: EGNB's rates are designed to provide target savings to a typical residential heat and hot water customer. Since most existing electric heating customers rent their water heater, their electric bill will be reduced by the cost of the water heater rental after converting to gas. As a result, this cost needs to be factored into the total electricity costs prior to determining the savings to be achieved. Not doing so would provide greater than target savings to these customers, adding unnecessarily to EGNB's deferral account.

Q 18: What is the basis for the estimated annual energy use and usage profile for SGSRE customers?

A 18: EGNB has determined the energy use and usage profile for heating and water heating by using the typical SGSRE gas consumption profile of 111 GJ/yr for heat and hot water. The profile for a typical hot water heating load was then deducted based on information collected by the Load Research group within Enbridge Gas Distribution ("EGD") to provide a profile of the typical heating load and typical water heater load.

The EGD Load Research group collects data at an appliance level within residences for the purpose of monitoring load patterns throughout the different communities served by EGD. For comparability purposes, data collected in the Ottawa market was used as it was considered to have temperature patterns that were most consistent with the New Brunswick market.

Q 19: Given that EGNB has a number of customers that reside within Saint John and Saint John Energy has different residential electricity rates than NB Power, is there a reason why Saint John Energy pricing is not factored into the electricity pricing?

A 19: Given that residential customers in Saint John represented only 11% of EGNB's residential electric customers at the end of 2008, there are several reasons why Saint John Energy pricing is not factored into the electricity pricing:

- One of the objectives of reviewing the Formula is to improve the transparency of the Formula. The inclusion of Saint John Energy pricing would have to be done on a weighted basis to reflect the total distribution of EGNB customers and the electricity rates paid by them. A third party would need another piece of information (the percentage of Saint John residential customers) to try to replicate the Formula calculation.

- By moving to a weighted average of the NB Power and Saint John Energy prices, it increases the complexity of the Formula with limited impact and to address a small percentage of the customer base.

- The retail alternative energy price used in the Formula is meant to be reflective of the cost incurred by "typical" customers, not all customers. Since nearly 90% of the SGSRE customers are subject to NB Power rates, the NB Power rates would be a typical cost incurred across the entire distribution system.

- The use of NB Power rates has not impacted the ability of EGNB to convert residential electric customers in Saint John. Saint John currently has the second highest percentage of residential customers that have converted from electricity out of the nine communities that EGNB serves.

Q 20: What is the basis for the Target Savings Levels (Line 7)?

A 20: EGNB is proposing that the Board approved savings levels continue to be used. These savings levels have been approved by the Board based on the evidence presented in prior rate cases that the savings level struck a balance between providing sufficient incentive to convert to natural gas and recovering as much of EGNB's costs as possible during the development period. EGNB believes that the current savings levels will continue to provide a sufficient incentive for customers to convert to and continue to use natural gas, while also minimizing additions to the deferral account.

Q 21: Can you describe how the Target Savings Amount (Line 8) and Target Natural Gas Cost (Line 9) are determined?

A 21: The Target Savings Amount (Line 8) is calculated by multiplying the Total Alternative Energy Cost (Line 6) by the Target Savings Level (Line 7). The Target Natural Gas Cost (Line 9) is then determined by subtracting the Target Savings Amount (Line 8) from the Total Alternative Energy Cost (Line 6).

Q 22: How will EGNB determine the Typical Annual Natural Gas Consumption to be used in Line 10 of the Derivation Tables?

A 22: The typical natural gas consumption will be calculated (to the nearest unit) by using the consumer data from the previous 12 months. Only customers who have been attached to the system for 12 months or more and have consumption that qualifies them for the rate class will be included in the calculation.

In the case of SGSRO, SGSRE and SGSC classes, only customers having an annual consumption of more than 45 GJ/year will be included. Since the rates are established to provide target savings to customers using natural gas for heating and hot water it is necessary to exclude customers that are not using natural gas

for these purposes. EGNB believes that a minimum of 45 GJ/year is required for even the smallest residence to provide heat and hot water.

In the case of the LFO class, only customers who have consumption below 400,000 GJ/year will be included in the calculation.

Q 23: Is the Target Burner Tip Price (Line 11) determined by dividing the Target Natural Gas Cost (Line 9) by the Typical Annual Natural Gas Consumption (Line 10)?

A 23: Yes.

Q 24: How is the Commodity Cost (Line 12) determined?

A 24: For the SGSRE, SGSRO, SGSC, GS and CGS rates, the 12 month forward expected Enbridge Utility Gas ("EUG") price is used. For the LFO and HFO rates, the 12 month forward projection for the Enbridge Variable Product ("EVP") is used.

Q 25: On what basis will EGNB determine the EUG price?

A 25: EGNB proposes that the manner in which the EUG price is determined remain unchanged from the manner in which it has been done since the introduction of EUG in 2003. Natural gas futures prices for Henry Hub will be collected from the NYMEX market for each of the months of the test year. The future prices will be collected for the same two calendar months as other market data.

EGNB will use this market data to develop "commodity costs". The factors included in developing the commodity costs include forecast EUG consumption, supply contract parameters, fuel ratios, hedging costs, load balancing activities,

department administration costs and recovery of the Purchased Gas Variance Account (PGVA).

In an application, EGNB will submit these forecasts and estimates supporting these calculations to the Board in confidence for independent verification.

Q 26: How will the EUG price information be used in the rate derivation?

A 26: A weighted average will be calculated using the usage profiles for SGSRO, SGSC, GS and CGS listed above and the similar usage profile for SGSRE based on the SGSRE customers included in the determination of the Typical Annual Natural Gas Consumption (Line 10). The highest weighted average EUG price will be used for the SGSRE, SGSRO, SGSC, GS and CGS classes and inserted in the Derivation Tables on Line 12.

Q 27: How will EGNB determine the EVP price?

A 27: Using the market data collected for the EUG price calculation, an average futures price in US$/mmbtu for each of the months in the test year will be calculated. The market spread then in effect for the EVP product will be added to each month's average to arrive at a retail price for New Brunswick. This market spread is currently set by EGNB at US$2.25/mmbtu, to recover the supply and administrative costs associated with providing EVP.

EGNB will make the determination of the market spread available to the Board in confidence for independent verification.

Each month's price will be converted to $CDN per gigajoule using the corresponding foreign exchange data and a conversion factor of 1.0546 GJ/mmbtu.

As with retail oil prices, a simple monthly average of the prices will be calculated, with the result being inserted in the Derivation Table - Oil on Line 12 for the LFO and HFO class.

Q 28: What are the reasons for using the EUG and EVP prices in the various classes?

A 28: EGNB believes that it is appropriate to use EUG and EVP prices as they are both publicly available in the marketplace and are representative of the type of pricing that customers within the rate classes are able obtain.

In the case of the SGSRE, SGSRO, SGSC, GS and CGS rate classes, 57% of customers in these rate classes are currently purchasing EUG. The following table presents the percentage of natural gas customers by rate class who have chosen EUG for their gas supply:

Rate Class	EUG	EVP	Others
SGSRE	54%	0%	46%
SGSRO	67%	0%	33%
SGSC	54%	0%	46%
GS	36%	0%	64%
CGS	24%	1%	75%
LFO	5%	20%	75%
HFO	0%	14%	86%
Total	**57%**	**0%**	**43%**

Though EUG serves fewer customers in the GS and CGS rate classes, EGNB believes the use of EUG is appropriate because of its price transparency.

EVP was introduced as an alternative commodity product by EGNB in April 2007. EGNB began using it for LFO and HFO customers in assessing and establishing its 2008 rates. EVP provides the necessary price transparency for establishing these delivery rates. Given that EVP is used more by LFO and HFO customers than EUG, the EVP product is more reflective of the type of gas purchased by this class of customer.

Additionally, EGNB believes that larger customers with greater purchasing power are able to contract for natural gas at more favourable pricing than what EUG and EVP provide, resulting in additional savings.

It is important to note that EGNB's objective in choosing EUG and EVP is to provide a reasonable approximation of what typical customers will pay for the provision of commodity. Each supplier will take into account its own value proposition objectives and related cost structures when establishing its prices.

Q 29: Is the Target Distribution Rate (Line 13) determined by subtracting the Commodity Cost (Line 12) from the Target Burner Tip Price (Line 11)?

A 29: Yes.

Q 30: Please describe how the final Distribution Delivery Charge (Line 21) is derived from the Target Distribution Rate (Line 13).

A 30: A Target Annual Distribution Charge (Line 14) is first calculated by multiplying the Target Distribution Rate (Line 13) by the Typical Annual Natural Gas Consumption (Line 10). The Annual Customer Charge (Line 16) or Revenue from Demand Charge (Line 19) is then subtracted from this amount. The resulting Target Revenue from Delivery Charge (Line 20) is then divided by the Typical Annual Natural Gas Consumption (Line 10) to arrive at the Distribution Delivery Charge (Line 21).

The Annual Customer Charge (Line 16) is applicable to all SGSRE, SGSRO, SGSC and GS customers. It is determined by multiplying the Board approved Monthly Customer Charge (Line 15) by 12 months. EGNB believes that the current customer charges continue to be appropriate under market-based rates.

The Revenue from Demand Charge (Line 19) is applicable to all CGS, LFO and HFO customers. It is determined by multiplying the Average Contract Demand (Line 17) by the Board approved Contract Demand Charge (Line 18) and then multiplying this result by 12 months. Similar to the Monthly Customer Charge (Line 15), EGNB believes the current Contract Demand Charge (Line 18) continues to be appropriate under market-based rates.

Q 31: How is the Average Contract Demand (Line 17) determined?

A 31: This is determined by taking the simple average of the individual Contract Demands (calculated to the nearest unit) of the customers in each rate class used to determine the Typical Annual Natural Gas Consumption (Line 10).

Q 32: How are the CLVOPS, OPS and NGVF rates to be determined?

A 32: EGNB proposes that Board approved method for determining these rates continue to be applied. The OPS and CLVOPS rates are set at 75% of the GS and CGS rates, respectively. The NGVF rate is set at the same level as the GS rate.

Q 33: Is the same Formula to be used for Rate Rider applications?

A 33: Yes, with one exception. EGNB proposes that the sample data period to be used for a Rate Rider application should continue to be the 21 trading days (one month of data) leading up to the preparation of the application, instead of the two calendar months to be used in an application to increase the maximum rate.

*** I have no further questions.

SGS

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Annual
Load profile	18%	16%	15%	10%	7%	4%	2%	2%	2%	4%	8%	11%	
Oil Quantity (L)	685.59	598.95	557.52	391.77	263.69	158.21	86.64	75.34	82.87	143.15	290.06	429.44	3,767
NB Oil prices ($/L)	0.688	0.783	0.732	0.713	0.772	0.754	0.770	0.779	0.789	0.677	0.687	0.695	
Total Oil Cost	472	469	408	279	204	119	67	59	65	97	199	298	$ 2,736
Gas Consumption (GJ)	21	18	17	12	8	5	3	2	3	4	9	13	114
EUG Price ($/GJ)	14.26	11.95	11.45	11.45	11.45	10.80	11.30	11.30	11.95	10.95	10.95	10.95	
Customer Charge ($/month)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	
Delivery Charge ($/GJ)	3.6912	5.4436	5.4436	5.4436	5.4436	5.4436	5.4436	5.4436	5.4436	5.4436	5.4436	5.4436	
Delivery Cost ($)	76.59	98.67	91.84	64.54	43.44	26.06	14.27	12.41	13.65	23.58	47.78	70.75	$ 776
Commodity Costs ($)	295.87	216.61	193.18	135.75	91.37	51.71	29.63	25.76	29.97	47.44	96.12	142.31	$ 1,356
Total Gas Costs	388.45	331.28	301.03	216.29	150.81	93.77	59.90	54.18	59.62	87.02	159.90	229.05	$ 2,131
Savings	83.34	137.88	106.85	62.88	52.86	25.55	6.79	4.48	5.80	9.89	39.33	69.31	$ 605
	18%	29%	26%	23%	26%	21%	10%	8%	9%	10%	20%	23%	22%
Target Savings	20%												

GS

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Annual
Load profile	17%	16%	14%	9%	5%	2%	2%	2%	2%	6%	9%	14%	
Oil Quantity (L)	6,525	5,944	5,292	3,380	1,878	875	888	863	933	2,059	3,457	5,318	37,411
NB Oil prices ($/L)	0.602	0.698	0.647	0.628	0.688	0.672	0.688	0.697	0.707	0.595	0.605	0.613	
Oil Cost ($/L)	3,931	4,146	3,426	2,124	1,292	588	611	601	660	1,226	2,092	3,261	$ 23,958
Gas Consumption (GJ)	205	187	166	106	59	27	28	27	29	65	109	167	1,175
EUG Price ($/GJ)	14.26	11.95	11.45	11.45	11.45	10.80	11.30	11.30	11.95	10.95	10.95	10.95	
Customer Charge ($/month)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	
Delivery Charge ($/GJ)	2.7226	5.1759	6.4259	6.4259	6.4259	7.1820	7.1820	7.1820	7.1820	7.1820	7.1820	7.1820	
Delivery Cost ($)	557.93	966.26	1,068.04	682.19	379.06	197.32	200.26	194.69	210.54	464.35	779.78	1,199.52	$ 7,092
Commodity Costs ($)	2,922.23	2,230.89	1,903.10	1,215.56	675.43	296.72	315.09	306.33	350.31	707.97	1,188.89	1,828.85	$ 13,941
Total Gas Costs	3,496.16	3,213.15	2,987.14	1,913.76	1,070.49	510.03	531.35	517.02	576.85	1,188.32	1,984.67	3,044.37	$ 21,033
Savings	434.65	933.28	439.31	209.99	221.90	77.99	79.25	84.27	83.16	37.30	107.63	216.39	$ 2,925
	11%	23%	13%	10%	17%	13%	13%	14%	13%	3%	5%	7%	12%
Target Savings	15%												

CGS

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Annual
Load profile	17%	15%	14%	10%	6%	3%	3%	3%	3%	6%	9%	14%	
Oil Quantity (L)	23,280	21,308	19,650	13,328	7,778	3,643	3,704	3,527	3,799	7,883	12,988	19,204	140,092
NB Oil prices ($/L)	0.574	0.669	0.619	0.600	0.660	0.645	0.660	0.669	0.680	0.568	0.578	0.586	
Oil Cost ($/L)	13,357	14,253	12,170	7,998	5,133	2,349	2,446	2,360	2,582	4,478	7,506	11,251	$ 85,882
Gas Consumption (GJ)	731	669	617	419	244	114	116	111	119	248	408	603	4,400
EUG Price ($/GJ)	14.26	11.95	11.45	11.45	11.45	10.80	11.30	11.30	11.95	10.95	10.95	10.95	11.56
Contract Demand ($5.20 x 45.90GJ)	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	
Delivery Charge ($/GJ)	1.5727	3.9469	5.1469	5.1469	5.1469	5.8919	5.8919	5.8919	5.8919	5.8919	5.8919	5.8919	
Delivery Cost ($)	1,149.92	2,641.41	3,176.55	2,154.49	1,257.37	674.07	685.52	652.63	702.96	1,458.73	2,403.54	3,553.73	$ 20,511
Commodity Costs ($)	10,426.60	7,997.39	7,066.69	4,792.97	2,797.21	1,235.59	1,314.75	1,251.67	1,425.75	2,711.02	4,466.93	6,604.55	$ 52,091
Total Gas Costs	11,815.20	10,877.48	10,481.92	7,186.14	4,293.26	2,148.33	2,238.95	2,142.99	2,367.39	4,408.43	7,109.15	10,397	$ 75,466
Calendar Savings	1,542.01	3,375.40	1,687.86	811.62	839.51	200.38	207.22	217.17	214.14	69.40	397.18	854.17	$ 10,416
	12%	24%	14%	10%	16%	9%	8%	9%	8%	2%	5%	8%	12%
Target Savings	15%												

LFO

	Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Annual
Load profile	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	
Oil Quantity (L)	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	821,217
NB Oil prices ($/L)	0.541	0.636	0.587	0.567	0.627	0.613	0.629	0.637	0.648	0.536	0.546	0.554	
Oil Cost ($/L)	36,990	43,501	40,150	38,829	42,922	41,951	43,014	43,623	44,323	36,708	37,384	37,929	$ 487,324
Gas Consumption (GJ)	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	31,745
EVP Price ($/GJ)	15.08	11.50	10.09	10.50	10.01	8.53	8.61	9.97	9.50	6.83	10.01	11.44	
Contract Demand ($5.20 x 350GJ)	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	
Delivery Charge ($/GJ)	0.4873	0.9773	1.9773	1.9773	1.9773	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	
Delivery Cost ($)	$ 1,289	$ 2,585	$ 5,231	$ 5,231	$ 5,231	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 63,843
Commodity Costs ($)	$ 39,895	$ 30,415	$ 26,681	$ 27,772	$ 26,485	$ 22,578	$ 22,773	$ 26,365	$ 25,125	$ 18,079	$ 26,479	$ 30,266	$ 322,913
Total Gas Costs	$ 43,004	$ 34,821	$ 33,731	$ 34,823	$ 33,536	$ 30,723	$ 30,918	$ 34,510	$ 33,271	$ 26,224	$ 34,624	$ 38,411	$ 408,596
Calendar Savings	(6,013)	8,681	6,418	4,006	9,386	11,228	12,096	9,113	11,052	10,484	2,760	(482)	$ 78,727
	-16%	20%	16%	10%	22%	27%	28%	21%	25%	29%	7%	-1%	16%
Target Savings	10%												

Conversion factors:				Jan-06	Feb-06	Mar-06	Apr-06	May-06	Jun-06	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06
WTI @ Cushing (US$/bbl)				57.9800	68.3500	64.2067	61.9410	68.5776	68.9400	70.7110	71.7243	72.5852	60.4600	61.5900	62.5300
Exchange rate (US$/CDN$)				0.8562	0.8562	0.8722	0.8705	0.8706	0.8954	0.8954	0.8954	0.8917	0.8991	0.8991	0.8995
Exchange rate (CDN$/US$)				1.167951	1.167951	1.146526	1.148765	1.148633	1.116819	1.116819	1.116819	1.121453	1.112223	1.112223	1.111729
Oil Costs															
WTI @ Cushing (US$/mmbtu)	5.80			9.9966	11.7845	11.0701	10.6795	11.8237	11.8862	12.1915	12.3663	12.5147	10.4241	10.6190	10.7810
WTI (CDN$/litre)	0.274448			0.4254	0.5015	0.4625	0.4470	0.4949	0.4837	0.4961	0.5032	0.5114	0.4224	0.4303	0.4367
US RAC as a % of WTI				91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%
US Refiners Acquisition Cost (US$/bbl)				52.9415	62.4104	58.6271	56.5583	62.6182	62.9491	64.5662	65.4914	66.2776	55.2060	56.2378	57.0961
US Refiners Acquisition Cost (US$/mmBtu)				9.1279	10.7604	10.1081	9.7514	10.7962	10.8533	11.1321	11.2916	11.4272	9.5183	9.6962	9.8442
Pre-RAC refining ratio				1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635
Average refining ratio															
No 2 Distillate NYHB (US$/mmBTU)				12.4458	14.6718	13.7824	13.2961	14.7207	14.7985	15.1786	15.3961	15.5809	12.9782	13.2207	13.4225
Refining Ratio No. 6 (NYHB) (US$/bbl)				0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272
No. 6, 3.0% sulfur (NYHB) (US$/mmBTU)	6.29			6.9657	8.2115	7.7137	7.4415	8.2389	8.2824	8.4952	8.6169	8.7203	7.2636	7.3994	7.5123
Retail Refined Oil Product Prices															
Massachusetts (US$/mmBtu)															
Home Heating Oil - Res Margin		23%		2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117
Home Heating Oil Res - Retail Price				15.2575	17.4835	16.5941	16.1078	17.5324	17.6102	17.9903	18.2078	18.3926	15.7899	16.0324	16.2342
Commercial Distillate Med/Med Lg CI - Marg	0.0000			1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486
Commercial Distillate Med/Med Lg CI - Reta	0			13.6944	15.9204	15.0310	14.5447	15.9693	16.0471	16.4272	16.6447	16.8296	14.2268	14.4694	14.6711
Industrial Distillate Lg CI - Margin				0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994
Industrial Distillate Lg CI - Retail Price				13.1452	15.3712	14.4818	13.9954	15.4200	15.4978	15.8780	16.0955	16.2803	13.6775	13.9201	14.1219
Power Distillate LFO - Margin				(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)
Power Distillate LF - Retail Price				12.3674	14.5934	13.7040	13.2177	14.6423	14.7201	15.1002	15.3177	15.5026	12.8998	13.1423	13.3441
Commercial HFO - Margin				0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609
Commercial HFO - Retail Price				7.5266	8.7724	8.2746	8.0024	8.7998	8.8433	9.0561	9.1778	9.2812	7.8245	7.9603	8.0732
NB Retail Refined Oil Products (US$/mmBtu)															
Assumed Premium on MASS margin - Res															
Home Heating Oil - NB Premium on Margin		30%		0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435
Home Heating Oil Res - Retail Price				16.1010	18.3270	17.4376	16.9513	18.3759	18.4537	18.8338	19.0513	19.2362	16.6334	16.8759	17.0777
Com Distillate Med/Med Lg CI - NB Premium Margin				0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015
Commercial Distillate Med/Med Lg CI - Retail Price				14.0959	16.3219	15.4325	14.9462	16.3708	16.4486	16.8287	17.0462	17.2310	14.6283	14.8708	15.0726
Industrial Distillate Lg CI - NB Premium on Margin				0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794
Industrial Distillate Lg CI - Retail Price				13.4246	15.6505	14.7612	14.2748	15.6994	15.7772	16.1573	16.3749	16.5597	13.9569	14.1995	14.4012
Power Distillate LFO - NB Premium on Margin				0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794
Power Distillate LF - Retail Price				12.6468	14.8728	13.9834	13.4970	14.9217	14.9994	15.3796	15.5971	15.7819	13.1791	13.4217	13.6235
Commercial HFO - NB Premium on Margin				(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)
Commercial HFO - Retail Price				7.3718	8.6176	8.1198	7.8476	8.6449	8.6885	8.9012	9.0230	9.1264	7.6697	7.8055	7.9184
RETAIL PRICES OIL in NB (CDN$/mmBtu)															
Home Heating Oil Res - Retail Price				18.8052	21.4051	19.9927	19.4730	21.1072	20.6094	21.0340	21.2769	21.5725	18.5000	18.7698	18.9858
Commercial Distillate Med/Med Lg CI - Retail Price				16.4633	19.0632	17.6938	17.1696	18.8040	18.3701	18.7946	19.0376	19.3238	16.2699	16.5397	16.7567
Industrial Distillate Lg CI - Retail Price				15.6792	18.2791	16.9240	16.3984	18.0329	17.6203	18.0448	18.2878	18.5709	15.5232	15.7930	16.0103
Power Distillate LF - Retail Price				14.7708	17.3707	16.0323	15.5049	17.1395	16.7517	17.1762	17.4192	17.6987	14.6582	14.9279	15.1456
Commercial HFO - Retail Price				8.6099	10.0649	9.3096	9.0151	9.9299	9.7035	9.9411	10.0770	10.2349	8.5304	8.6814	8.8031
RETAIL OIL PRICES in NB (CDN $/litre)															
Home Heating Oil Res - Retail Price	barrels LFO	*	5.825 =	0.6882	0.7833	0.7316	0.7126	0.7724	0.7542	0.7697	0.7786	0.7894	0.6770	0.6869	0.6948
Commercial Distillate Med/Med Lg CI - Reta	barrels	*	42 =	0.6025	0.6976	0.6475	0.6283	0.6881	0.6722	0.6878	0.6967	0.7071	0.5954	0.6052	0.6132
Industrial Distillate Lg CI - Retail Price	US gal	*	3.79 =	0.5738	0.6689	0.6193	0.6001	0.6599	0.6448	0.6603	0.6692	0.6796	0.5681	0.5779	0.5859
Power Distillate LF - Retail Price				0.5405	0.6357	0.5867	0.5674	0.6272	0.6130	0.6285	0.6374	0.6477	0.5364	0.5463	0.5542
Commercial HFO - Retail Price				0.3151	0.3683	0.3407	0.3299	0.3634	0.3551	0.3638	0.3688	0.3745	0.3122	0.3177	0.3221
RETAIL PRICES OIL in NB (CDN $/GJ)															
Home Heating Oil Res - Retail Price				17.8312	20.2965	18.9573	18.4645	20.0140	19.5420	19.9446	20.1750	20.4552	17.5419	17.7977	18.0025
Commercial Distillate Med/Med Lg CI - Reta	mmbtu	*	1.05462 =	15.6107	18.0759	16.7774	16.2804	17.8301	17.4187	17.8212	18.0516	18.3230	15.4273	15.6831	15.8888
Industrial Distillate Lg CI - Retail Price				14.8672	17.3324	16.0475	15.5491	17.0989	16.7077	17.1103	17.3406	17.6091	14.7192	14.9750	15.1811
Power Distillate LF - Retail Price				14.0058	16.4711	15.2020	14.7019	16.2518	15.8841	16.2866	16.5170	16.7820	13.8990	14.1548	14.3612
Commercial HFO - Retail Price				8.1639	9.5437	8.8274	8.5482	9.4156	9.2009	9.4262	9.5551	9.7048	8.0886	8.2318	8.3472

Gas CHS Efficiency	92%
Elect CHS Efficiency	100%
Gas W/H Efficiency	60%
Elect. W/H Efficency	90%
Rental Water Heater Size	60 Gal
Gas Rate	SGSRE
HST	13%
MJ/kWh	3.60

Total Annual Heating kWh	Total Annual W/H kWh
22,494	4,816

Year	Month	Electric Space Heat kWh	Electric Space Heat Cost	Electric W/H kWh	Electric W/H Cost	Total Energy	Electric Water	Total Including Rental W/H
2007	1	3,914	316.67	473	47.90	364.57	7.82	372.39
2007	2	4,364	353.28	442	45.14	398.42	7.82	406.24
2007	3	3,239	262.07	471	47.74	309.81	7.82	317.63
2007	4	2,339	189.27	466	47.26	236.54	7.82	244.36
2007	5	1,440	117.80	389	39.78	157.58	7.82	165.40
2007	6	765	64.32	337	34.42	98.73	7.82	106.55
2007	7	-	-	313	32.77	32.77	7.82	40.59
2007	8	-	-	310	32.47	32.47	7.82	40.29
2007	9	765	73.59	327	34.21	107.80	7.82	115.62
2007	10	1,215	115.64	377	39.45	155.08	7.82	162.90
2007	11	1,665	157.71	425	44.45	202.15	7.82	209.97
2007	12	2,789	263.81	485	50.43	314.24	7.82	322.06
		22,494	1,914.15	4,816	496.01	2,410.16	93.84	2,504.00

Typical Heating Profile		Water Heating
Jan	17%	10%
Feb	19%	9%
Mar	14%	10%
Apr	10%	10%
May	6%	8%
Jun	3%	7%
Jul	0%	7%
Aug	0%	6%
Sep	3%	7%
Oct	5%	8%
Nov	7%	9%
Dec	12%	10%
	100%	100%

Rate SGSRE

		Customer Charge	Delivery	EUG Price	Equivalent GJ NG	Cost	Equivalent GJ NG	Cost*	Total GJ	Total Cost
2007	1	$ 16.00	2.3487	$ 10.95	15.31	230.10	2.56	38.41	17.87	286.59
2007	2	$ 16.00	2.3487	$ 10.95	17.07	256.55	2.39	35.85	19.46	310.48
2007	3	$ 16.00	2.3487	$ 10.95	12.67	190.43	2.55	38.25	15.22	246.76
2007	4	$ 16.00	2.3487	$ 11.95	9.15	147.87	2.51	40.61	11.67	206.56
2007	5	$ 16.00	2.3487	$ 11.95	5.63	91.00	2.10	33.97	7.73	143.05
2007	6	$ 16.00	2.3487	$ 11.95	2.99	48.34	1.82	29.39	4.81	95.81
2007	7	$ 16.00	2.3487	$ 11.40	0.00	-	1.69	26.27	1.69	44.35
2007	8	$ 16.00	2.3487	$ 10.80	0.00	-	1.68	24.89	1.68	42.97
2007	9	$ 16.00	2.3487	$ 10.80	2.99	44.46	1.77	26.23	4.76	88.76
2007	10	$ 16.00	2.3487	$ 10.80	4.75	70.61	2.04	30.24	6.79	118.93
2007	11	$ 16.00	3.4377	$ 10.80	6.51	104.77	2.29	36.90	8.81	159.74
2007	12	$ 16.00	3.4377	$ 11.20	10.91	180.49	2.62	43.32	13.53	241.89
					88.00	1,364.62	26.00	404.32	114.00	1,985.90

SAVINGS $ 518.09
21%

Target Savings 20%

SGSRO

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Annual
Load profile	18%	16%	15%	10%	7%	4%	2%	2%	2%	4%	8%	11%	
Oil Quantity (L)	685.59	598.95	557.52	391.77	263.69	158.21	86.64	75.34	82.87	143.15	290.06	429.44	3,767
NB Oil prices ($/L)	0.741	0.627	0.689	0.657	0.692	0.686	0.703	0.770	0.695	0.792	0.870	0.879	
Total Oil Cost	508	375	384	257	182	109	61	58	58	113	252	377	$ 2,735
Gas Consumption (GJ)	21	18	17	12	8	5	3	2	3	4	9	13	114
EUG Price ($/GJ)	10.95	10.95	10.95	11.95	11.95	11.95	11.40	10.80	10.80	10.80	10.80	11.20	
Customer Charge ($/month)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	
Delivery Charge ($/GJ)	6.5813	6.5813	6.5813	6.5813	6.5813	6.5813	6.5813	6.5813	6.5813	6.8782	7.3173	7.6212	
Delivery Cost ($)	136.55	119.29	111.04	78.03	52.52	31.51	17.26	15.01	16.51	29.80	64.23	99.05	$ 963
Commodity Costs ($)	227.19	198.48	184.75	141.68	95.36	57.22	29.89	24.62	27.09	46.79	94.80	145.56	$ 1,273
Total Gas Costs	379.74	333.77	311.79	235.71	163.88	104.73	63.15	55.63	59.59	92.58	175.03	260.60	$ 2,236
Savings	128.02	41.63	72.42	21.75	18.48	3.84	(2.23)	2.36	(2.02)	20.84	77.21	116.70	$ 499
	25%	11%	19%	8%	10%	4%	-4%	4%	-4%	18%	31%	31%	18%
Target Savings	20%												

SGSC

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Annual
Load profile	22%	19%	17%	9%	5%	2%	2%	2%	2%	3%	7%	11%	
Oil Quantity (L)	1,403.81	1,198.49	1,116.75	597.53	306.47	155.01	107.81	107.55	119.31	205.44	441.36	694.46	6,454
NB Oil prices ($/L)	0.704	0.595	0.655	0.624	0.657	0.652	0.668	0.731	0.660	0.753	0.826	0.835	
Total Oil Cost	988	714	731	373	201	101	72	79	79	155	365	580	$ 4,436
Gas Consumption (GJ)	42	36	34	18	9	5	3	3	4	6	13	21	195
EUG Price ($/GJ)	10.95	10.95	10.95	11.95	11.95	11.95	11.40	10.80	10.80	10.80	10.80	11.20	
Customer Charge ($/month)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	
Delivery Charge ($/GJ)	6.3195	6.3195	6.3195	6.3195	6.3195	6.3195	6.3195	6.3195	6.3195	6.6465	7.0653	7.6212	
Delivery Cost ($)	268.04	228.84	213.23	114.09	58.52	29.60	20.58	20.54	22.78	41.26	94.22	159.91	$ 1,464
Commodity Costs ($)	464.44	396.51	369.47	215.74	110.65	55.97	37.13	35.10	38.93	67.04	144.02	235.00	$ 2,170
Total Gas Costs	748.48	641.35	598.69	345.83	185.17	101.57	73.72	71.63	77.71	124.29	254.24	410.91	$ 3,634
Savings	239.22	72.26	132.42	27.21	16.18	(0.51)	(1.71)	7.01	1.03	30.35	110.40	168.73	$ 803
	24%	10%	18%	7%	8%	-1%	-2%	9%	1%	20%	30%	29%	18%
Target Savings	20%												

GS

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Annual
Load profile	17%	16%	14%	9%	5%	2%	2%	2%	2%	6%	9%	14%	
Oil Quantity (L)	6,525	5,944	5,292	3,380	1,878	875	888	863	933	2,059	3,457	5,318	37,411
NB Oil prices ($/L)	0.654	0.541	0.603	0.574	0.611	0.608	0.626	0.692	0.620	0.719	0.792	0.805	
Oil Cost ($/L)	4,269	3,215	3,193	1,940	1,148	532	556	597	578	1,479	2,738	4,283	$ 24,529
Gas Consumption (GJ)	205	187	166	106	59	27	28	27	29	65	109	167	1,175
EUG Price ($/GJ)	10.95	10.95	10.95	11.95	11.95	11.95	11.40	10.80	10.80	10.80	10.80	11.20	
Customer Charge ($/month)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	
Delivery Charge ($/GJ)	7.1820	5.6820	5.6820	5.6820	5.6820	5.6820	5.6820	5.6820	5.6820	6.6155	7.1820	7.1820	
Delivery Cost ($)	1,471.77	1,060.75	944.40	603.22	335.18	156.11	158.44	154.03	166.57	427.73	779.78	1,199.52	$ 7,649
Commodity Costs ($)	2,243.93	2,044.20	1,819.99	1,268.65	704.92	328.31	317.87	292.77	316.60	698.27	1,172.60	1,870.60	$ 13,079
Total Gas Costs	3,731.70	3,120.95	2,780.39	1,887.86	1,056.10	500.42	492.31	462.80	499.17	1,142.00	1,968.39	3,086.12	$ 20,728
Savings	537.56	93.89	412.91	52.12	91.87	31.47	63.47	134.53	79.25	337.30	769.40	1,196.78	$ 3,801
	13%	3%	13%	3%	8%	6%	11%	23%	14%	23%	28%	28%	15%
Target Savings	15%												

CGS

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Annual
Load profile	17%	15%	14%	10%	6%	3%	3%	3%	3%	6%	9%	14%	
Oil Quantity (L)	23,280	21,308	19,650	13,328	7,778	3,643	3,704	3,527	3,799	7,883	12,988	19,204	140,092
NB Oil prices ($/L)	0.625	0.512	0.575	0.546	0.584	0.582	0.600	0.666	0.595	0.694	0.766	0.781	
Oil Cost ($/L)	14,560	10,912	11,294	7,278	4,545	2,120	2,224	2,349	2,259	5,470	9,949	14,996	$ 87,954
Gas Consumption (GJ)	731	669	617	419	244	114	116	111	119	248	408	603	4,400
EUG Price ($/GJ)	10.95	10.95	10.95	11.95	11.95	11.95	11.40	10.80	10.80	10.80	10.80	11.20	11.21
Contract Demand ($5.20 x 45.90GJ)	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	
Delivery Charge ($/GJ)	5.8919	4.9919	4.9919	4.9919	4.9919	4.9919	4.9919	4.9919	4.9919	5.5915	5.8919	5.8919	
Delivery Cost ($)	4,308.03	3,340.77	3,080.89	2,089.61	1,219.51	571.10	580.81	552.94	595.58	1,384.36	2,403.54	3,553.73	$ 23,681
Commodity Costs ($)	8,006.40	7,328.15	6,758.10	5,002.27	2,919.35	1,367.15	1,326.39	1,196.29	1,288.54	2,673.89	4,405.74	6,755.34	$ 49,028
Total Gas Costs	12,553.10	10,907.59	10,077.67	7,330.55	4,377.54	2,176.94	2,145.87	1,987.91	2,122.80	4,296.92	7,047.96	10,548	$ 75,573
Calendar Savings	2,007.13	4.24	1,215.87	(52.63)	167.41	(57.38)	77.63	361.16	135.88	1,173.04	2,900.75	4,448.52	$ 12,382
	14%	0%	11%	-1%	4%	-3%	3%	15%	6%	21%	29%	30%	14%
Target Savings	15%												

LFO

	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Annual
Load profile	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	
Oil Quantity (L)	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	821,217
NB Oil prices ($/L)	0.592	0.479	0.541	0.514	0.553	0.552	0.570	0.636	0.565	0.665	0.736	0.753	
Oil Cost ($/L)	40,511	32,765	37,056	35,161	37,855	37,746	39,030	43,521	38,699	45,530	50,357	51,498	$ 489,730
Gas Consumption (GJ)	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	31,745
EVP Price ($/GJ)	8.93	10.23	10.86	10.73	10.27	9.98	9.27	8.45	7.69	8.18	8.52	8.96	
Contract Demand ($5.20 x 350GJ)	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	
Delivery Charge ($/GJ)	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	2.3910	
Delivery Cost ($)	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 6,325	$ 75,902
Commodity Costs ($)	$ 23,634	$ 27,053	$ 28,736	$ 28,394	$ 27,161	$ 26,392	$ 24,520	$ 22,362	$ 20,339	$ 21,633	$ 22,548	$ 23,702	$ 296,475
Total Gas Costs	$ 31,779	$ 35,199	$ 36,881	$ 36,539	$ 35,306	$ 34,538	$ 32,666	$ 30,507	$ 28,484	$ 29,779	$ 30,693	$ 31,847	$ 394,217
Calendar Savings	8,732	(2,433)	175	(1,379)	2,549	3,208	6,365	13,014	10,215	15,751	19,664	19,650	$ 95,513
	22%	-7%	0%	-4%	7%	8%	16%	30%	26%	35%	39%	38%	20%
Target Savings	10%												

Conversion factors:				Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07
WTI @ Cushing (US$/bbl)				63.1500	51.1300	58.0700	56.7300	63.3800	64.9700	68.1900	75.5700	69.4700	83.3200	87.5600	95.1000
Exchange rate (US$/CDN$)				0.8504	0.8542	0.8560	0.8816	0.9133	0.9386	0.9521	0.9450	0.9780	0.9948	0.9447	1.0025
Exchange rate (CDN$/US$)				1.175932	1.17066	1.168227	1.13425	1.0949	1.0654	1.050338	1.058223	1.022495	1.005227	1.058537	0.99752
Oil Costs															
WTI @ Cushing (US$/mmbtu)	5.80			10.8879	8.8155	10.0121	9.7810	10.9276	11.2017	11.7569	13.0293	11.9776	14.3655	15.0966	16.3966
WTI (CDN$/litre)	0.274448			0.4665	0.3760	0.4262	0.4042	0.4360	0.4348	0.4499	0.5024	0.4462	0.5262	0.5823	0.5960
US RAC as a % of WTI				91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%
US Refiners Acquisition Cost (US$/bbl)				57.6623	46.6868	53.0237	51.8002	57.8723	59.3241	62.2643	69.0030	63.4331	76.0795	79.9510	86.8358
US Refiners Acquisition Cost (US$/mmBtu)				9.9418	8.0494	9.1420	8.9311	9.9780	10.2283	10.7352	11.8971	10.9367	13.1172	13.7847	14.9717
Pre-RAC refining ratio				1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635
Average refining ratio															
No 2 Distillate NYHB (US$/mmBTU)				13.5556	10.9754	12.4651	12.1775	13.6050	13.9463	14.6375	16.2216	14.9122	17.8852	18.7954	20.4139
Refining Ratio No. 6 (NYHB) (US$/bbl)				0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272
No. 6, 3.0% sulfur (NYHB) (US$/mmBTU)	6.29			7.5868	6.1427	6.9765	6.8155	7.6144	7.8055	8.1923	9.0789	8.3461	10.0100	10.5194	11.4253
Retail Refined Oil Product Prices															
Massachusetts (US$/mmBtu)															
Home Heating Oil - Res Margin			21%	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117
Home Heating Oil Res - Retail Price				16.3673	13.7871	15.2768	14.9892	16.4167	16.7580	17.4492	19.0333	17.7239	20.6969	21.6071	23.2256
Commercial Distillate Med/Med Lg CI - Marg	0.0000			1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486
Commercial Distillate Med/Med Lg CI - Reta	0			14.8042	12.2240	13.7138	13.4261	14.8536	15.1949	15.8861	17.4703	16.1608	19.1339	20.0440	21.6625
Industrial Distillate Lg CI - Margin				0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994
Industrial Distillate Lg CI - Retail Price				14.2550	11.6748	13.1645	12.8769	14.3043	14.6456	15.3368	16.9210	15.6116	18.5846	19.4947	21.1133
Power Distillate LFO - Margin				(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)
Power Distillate LF - Retail Price				13.4772	10.8970	12.3868	12.0991	13.5266	13.8679	14.5591	16.1433	14.8338	17.8068	18.7170	20.3355
Commercial HFO - Margin				0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609
Commercial HFO - Retail Price				8.1477	6.7036	7.5374	7.3764	8.1753	8.3663	8.7532	9.6398	8.9070	10.5709	11.0803	11.9861
NB Retail Refined Oil Products (US$/mmBtu)															
Assumed Premium on MASS margin - Res															
Home Heating Oil - NB Premium on Margin			30%	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435
Home Heating Oil Res - Retail Price				17.2108	14.6306	16.1204	15.8327	17.2602	17.6015	18.2927	19.8769	18.5674	21.5404	22.4506	24.0691
Com Distillate Med/Med Lg CI - NB Premium Margin				0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015
Commercial Distillate Med/Med Lg CI - Retail Price				15.2057	12.6255	14.1152	13.8276	15.2551	15.5964	16.2876	17.8717	16.5623	19.5353	20.4455	22.0640
Industrial Distillate Lg CI - NB Premium on Margin				0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794
Industrial Distillate Lg CI - Retail Price				14.5343	11.9541	13.4439	13.1562	14.5837	14.9250	15.6162	17.2004	15.8910	18.8640	19.7741	21.3926
Power Distillate LFO - NB Premium on Margin				0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794
Power Distillate LF - Retail Price				13.7566	11.1764	12.6661	12.3785	13.8059	14.1473	14.8384	16.4226	15.1132	18.0862	18.9964	20.6149
Commercial HFO - NB Premium on Margin				(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)
Commercial HFO - Retail Price				7.9929	6.5488	7.3826	7.2216	8.0205	8.2115	8.5984	9.4850	8.7522	10.4161	10.9255	11.8313
RETAIL PRICES OIL in NB (CDN$/mmBtu)															
Home Heating Oil Res - Retail Price				20.2387	17.1275	18.8322	17.9583	18.8982	18.7526	19.2135	21.0341	18.9851	21.6530	23.7648	24.0094
Commercial Distillate Med/Med Lg CI - Retail Price				17.8809	14.7802	16.4898	15.6840	16.7028	16.6164	17.1075	18.9123	16.9349	19.6374	21.6423	22.0093
Industrial Distillate Lg CI - Retail Price				17.0914	13.9942	15.7055	14.9225	15.9677	15.9011	16.4023	18.2018	16.2484	18.9626	20.9316	21.3396
Power Distillate LF - Retail Price				16.1768	13.0838	14.7969	14.0403	15.1161	15.0725	15.5854	17.3788	15.4532	18.1808	20.1083	20.5638
Commercial HFO - Retail Price				9.3991	7.6664	8.6245	8.1911	8.7817	8.7486	9.0312	10.0373	8.9490	10.4705	11.5650	11.8020
RETAIL OIL PRICES in NB (CDN $/litre)															
Home Heating Oil Res - Retail Price	barrels LFO	*	5.825 =	0.7406	0.6268	0.6891	0.6572	0.6916	0.6862	0.7031	0.7697	0.6947	0.7924	0.8696	0.8786
Commercial Distillate Med/Med Lg CI - Reta	barrels	*	42 =	0.6543	0.5409	0.6034	0.5739	0.6112	0.6081	0.6260	0.6921	0.6197	0.7186	0.7920	0.8054
Industrial Distillate Lg CI - Retail Price	US gal	*	3.79 =	0.6254	0.5121	0.5747	0.5461	0.5843	0.5819	0.6002	0.6661	0.5946	0.6939	0.7660	0.7809
Power Distillate LF - Retail Price				0.5920	0.4788	0.5415	0.5138	0.5532	0.5516	0.5703	0.6360	0.5655	0.6653	0.7358	0.7525
Commercial HFO - Retail Price				0.3439	0.2805	0.3156	0.2997	0.3214	0.3201	0.3305	0.3673	0.3275	0.3832	0.4232	0.4319
RETAIL PRICES OIL in NB (CDN $/GJ)															
Home Heating Oil Res - Retail Price				19.1905	16.2404	17.8569	17.0282	17.9194	17.7814	18.2184	19.9448	18.0019	20.5316	22.5340	22.7660
Commercial Distillate Med/Med Lg CI - Reta	mmbtu	*	1.05462 =	16.9548	14.0147	15.6358	14.8717	15.8377	15.7558	16.2214	17.9328	16.0578	18.6204	20.5214	20.8694
Industrial Distillate Lg CI - Retail Price				16.2062	13.2695	14.8921	14.1496	15.1407	15.0776	15.5528	17.2591	15.4069	17.9805	19.8476	20.2344
Power Distillate LF - Retail Price				15.3390	12.4061	14.0306	13.3131	14.3332	14.2919	14.7782	16.4787	14.6528	17.2391	19.0669	19.4987
Commercial HFO - Retail Price				8.9123	7.2694	8.1778	7.7669	8.3268	8.2955	8.5635	9.5174	8.4856	9.9283	10.9661	11.1908

Gas CHS Efficiency	92%
Elect CHS Efficiency	100%
Gas W/H Efficiency	60%
Elect. W/H Efficency	90%
Rental Water Heater Size	60 Gal
Gas Rate	SGSRE
HST	13%
MJ/kWh	3.60

Total Annual Heating kWh	Total Annual W/H kWh
22,494	4,816

Year	Month	Electric Space Heat kWh	Electric Space Heat Cost	Electric W/H kWh	Electric W/H Cost	Total Energy	Electric Water	Total Including Rental W/H
2008	1	3,914	370.19	473	49.32	419.51	8.06	427.56
2008	2	4,364	412.83	442	46.24	459.08	8.06	467.13
2008	3	3,239	306.36	471	49.13	355.49	8.06	363.55
2008	4	2,339	227.60	466	50.04	277.65	8.06	285.70
2008	5	1,440	140.72	389	41.98	182.69	8.06	190.75
2008	6	765	75.61	337	36.32	111.94	8.06	119.99
2008	7	-	-	313	33.76	33.76	8.06	41.82
2008	8	-	-	310	33.45	33.45	8.06	41.51
2008	9	765	75.72	327	35.25	110.97	8.06	119.03
2008	10	1,215	118.96	377	40.64	159.60	8.06	167.66
2008	11	1,665	162.23	425	45.79	208.02	8.06	216.08
2008	12	2,789	271.38	485	51.95	323.32	8.06	331.38
		22,494	2,161.61	4,816	513.87	2,675.48	96.68	2,772.16

Typical Heating Profile		Water Heating
Jan	17%	10%
Feb	19%	9%
Mar	14%	10%
Apr	10%	10%
May	6%	8%
Jun	3%	7%
Jul	0%	7%
Aug	0%	6%
Sep	3%	7%
Oct	5%	8%
Nov	7%	9%
Dec	12%	10%
	100%	100%

Rate SGSRE

Year	Month	Customer Charge	Delivery	EUG Price	Equivalent GJ NG	Cost	Equivalent GJ NG	Cost*	Total GJ	Total Cost
2008	1	$ 16.00	3.4377	$ 11.20	15.31	253.27	2.56	42.28	17.87	313.63
2008	2	$ 16.00	3.4377	$ 11.20	17.07	282.38	2.39	39.46	19.46	339.93
2008	3	$ 16.00	3.4377	$ 12.35	12.67	226.07	2.55	45.41	15.22	289.56
2008	4	$ 16.00	3.4377	$ 13.13	9.15	171.34	2.51	47.05	11.67	236.47
2008	5	$ 16.00	4.2810	$ 13.13	5.63	110.81	2.10	41.36	7.73	170.25
2008	6	$ 16.00	2.8181	$ 14.15	2.99	57.37	1.82	34.88	4.81	110.33
2008	7	$ 16.00	2.8181	$ 14.95	0.00	-	1.69	33.95	1.69	52.03
2008	8	$ 16.00	2.8181	$ 13.55	0.00	-	1.68	30.98	1.68	49.06
2008	9	$ 16.00	2.8181	$ 11.85	2.99	49.59	1.77	29.26	4.76	96.93
2008	10	$ 16.00	4.5916	$ 10.90	4.75	83.19	2.04	35.63	6.79	136.90
2008	11	$ 16.00	4.5916	$ 10.90	6.51	114.00	2.29	40.14	8.81	172.22
2008	12	$ 16.00	4.5916	$ 10.90	10.91	191.02	2.62	45.85	13.53	254.95
					88.00	1,539.03	26.00	466.25	114.00	2,222.24

SAVINGS $ 549.92
20%

Target Savings 20%

SGSRO

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
Load profile	18%	16%	15%	10%	7%	4%	2%	2%	2%	4%	8%	11%	
Oil Quantity (L)	685.59	598.95	557.52	391.77	263.69	158.21	86.64	75.34	82.87	143.15	290.06	429.44	3,767
NB Oil prices ($/L)	0.854	0.839	0.927	0.968	1.071	1.167	1.206	1.201	1.097	1.284	0.841	0.646	
Total Oil Cost	585	502	517	379	282	185	105	90	91	184	244	278	$ 3,442
Gas Consumption (GJ)	21	18	17	12	8	5	3	2	3	4	9	13	114
EUG Price ($/GJ)	11.20	11.20	12.35	13.13	13.13	14.15	14.95	13.55	11.85	10.90	10.90	10.90	
Customer Charge ($/month)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	
Delivery Charge ($/GJ)	7.6212	7.6212	7.6212	9.7456	9.7456	9.7456	9.7456	9.7456	9.7456	9.7456	9.7456	9.7456	
Delivery Cost ($)	158.12	138.14	128.58	115.54	77.77	46.66	25.55	22.22	24.44	42.22	85.55	126.65	$ 1,183
Commodity Costs ($)	232.38	203.01	208.37	155.67	104.78	67.75	39.19	30.89	29.72	47.22	95.68	141.66	$ 1,356
Total Gas Costs	406.50	357.15	352.95	287.21	198.55	130.41	80.74	69.11	70.16	105.44	197.23	284.31	$ 2,540
Savings	178.97	145.23	163.84	91.91	83.80	54.20	23.77	21.35	20.78	78.33	46.79	(6.77)	$ 902
	31%	29%	32%	24%	30%	29%	23%	24%	23%	43%	19%	-2%	26%
Target Savings	20%												

SGSC

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
Load profile	22%	19%	17%	9%	5%	2%	2%	2%	2%	3%	7%	11%	
Oil Quantity (L)	1,403.81	1,198.49	1,116.75	597.53	306.47	155.01	107.81	107.55	119.31	205.44	441.36	694.46	6,454
NB Oil prices ($/L)	0.811	0.797	0.881	0.919	1.017	1.108	1.146	1.141	1.043	1.220	0.799	0.614	
Total Oil Cost	1,139	955	983	549	312	172	124	123	124	251	353	426	$ 5,510
Gas Consumption (GJ)	42	36	34	18	9	5	3	3	4	6	13	21	195
EUG Price ($/GJ)	11.20	11.20	12.35	13.13	13.13	14.15	14.95	13.55	11.85	10.90	10.90	10.90	
Customer Charge ($/month)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	
Delivery Charge ($/GJ)	7.6212	7.6212	7.6212	9.3538	9.3538	9.3538	9.3538	9.3538	9.3538	9.3538	9.3538	9.3538	
Delivery Cost ($)	323.25	275.97	257.15	168.87	86.61	43.81	30.47	30.40	33.72	58.06	124.73	196.26	$ 1,821
Commodity Costs ($)	475.04	405.56	416.70	237.04	121.58	66.27	48.68	44.03	42.72	67.66	145.35	228.71	$ 2,299
Total Gas Costs	814.29	697.53	689.85	421.91	224.19	126.08	95.15	90.43	92.44	141.72	286.09	440.97	$ 4,121
Savings	324.57	257.46	293.56	127.41	87.55	45.75	28.40	32.26	31.95	108.84	66.65	(14.59)	$ 1,390
	28%	27%	30%	23%	28%	27%	23%	26%	26%	43%	19%	-3%	25%
Target Savings	20%												

GS

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
Load profile	17%	16%	14%	9%	5%	2%	2%	2%	2%	6%	9%	14%	
Oil Quantity (L)	6,525	5,944	5,292	3,380	1,878	875	888	863	933	2,059	3,457	5,318	37,411
NB Oil prices ($/L)	0.780	0.765	0.853	0.893	0.997	1.092	1.132	1.123	1.020	1.197	0.752	0.556	
Oil Cost ($/L)	5,088	4,550	4,516	3,020	1,873	955	1,005	970	952	2,464	2,599	2,955	$ 30,947
Gas Consumption (GJ)	205	187	166	106	59	27	28	27	29	65	109	167	1,175
EUG Price ($/GJ)	11.20	11.20	12.35	13.13	13.13	14.15	14.95	13.55	11.85	10.90	10.90	10.90	
Customer Charge ($/month)	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	16.00	
Delivery Charge ($/GJ)	7.1820	7.1820	7.1820	9.6570	9.6570	9.6570	9.6570	9.6570	9.6570	9.6570	9.6570	9.6570	
Delivery Cost ($)	1,471.77	1,340.77	1,193.71	1,025.21	569.66	265.31	269.27	261.79	283.09	624.37	1,048.50	1,612.89	$ 10,158
Commodity Costs ($)	2,295.16	2,090.87	2,052.68	1,393.92	774.53	388.75	416.74	367.32	347.38	704.74	1,183.46	1,820.49	$ 13,836
Total Gas Costs	3,782.93	3,447.65	3,262.40	2,435.13	1,360.19	670.07	702.02	645.11	646.48	1,345.11	2,247.97	3,449.39	$ 23,994
Savings	1,304.79	1,102.20	1,253.93	584.41	513.14	285.34	302.96	324.53	305.31	1,118.70	351.28	(494.25)	$ 6,952
	26%	24%	28%	19%	27%	30%	30%	33%	32%	45%	14%	-17%	22%
Target Savings	15%												

CGS

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
Load profile	17%	15%	14%	10%	6%	3%	3%	3%	3%	6%	9%	14%	
Oil Quantity (L)	23,280	21,308	19,650	13,328	7,778	3,643	3,704	3,527	3,799	7,883	12,988	19,204	140,092
NB Oil prices ($/L)	0.755	0.741	0.829	0.868	0.973	1.067	1.107	1.098	0.994	1.168	0.722	0.525	
Oil Cost ($/L)	17,575	15,787	16,287	11,574	7,567	3,888	4,101	3,871	3,775	9,205	9,377	10,089	$ 113,096
Gas Consumption (GJ)	731	669	617	419	244	114	116	111	119	248	408	603	4,400
EUG Price ($/GJ)	11.20	11.20	12.35	13.13	13.13	14.15	14.95	13.55	11.85	10.90	10.90	10.90	12.35
Contract Demand ($5.20 x 45.90GJ)	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	238.68	
Delivery Charge ($/GJ)	5.8919	5.8919	5.8919	8.6291	8.6291	8.6291	8.6291	8.6291	8.6291	8.6291	8.6291	8.6291	
Delivery Cost ($)	4,308.03	3,943.08	3,636.35	3,612.14	2,108.07	987.22	1,003.99	955.83	1,029.53	2,136.41	3,520.15	5,204.69	$ 32,445
Commodity Costs ($)	8,189.19	7,495.46	7,622.15	5,496.21	3,207.63	1,618.85	1,738.93	1,500.90	1,413.82	2,698.65	4,446.54	6,574.40	$ 52,003
Total Gas Costs	12,735.90	11,677.22	11,497.18	9,347.03	5,554.37	2,844.75	2,981.60	2,695.41	2,682.03	5,073.74	8,205.36	12,018	$ 87,312
Calendar Savings	4,838.89	4,110.24	4,789.36	2,227.02	2,012.81	1,042.77	1,119.65	1,175.23	1,092.88	4,131.44	1,171.86	(1,928.28)	$ 25,784
	28%	26%	29%	19%	27%	27%	27%	30%	29%	45%	12%	-19%	23%
Target Savings	15%												

LFO

	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Annual
Load profile	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	8%	
Oil Quantity (L)	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	68,435	821,217
NB Oil prices ($/L)	0.726	0.712	0.800	0.840	0.944	1.038	1.078	1.068	0.964	1.134	0.687	0.490	
Oil Cost ($/L)	49,694	48,759	54,768	57,455	64,632	71,056	73,792	73,054	65,945	77,608	47,035	33,550	$ 717,348
Gas Consumption (GJ)	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	2,645	31,745
EVP Price ($/GJ)	8.85	9.75	10.43	11.51	12.92	13.33	14.84	11.13	10.71	9.81	9.95	10.71	
Contract Demand ($5.20 x 350GJ)	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	1,820.00	
Delivery Charge ($/GJ)	2.3910	2.3910	2.3910	4.0861	4.0861	4.0861	4.0861	4.0861	4.0861	4.0861	4.0861	4.0861	
Delivery Cost ($)	$ 6,325	$ 6,325	$ 6,325	$ 10,809	$ 10,809	$ 10,809	$ 10,809	$ 10,809	$ 10,809	$ 10,809	$ 10,809	$ 10,809	$ 116,261
Commodity Costs ($)	$ 23,419	$ 25,788	$ 27,595	$ 30,443	$ 34,169	$ 35,271	$ 39,259	$ 29,442	$ 28,332	$ 25,942	$ 26,332	$ 28,343	$ 354,335
Total Gas Costs	$ 31,564	$ 33,933	$ 35,740	$ 43,073	$ 46,798	$ 47,900	$ 51,889	$ 42,072	$ 40,962	$ 38,571	$ 38,962	$ 40,972	$ 492,436
Calendar Savings	18,130	14,825	19,028	14,382	17,833	23,156	21,904	30,983	24,983	39,036	8,073	(7,422)	$ 224,912
	36%	30%	35%	25%	28%	33%	30%	42%	38%	50%	17%	-22%	31%
Target Savings	10%												

Conversion factors:				Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08
WTI @ Cushing (US$/bbl)				90.4900	89.8500	100.7400	104.4800	119.3700	129.0700	134.6200	127.9500	114.9800	120.9200	70.8900	49.6200
Exchange rate (US$/CDN$)				0.9890	1.0009	0.9980	0.9863	1.0006	0.9835	0.9875	0.9484	0.9449	0.8441	0.8209	0.8100
Exchange rate (CDN$/US$)				1.011122	0.999086	1.002025	1.013886	0.999371	1.016733	1.012658	1.054407	1.058295	1.18475	1.218174	1.2345
Oil Costs															
WTI @ Cushing (US$/mmbtu)	5.80			15.6017	15.4914	17.3690	18.0138	20.5810	22.2534	23.2103	22.0603	19.8241	20.8483	12.2224	8.5552
WTI (CDN$/litre)	0.274448			0.5748	0.5639	0.6342	0.6655	0.7494	0.8244	0.8564	0.8475	0.7644	0.9000	0.5425	0.3848
US RAC as a % of WTI				91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%	91.31%
US Refiners Acquisition Cost (US$/bbl)				82.6264	82.0420	91.9857	95.4007	108.9967	117.8538	122.9215	116.8311	104.9882	110.4121	64.7297	45.3080
US Refiners Acquisition Cost (US$/mmBtu)				14.2459	14.1452	15.8596	16.4484	18.7925	20.3196	21.1934	20.1433	18.1014	19.0366	11.1603	7.8117
Pre-RAC refining ratio				1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635	1.3635
Average refining ratio															
No 2 Distillate NYHB (US$/mmBTU)				19.4243	19.2870	21.6246	22.4274	25.6236	27.7058	28.8972	27.4654	24.6813	25.9564	15.2171	10.6513
Refining Ratio No. 6 (NYHB) (US$/bbl)				0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272	0.8272
No. 6, 3.0% sulfur (NYHB) (US$/mmBTU)	6.29			10.8714	10.7945	12.1028	12.5522	14.3410	15.5064	16.1732	15.3718	13.8136	14.5273	8.5167	5.9613
Retail Refined Oil Product Prices															
Massachusetts (US$/mmBtu)															
Home Heating Oil - Res Margin		14%		2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117	2.8117
Home Heating Oil Res - Retail Price				22.2360	22.0987	24.4363	25.2391	28.4353	30.5175	31.7089	30.2771	27.4930	28.7681	18.0288	13.4630
Commercial Distillate Med/Med Lg CI - Marg	0.0000			1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486	1.2486
Commercial Distillate Med/Med Lg CI - Reta	0			20.6729	20.5356	22.8732	23.6760	26.8722	28.9544	30.1458	28.7140	25.9299	27.2050	16.4657	11.8999
Industrial Distillate Lg CI - Margin				0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994	0.6994
Industrial Distillate Lg CI - Retail Price				20.1237	19.9863	22.3239	23.1267	26.3230	28.4052	29.5965	28.1648	25.3807	26.6557	15.9164	11.3507
Power Distillate LFO - Margin				(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)	(0.0784)
Power Distillate LF - Retail Price				19.3459	19.2086	21.5462	22.3490	25.5452	27.6274	28.8188	27.3870	24.6029	25.8780	15.1387	10.5729
Commercial HFO - Margin				0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609	0.5609
Commercial HFO - Retail Price				11.4323	11.3554	12.6637	13.1130	14.9019	16.0673	16.7340	15.9327	14.3745	15.0881	9.0776	6.5222
NB Retail Refined Oil Products (US$/mmBtu)															
Assumed Premium on MASS margin - Res															
Home Heating Oil - NB Premium on Margin		30%		0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435	0.8435
Home Heating Oil Res - Retail Price				23.0795	22.9422	25.2798	26.0826	29.2788	31.3610	32.5524	31.1206	28.3365	29.6116	18.8723	14.3065
Com Distillate Med/Med Lg CI - NB Premium Margin				0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015	0.4015
Commercial Distillate Med/Med Lg CI - Retail Price				21.0744	20.9370	23.2747	24.0775	27.2737	29.3559	30.5472	29.1155	26.3314	27.6064	16.8671	12.3014
Industrial Distillate Lg CI - NB Premium on Margin				0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794
Industrial Distillate Lg CI - Retail Price				20.4031	20.2657	22.6033	23.4061	26.6024	28.6845	29.8759	28.4441	25.6600	26.9351	16.1958	11.6300
Power Distillate LFO - NB Premium on Margin				0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794	0.2794
Power Distillate LF - Retail Price				19.6253	19.4879	21.8255	22.6284	25.8246	27.9068	29.0981	27.6664	24.8823	26.1573	15.4180	10.8523
Commercial HFO - NB Premium on Margin				(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)	(0.1548)
Commercial HFO - Retail Price				11.2775	11.2006	12.5089	12.9582	14.7471	15.9125	16.5792	15.7779	14.2197	14.9333	8.9228	6.3674
RETAIL PRICES OIL in NB (CDN$/mmBtu)															
Home Heating Oil Res - Retail Price				23.3362	22.9212	25.3310	26.4448	29.2604	31.8858	32.9644	32.8138	29.9884	35.0823	22.9897	17.6614
Commercial Distillate Med/Med Lg CI - Retail Price				21.3088	20.9179	23.3218	24.4118	27.2566	29.8471	30.9339	30.6996	27.8664	32.7067	20.5471	15.1861
Industrial Distillate Lg CI - Retail Price				20.6300	20.2471	22.6491	23.7311	26.5856	29.1645	30.2541	29.9917	27.1559	31.9113	19.7293	14.3573
Power Distillate LF - Retail Price				19.8436	19.4701	21.8697	22.9426	25.8084	28.3738	29.4665	29.1716	26.3328	30.9899	18.7818	13.3971
Commercial HFO - Retail Price				11.4029	11.1904	12.5342	13.1382	14.7378	16.1787	16.7891	16.6363	15.0486	17.6923	10.8695	7.8605
RETAIL OIL PRICES in NB (CDN $/litre)															
Home Heating Oil Res - Retail Price	barrels LFO	*	5.825 =	0.8540	0.8388	0.9270	0.9677	1.0708	1.1668	1.2063	1.2008	1.0974	1.2838	0.8413	0.6463
Commercial Distillate Med/Med Lg CI - Reta	barrels	*	42 =	0.7798	0.7655	0.8534	0.8933	0.9974	1.0922	1.1320	1.1234	1.0197	1.1969	0.7519	0.5557
Industrial Distillate Lg CI - Retail Price	US gal	*	3.79 =	0.7549	0.7409	0.8288	0.8684	0.9729	1.0672	1.1071	1.0975	0.9937	1.1678	0.7220	0.5254
Power Distillate LF - Retail Price				0.7262	0.7125	0.8003	0.8396	0.9444	1.0383	1.0783	1.0675	0.9636	1.1340	0.6873	0.4903
Commercial HFO - Retail Price				0.4173	0.4095	0.4587	0.4808	0.5393	0.5920	0.6144	0.6088	0.5507	0.6474	0.3978	0.2876
RETAIL PRICES OIL in NB (CDN $/GJ)															
Home Heating Oil Res - Retail Price				22.1276	21.7341	24.0190	25.0752	27.7450	30.2344	31.2572	31.1143	28.4352	33.2653	21.7990	16.7467
Commercial Distillate Med/Med Lg CI - Reta	mmbtu	*	1.05462 =	20.2052	19.8345	22.1139	23.1475	25.8449	28.3013	29.3318	29.1096	26.4231	31.0128	19.4830	14.3996
Industrial Distillate Lg CI - Retail Price				19.5615	19.1985	21.4760	22.5021	25.2087	27.6541	28.6872	28.4384	25.7494	30.2586	18.7075	13.6137
Power Distillate LF - Retail Price				18.8159	18.4617	20.7371	21.7544	24.4717	26.9042	27.9404	27.6608	24.9690	29.3849	17.8091	12.7033
Commercial HFO - Retail Price				10.8123	10.6108	11.8851	12.4577	13.9746	15.3408	15.9196	15.7747	14.2693	16.7760	10.3065	7.4534

BOARD OF COMMISSIONERS OF PUBLIC UTILITIES

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Saint John, NB
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PROVINCE OF NEW BRUNSWICK
PROVINCE DU NOUVEAU-BRUNSWICK

COMMISSION DES ENTREPRISES DE SERVICE PUBLIC

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July 20, 2006

SENT BY POST & EMAIL

Ms. Shelley Black, CGA
Manager, regulatory Affairs & Upstream
Enbridge Gas New Brunswick Inc.
440 Wilsey Road, Suite 101
Fredericton, N.B.
E3B 7G5

Dear Ms. Black:

Re: Policy concerning Customer Incentives

The Board has established the attached policies in respect of incentives that might be offered to EGNB customers.

Sincerely,

Lorraine Légère
Secretary to the Board

Board of Commissioners of Public utilities

Policy re Customer Incentives

The Board recognizes that, during the development period, it may be appropriate for Enbridge Gas New Brunswick Inc. (EGNB) to offer incentives to potential customers. The objective of such incentives would be to convince persons to become customers who, in the absence of an incentive, would not likely become a customer of EGNB.

The Board provides the following comments as guidelines that should be followed by EGNB with respect to customer incentives. If these guidelines are followed, the Board will, in the absence of compelling evidence to do otherwise, consider EGNB's costs of providing customer incentives to be prudent.

Incentives that are to be offered to potential small volume customers:

These incentives should be of a relatively low cost on an individual customer basis.

These incentives should be available to all potential customers who are similar in nature.

The incentive should be publicized in a manner that makes it reasonably likely that all qualifying potential customers have the opportunity to participate.

Incentives that are to be offered to potential large volume customers:

These incentives may be targeted at individual potential customers.

The rationale for the incentive should be documented and supported by the facts of the particular situation.

The use of incentives should not result in a situation whereby existing customers would be worse off than if the incentive had not been provided.

All incentives should be designed so as to expire at or near the end of the development period.

All customers who receive an incentive must be taking a distribution service from EGNB under the terms and conditions contained in the tariff as currently approved by the Board.

Enbridge Gas New Brunswick
Enbridge Gaz Nouveau-Brunswick
440 Wilsey Road Suite 101
Fredericton, NB E3B 7G5

Shelley Black, CGA
Manager, Regulatory & Gas Supply
Tel . 506-457-7751
Fax 506-452-2868
Email shelley.black@enbridge.com

Enbridge Gas New Brunswick
Enbridge Gaz Nouveau-Brunswick

August 8, 2006

Ms. Lorraine Légère
Board of Commissioners of Public Utilities
P.O. Box 5001
15 Market Square, Suite 1400
Saint John, NB E2L 4Y9

Dear Ms. Légère:

RE: Policy re Customer Incentives

On July 20, 2006 the Board of Commissioners of Public Utilities of New Brunswick ("Board") issued a policy in respect of incentives offered to Enbridge Gas New Brunswick ("EGNB") customers. EGNB subsequently discussed the policy guidelines with Board staff and would like to confirm its understanding of two of the policy guidelines.

Firstly, the policy states "*All incentives should be designed so as to expire at or near the end of the development period.*"

There are instances where very large volume customers are required to commit to take service from EGNB for a specific term in order to receive an incentive from EGNB. The term varies in the number of years but is generally at least 3 years and possibly up to 7 years, depending on the individual customer. In many cases, the incentive will be paid over the term to ensure that the customer continues to use EGNB's distribution system and generate revenue for EGNB. In some instances, the term could expire after the Development Period. As the end of the Development Period is a moving target, EGNB understands that the Board included the specific wording "*at or near*" to provide EGNB with the flexibility to allow for instances where incentive agreements with large volumes customers expire after the Development Period.

Secondly, the policy states *"The use of incentives should not result in a situation whereby existing customers would be worse off than if the incentive had not been provided."*

Where EGNB enters into multi-year incentive agreements with very large volume customers, the agreement will either provide that an incentive is only paid where the customer takes service at target levels for a specified term or provide some other mechanism to protect existing customers from "*being worse off*" if this customer stops taking service for any reason.

For all other incentive programs, EGNB understands the policy is intended to ensure that incentives do not exceed distribution revenue billed over a reasonable time period, and any review of such programs would be done on a group or class basis.

If EGNB's understanding of the policy in these two aspects is not correct, please advise us as soon as possible.

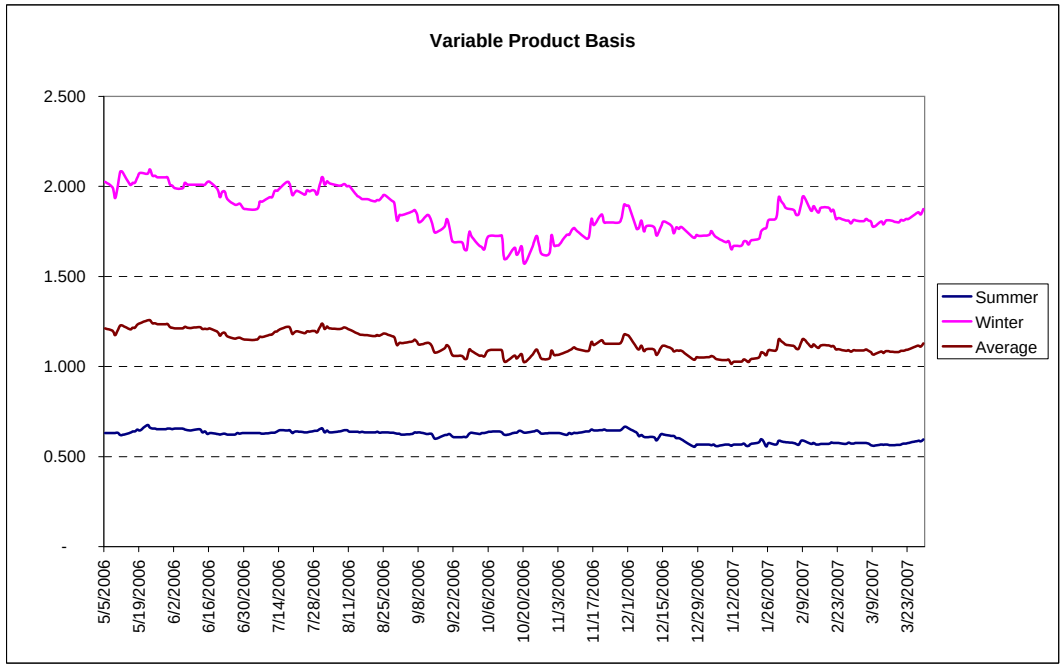
Sincerely,

Shelley Black, CGA
Manager, Regulatory & Gas Supply

cc: Len Hoyt

Tetco M3 Basis Average 2006 - 2007

Date	Summer	Winter	Average
5-May-2006	0.630	2.025	1.211
8-May-2006	0.630	1.995	1.199
9-May-2006	0.630	1.935	1.174
10-May-2006	0.633	1.995	1.200
11-May-2006	0.620	2.080	1.228
12-May-2006	0.620	2.080	1.228
15-May-2006	0.633	2.010	1.206
16-May-2006	0.640	2.020	1.215
17-May-2006	0.640	2.020	1.215
18-May-2006	0.650	2.050	1.233
19-May-2006	0.645	2.075	1.241
22-May-2006	0.675	2.070	1.256
23-May-2006	0.661	2.095	1.259
24-May-2006	0.655	2.060	1.240
25-May-2006	0.655	2.060	1.240
26-May-2006	0.653	2.050	1.235
29-May-2006	0.653	2.050	1.235
30-May-2006	0.655	2.050	1.236
31-May-2006	0.655	2.010	1.220
1-Jun-2006	0.653	2.005	1.216
2-Jun-2006	0.655	1.990	1.211
5-Jun-2006	0.655	1.990	1.211
6-Jun-2006	0.650	2.020	1.221
7-Jun-2006	0.648	2.010	1.215
8-Jun-2006	0.645	2.010	1.214
9-Jun-2006	0.648	2.010	1.215
12-Jun-2006	0.653	2.010	1.218
13-Jun-2006	0.635	2.010	1.208
14-Jun-2006	0.640	2.010	1.211
15-Jun-2006	0.625	2.025	1.208
16-Jun-2006	0.630	2.025	1.211
19-Jun-2006	0.625	1.985	1.192
20-Jun-2006	0.623	1.940	1.171
21-Jun-2006	0.625	1.970	1.185
22-Jun-2006	0.628	1.970	1.187
23-Jun-2006	0.623	1.930	1.167
26-Jun-2006	0.623	1.900	1.155
27-Jun-2006	0.630	1.900	1.159
28-Jun-2006	0.628	1.905	1.160
29-Jun-2006	0.630	1.885	1.153
30-Jun-2006	0.630	1.875	1.149
5-Jul-2006	0.630	1.875	1.149
6-Jul-2006	0.630	1.915	1.165
7-Jul-2006	0.628	1.915	1.164
10-Jul-2006	0.630	1.940	1.176
11-Jul-2006	0.633	1.940	1.177
12-Jul-2006	0.633	1.975	1.192
13-Jul-2006	0.640	1.975	1.196
14-Jul-2006	0.648	1.990	1.207
17-Jul-2006	0.645	2.025	1.220
18-Jul-2006	0.648	2.013	1.216
19-Jul-2006	0.630	1.953	1.181
20-Jul-2006	0.638	1.965	1.191
21-Jul-2006	0.640	1.975	1.196
24-Jul-2006	0.635	1.955	1.185
25-Jul-2006	0.635	1.980	1.195
26-Jul-2006	0.638	1.973	1.194
27-Jul-2006	0.640	1.980	1.198
28-Jul-2006	0.643	1.975	1.198



Tetco M3 Basis Average 2006 - 2007

Date	Summer	Winter	Average
29-Jul-2006	0.643	1.957	1.190
31-Jul-2006	0.658	2.053	1.239
1-Aug-2006	0.635	2.010	1.208
2-Aug-2006	0.645	2.030	1.222
3-Aug-2006	0.635	2.018	1.211
7-Aug-2006	0.640	2.005	1.209
8-Aug-2006	0.643	2.008	1.211
9-Aug-2006	0.648	2.013	1.216
10-Aug-2006	0.648	2.000	1.211
11-Aug-2006	0.638	2.000	1.205
14-Aug-2006	0.638	1.950	1.184
15-Aug-2006	0.635	1.940	1.179
16-Aug-2006	0.638	1.930	1.176
17-Aug-2006	0.635	1.930	1.175
18-Aug-2006	0.635	1.930	1.175
21-Aug-2006	0.635	1.918	1.169
22-Aug-2006	0.638	1.925	1.174
23-Aug-2006	0.633	1.925	1.171
24-Aug-2006	0.635	1.940	1.179
25-Aug-2006	0.635	1.953	1.184
28-Aug-2006	0.633	1.920	1.169
29-Aug-2006	0.630	1.905	1.161
30-Aug-2006	0.628	1.810	1.120
31-Aug-2006	0.628	1.840	1.133
1-Sep-2006	0.623	1.840	1.130
5-Sep-2006	0.625	1.860	1.140
6-Sep-2006	0.635	1.870	1.150
7-Sep-2006	0.633	1.850	1.140
8-Sep-2006	0.635	1.800	1.120
11-Sep-2006	0.625	1.840	1.131
12-Sep-2006	0.628	1.835	1.131
13-Sep-2006	0.625	1.800	1.115
14-Sep-2006	0.600	1.748	1.078
15-Sep-2006	0.600	1.748	1.078
18-Sep-2006	0.618	1.775	1.100
19-Sep-2006	0.620	1.820	1.120
20-Sep-2006	0.625	1.773	1.103
21-Sep-2006	0.613	1.700	1.066
22-Sep-2006	0.608	1.690	1.059
25-Sep-2006	0.608	1.690	1.059
26-Sep-2006	0.610	1.650	1.043
27-Sep-2006	0.610	1.648	1.042
28-Sep-2006	0.628	1.748	1.094
29-Sep-2006	0.633	1.720	1.086
2-Oct-2006	0.625	1.673	1.061
3-Oct-2006	0.630	1.663	1.060
4-Oct-2006	0.630	1.650	1.055
5-Oct-2006	0.635	1.710	1.083
6-Oct-2006	0.638	1.725	1.091
9-Oct-2006	0.640	1.725	1.092
10-Oct-2006	0.640	1.725	1.092
11-Oct-2006	0.635	1.725	1.089
12-Oct-2006	0.623	1.600	1.030
13-Oct-2006	0.620	1.600	1.028
16-Oct-2006	0.633	1.660	1.061
17-Oct-2006	0.633	1.620	1.044
18-Oct-2006	0.643	1.640	1.058
19-Oct-2006	0.640	1.668	1.068
20-Oct-2006	0.633	1.570	1.023

Tetco M3 Basis Average 2006 - 2007

Date	Summer	Winter	Average
23-Oct-2006	0.638	1.655	1.061
24-Oct-2006	0.640	1.695	1.080
25-Oct-2006	0.645	1.725	1.095
26-Oct-2006	0.638	1.675	1.070
27-Oct-2006	0.628	1.625	1.043
30-Oct-2006	0.630	1.628	1.046
31-Oct-2006	0.630	1.730	1.088
1-Nov-2006	0.630	1.673	1.064
2-Nov-2006	0.630	1.673	1.064
3-Nov-2006	0.630	1.675	1.065
6-Nov-2006	0.620	1.730	1.083
7-Nov-2006	0.630	1.730	1.088
8-Nov-2006	0.625	1.758	1.097
9-Nov-2006	0.633	1.770	1.106
10-Nov-2006	0.630	1.755	1.099
14-Nov-2006	0.640	1.710	1.086
15-Nov-2006	0.640	1.720	1.090
16-Nov-2006	0.650	1.820	1.138
17-Nov-2006	0.645	1.785	1.120
20-Nov-2006	0.648	1.845	1.146
21-Nov-2006	0.650	1.803	1.130
22-Nov-2006	0.645	1.800	1.126
23-Nov-2006	0.645	1.800	1.126
24-Nov-2006	0.645	1.800	1.126
27-Nov-2006	0.645	1.800	1.126
28-Nov-2006	0.650	1.825	1.140
29-Nov-2006	0.664	1.900	1.179
30-Nov-2006	0.664	1.893	1.176
1-Dec-2006	0.655	1.890	1.170
4-Dec-2006	0.633	1.765	1.104
5-Dec-2006	0.613	1.770	1.095
6-Dec-2006	0.620	1.810	1.116
7-Dec-2006	0.610	1.750	1.085
8-Dec-2006	0.608	1.780	1.096
11-Dec-2006	0.608	1.775	1.094
12-Dec-2006	0.590	1.728	1.064
13-Dec-2006	0.608	1.750	1.084
14-Dec-2006	0.625	1.780	1.106
15-Dec-2006	0.623	1.805	1.115
18-Dec-2006	0.615	1.780	1.100
19-Dec-2006	0.615	1.740	1.084
20-Dec-2006	0.603	1.773	1.090
21-Dec-2006	0.603	1.765	1.087
22-Dec-2006	0.595	1.775	1.087
27-Dec-2006	0.555	1.715	1.038
28-Dec-2006	0.568	1.730	1.052
29-Dec-2006	0.568	1.725	1.050
2-Jan-2007	0.568	1.730	1.052
3-Jan-2007	0.563	1.753	1.058
4-Jan-2007	0.568	1.733	1.053
5-Jan-2007	0.558	1.718	1.041
8-Jan-2007	0.565	1.695	1.036
9-Jan-2007	0.568	1.690	1.035
10-Jan-2007	0.568	1.695	1.037
11-Jan-2007	0.560	1.650	1.014
12-Jan-2007	0.568	1.670	1.027
15-Jan-2007	0.568	1.670	1.027
16-Jan-2007	0.573	1.695	1.040
17-Jan-2007	0.560	1.695	1.033

Tetco M3 Basis Average 2006 - 2007

Date	Summer	Winter	Average
18-Jan-2007	0.560	1.678	1.026
19-Jan-2007	0.570	1.700	1.041
22-Jan-2007	0.580	1.710	1.051
23-Jan-2007	0.598	1.750	1.078
24-Jan-2007	0.583	1.765	1.075
25-Jan-2007	0.557	1.770	1.062
26-Jan-2007	0.575	1.815	1.092
29-Jan-2007	0.568	1.825	1.091
30-Jan-2007	0.588	1.940	1.151
31-Jan-2007	0.585	1.918	1.140
1-Feb-2007	0.581	1.900	1.130
2-Feb-2007	0.580	1.880	1.122
5-Feb-2007	0.575	1.870	1.115
6-Feb-2007	0.570	1.843	1.100
7-Feb-2007	0.565	1.845	1.098
8-Feb-2007	0.587	1.900	1.134
9-Feb-2007	0.587	1.945	1.153
12-Feb-2007	0.570	1.865	1.110
13-Feb-2007	0.575	1.890	1.123
14-Feb-2007	0.567	1.870	1.110
15-Feb-2007	0.568	1.855	1.104
16-Feb-2007	0.570	1.883	1.117
19-Feb-2007	0.570	1.883	1.117
20-Feb-2007	0.578	1.863	1.113
21-Feb-2007	0.575	1.870	1.115
22-Feb-2007	0.575	1.820	1.094
23-Feb-2007	0.575	1.825	1.096
26-Feb-2007	0.570	1.810	1.087
27-Feb-2007	0.578	1.810	1.091
28-Feb-2007	0.573	1.795	1.082
1-Mar-2007	0.573	1.815	1.090
2-Mar-2007	0.575	1.810	1.090
5-Mar-2007	0.575	1.808	1.089
6-Mar-2007	0.575	1.820	1.094
7-Mar-2007	0.573	1.810	1.088
8-Mar-2007	0.563	1.805	1.080
9-Mar-2007	0.560	1.775	1.066
12-Mar-2007	0.568	1.805	1.083
13-Mar-2007	0.565	1.790	1.075
14-Mar-2007	0.568	1.810	1.085
15-Mar-2007	0.565	1.813	1.085
16-Mar-2007	0.563	1.810	1.082
19-Mar-2007	0.565	1.800	1.080
20-Mar-2007	0.568	1.815	1.087
21-Mar-2007	0.573	1.810	1.088
22-Mar-2007	0.573	1.820	1.092
23-Mar-2007	0.575	1.820	1.094
26-Mar-2007	0.585	1.850	1.112
27-Mar-2007	0.588	1.858	1.117
28-Mar-2007	0.585	1.845	1.110
29-Mar-2007	0.595	1.875	1.128

TETCO NG Basis

DATE	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	Jan-2008	Feb-2008	Mar-2008
5-May-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	2.025	2.025	2.025	2.025	2.025
8-May-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.995	1.995	1.995	1.995	1.995
9-May-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.935	1.935	1.935	1.935	1.935
10-May-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.995	1.995	1.995	1.995	1.995
11-May-2006	0.620	0.620	0.620	0.620	0.620	0.620	0.620	2.08	2.08	2.08	2.08	2.08
12-May-2006	0.620	0.620	0.620	0.620	0.620	0.620	0.620	2.080	2.080	2.080	2.080	2.080
15-May-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	2.010	2.010	2.010	2.010	2.010
16-May-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	2.020	2.020	2.020	2.020	2.020
17-May-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	2.020	2.020	2.020	2.020	2.020
18-May-2006	0.650	0.650	0.650	0.650	0.650	0.650	0.650	2.05	2.05	2.05	2.05	2.05
19-May-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	2.075	2.075	2.075	2.075	2.075
22-May-2006	0.675	0.675	0.675	0.675	0.675	0.675	0.675	2.070	2.070	2.070	2.070	2.070
23-May-2006	0.661	0.661	0.661	0.661	0.661	0.661	0.661	2.095	2.095	2.095	2.095	2.095
24-May-2006	0.655	0.655	0.655	0.655	0.655	0.655	0.655	2.06	2.06	2.06	2.06	2.06
25-May-2006	0.655	0.655	0.655	0.655	0.655	0.655	0.655	2.060	2.060	2.060	2.060	2.060
26-May-2006	0.653	0.653	0.653	0.653	0.653	0.653	0.653	2.050	2.050	2.050	2.050	2.050
29-May-2006	0.653	0.653	0.653	0.653	0.653	0.653	0.653	2.050	2.050	2.050	2.050	2.050
30-May-2006	0.655	0.655	0.655	0.655	0.655	0.655	0.655	2.050	2.050	2.050	2.050	2.050
31-May-2006	0.655	0.655	0.655	0.655	0.655	0.655	0.655	2.010	2.010	2.010	2.010	2.010
1-Jun-2006	0.653	0.653	0.653	0.653	0.653	0.653	0.653	2.005	2.005	2.005	2.005	2.005
2-Jun-2006	0.655	0.655	0.655	0.655	0.655	0.655	0.655	1.990	1.990	1.990	1.990	1.990
5-Jun-2006	0.655	0.655	0.655	0.655	0.655	0.655	0.655	1.990	1.990	1.990	1.990	1.990
6-Jun-2006	0.650	0.650	0.650	0.650	0.650	0.650	0.650	2.020	2.020	2.020	2.020	2.020
7-Jun-2006	0.648	0.648	0.648	0.648	0.648	0.648	0.648	2.010	2.010	2.010	2.010	2.010
8-Jun-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	2.010	2.010	2.010	2.010	2.010
9-Jun-2006	0.648	0.648	0.648	0.648	0.648	0.648	0.648	2.010	2.010	2.010	2.010	2.010
12-Jun-2006	0.653	0.653	0.653	0.653	0.653	0.653	0.653	2.010	2.010	2.010	2.010	2.010
13-Jun-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	2.010	2.010	2.010	2.010	2.010
14-Jun-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	2.010	2.010	2.010	2.010	2.010
15-Jun-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	2.025	2.025	2.025	2.025	2.025
16-Jun-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	2.025	2.025	2.025	2.025	2.025
19-Jun-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.985	1.985	1.985	1.985	1.985
20-Jun-2006	0.623	0.623	0.623	0.623	0.623	0.623	0.623	1.940	1.940	1.940	1.940	1.940
21-Jun-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.970	1.970	1.970	1.970	1.970
22-Jun-2006	0.628	0.628	0.628	0.628	0.628	0.628	0.628	1.970	1.970	1.970	1.970	1.970
23-Jun-2006	0.623	0.623	0.623	0.623	0.623	0.623	0.623	1.930	1.930	1.930	1.930	1.930
26-Jun-2006	0.623	0.623	0.623	0.623	0.623	0.623	0.623	1.900	1.900	1.900	1.900	1.900
27-Jun-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.900	1.900	1.900	1.900	1.900
28-Jun-2006	0.628	0.628	0.628	0.628	0.628	0.628	0.628	1.905	1.905	1.905	1.905	1.905
29-Jun-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.885	1.885	1.885	1.885	1.885
30-Jun-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.875	1.875	1.875	1.875	1.875
5-Jul-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.875	1.875	1.875	1.875	1.875
6-Jul-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.915	1.915	1.915	1.915	1.915
7-Jul-2006	0.628	0.628	0.628	0.628	0.628	0.628	0.628	1.915	1.915	1.915	1.915	1.915
10-Jul-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.940	1.940	1.940	1.940	1.940
11-Jul-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.940	1.940	1.940	1.940	1.940
12-Jul-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.975	1.975	1.975	1.975	1.975
13-Jul-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.975	1.975	1.975	1.975	1.975
14-Jul-2006	0.648	0.648	0.648	0.648	0.648	0.648	0.648	1.990	1.990	1.990	1.990	1.990
17-Jul-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	2.025	2.025	2.025	2.025	2.025
18-Jul-2006	0.648	0.648	0.648	0.648	0.648	0.648	0.648	2.013	2.013	2.013	2.013	2.013
19-Jul-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.953	1.953	1.953	1.953	1.953
20-Jul-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	1.965	1.965	1.965	1.965	1.965
21-Jul-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.975	1.975	1.975	1.975	1.975
24-Jul-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.955	1.955	1.955	1.955	1.955
25-Jul-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.980	1.980	1.980	1.980	1.980
26-Jul-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	1.973	1.973	1.973	1.973	1.973
27-Jul-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.980	1.980	1.980	1.980	1.980
28-Jul-2006	0.643	0.643	0.643	0.643	0.643	0.643	0.643	1.975	1.975	1.975	1.975	1.975
29-Jul-2006	0.643	0.643	0.643	0.643	0.643	0.643	0.643	1.957	1.957	1.957	1.957	1.957
31-Jul-2006	0.658	0.658	0.658	0.658	0.658	0.658	0.658	2.053	2.053	2.053	2.053	2.053
1-Aug-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	2.010	2.010	2.010	2.010	2.010
2-Aug-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	2.030	2.030	2.030	2.030	2.030
3-Aug-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	2.018	2.018	2.018	2.018	2.018
7-Aug-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	2.005	2.005	2.005	2.005	2.005
8-Aug-2006	0.643	0.643	0.643	0.643	0.643	0.643	0.643	2.008	2.008	2.008	2.008	2.008
9-Aug-2006	0.648	0.648	0.648	0.648	0.648	0.648	0.648	2.013	2.013	2.013	2.013	2.013

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DATE	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	Jan-2008	Feb-2008	Mar-2008
10-Aug-2006	0.648	0.648	0.648	0.648	0.648	0.648	0.648	2.000	2.000	2.000	2.000	2.000
11-Aug-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	2.000	2.000	2.000	2.000	2.000
14-Aug-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	1.950	1.950	1.950	1.950	1.950
15-Aug-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.940	1.940	1.940	1.940	1.940
16-Aug-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	1.930	1.930	1.930	1.930	1.930
17-Aug-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.930	1.930	1.930	1.930	1.930
18-Aug-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.930	1.930	1.930	1.930	1.930
21-Aug-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.918	1.918	1.918	1.918	1.918
22-Aug-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	1.925	1.925	1.925	1.925	1.925
23-Aug-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.925	1.925	1.925	1.925	1.925
24-Aug-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.940	1.940	1.940	1.940	1.940
25-Aug-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.953	1.953	1.953	1.953	1.953
28-Aug-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.920	1.920	1.920	1.920	1.920
29-Aug-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.905	1.905	1.905	1.905	1.905
30-Aug-2006	0.628	0.628	0.628	0.628	0.628	0.628	0.628	1.810	1.810	1.810	1.810	1.810
31-Aug-2006	0.628	0.628	0.628	0.628	0.628	0.628	0.628	1.840	1.840	1.840	1.840	1.840
1-Sep-2006	0.623	0.623	0.623	0.623	0.623	0.623	0.623	1.840	1.840	1.840	1.840	1.840
5-Sep-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.860	1.860	1.860	1.860	1.860
6-Sep-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.870	1.870	1.870	1.870	1.870
7-Sep-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.850	1.850	1.850	1.850	1.850
8-Sep-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.800	1.800	1.800	1.800	1.800
11-Sep-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.840	1.840	1.840	1.840	1.840
12-Sep-2006	0.628	0.628	0.628	0.628	0.628	0.628	0.628	1.835	1.835	1.835	1.835	1.835
13-Sep-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.800	1.800	1.800	1.800	1.800
14-Sep-2006	0.600	0.600	0.600	0.600	0.600	0.600	0.600	1.748	1.748	1.748	1.748	1.748
15-Sep-2006	0.600	0.600	0.600	0.600	0.600	0.600	0.600	1.748	1.748	1.748	1.748	1.748
18-Sep-2006	0.618	0.618	0.618	0.618	0.618	0.618	0.618	1.775	1.775	1.775	1.775	1.775
19-Sep-2006	0.620	0.620	0.620	0.620	0.620	0.620	0.620	1.820	1.820	1.820	1.820	1.820
20-Sep-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.773	1.773	1.773	1.773	1.773
21-Sep-2006	0.613	0.613	0.613	0.613	0.613	0.613	0.613	1.700	1.700	1.700	1.700	1.700
22-Sep-2006	0.608	0.608	0.608	0.608	0.608	0.608	0.608	1.690	1.690	1.690	1.690	1.690
25-Sep-2006	0.608	0.608	0.608	0.608	0.608	0.608	0.608	1.690	1.690	1.690	1.690	1.690
26-Sep-2006	0.610	0.610	0.610	0.610	0.610	0.610	0.610	1.650	1.650	1.650	1.650	1.650
27-Sep-2006	0.610	0.610	0.610	0.610	0.610	0.610	0.610	1.648	1.648	1.648	1.648	1.648
28-Sep-2006	0.628	0.628	0.628	0.628	0.628	0.628	0.628	1.748	1.748	1.748	1.748	1.748
29-Sep-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.720	1.720	1.720	1.720	1.720
2-Oct-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.673	1.673	1.673	1.673	1.673
3-Oct-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.663	1.663	1.663	1.663	1.663
4-Oct-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.650	1.650	1.650	1.650	1.650
5-Oct-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.710	1.710	1.710	1.710	1.710
6-Oct-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	1.725	1.725	1.725	1.725	1.725
9-Oct-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.725	1.725	1.725	1.725	1.725
10-Oct-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.725	1.725	1.725	1.725	1.725
11-Oct-2006	0.635	0.635	0.635	0.635	0.635	0.635	0.635	1.725	1.725	1.725	1.725	1.725
12-Oct-2006	0.623	0.623	0.623	0.623	0.623	0.623	0.623	1.600	1.600	1.600	1.600	1.600
13-Oct-2006	0.620	0.620	0.620	0.620	0.620	0.620	0.620	1.600	1.600	1.600	1.600	1.600
16-Oct-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.660	1.660	1.660	1.660	1.660
17-Oct-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.620	1.620	1.620	1.620	1.620
18-Oct-2006	0.643	0.643	0.643	0.643	0.643	0.643	0.643	1.640	1.640	1.640	1.640	1.640
19-Oct-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.668	1.668	1.668	1.668	1.668
20-Oct-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.570	1.570	1.570	1.570	1.570
23-Oct-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	1.655	1.655	1.655	1.655	1.655
24-Oct-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.695	1.695	1.695	1.695	1.695
25-Oct-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	1.725	1.725	1.725	1.725	1.725
26-Oct-2006	0.638	0.638	0.638	0.638	0.638	0.638	0.638	1.675	1.675	1.675	1.675	1.675
27-Oct-2006	0.628	0.628	0.628	0.628	0.628	0.628	0.628	1.625	1.625	1.625	1.625	1.625
30-Oct-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.628	1.628	1.628	1.628	1.628
31-Oct-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.730	1.730	1.730	1.730	1.730
1-Nov-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.673	1.673	1.673	1.673	1.673
2-Nov-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.673	1.673	1.673	1.673	1.673
3-Nov-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.675	1.675	1.675	1.675	1.675
6-Nov-2006	0.620	0.620	0.620	0.620	0.620	0.620	0.620	1.730	1.730	1.730	1.730	1.730
7-Nov-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.730	1.730	1.730	1.730	1.730
8-Nov-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.758	1.758	1.758	1.758	1.758
9-Nov-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.770	1.770	1.770	1.770	1.770
10-Nov-2006	0.630	0.630	0.630	0.630	0.630	0.630	0.630	1.755	1.755	1.755	1.755	1.755
14-Nov-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.710	1.710	1.710	1.710	1.710
15-Nov-2006	0.640	0.640	0.640	0.640	0.640	0.640	0.640	1.720	1.720	1.720	1.720	1.720
16-Nov-2006	0.650	0.650	0.650	0.650	0.650	0.650	0.650	1.820	1.820	1.820	1.820	1.820

TETCO NG Basis

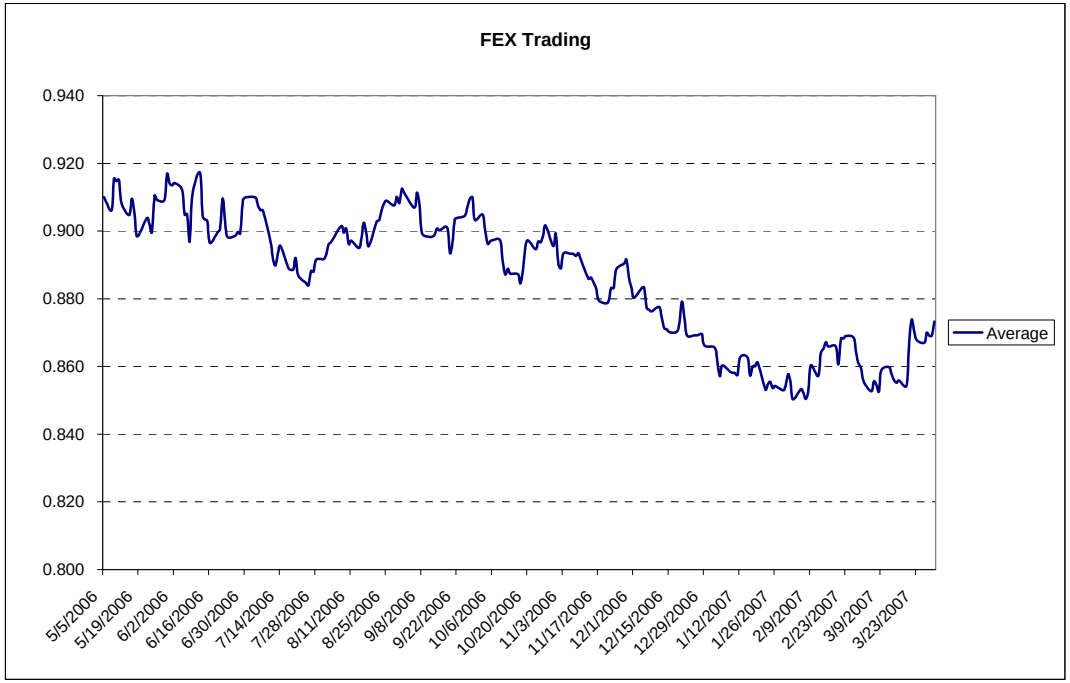
DATE	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	Jan-2008	Feb-2008	Mar-2008
17-Nov-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	1.785	1.785	1.785	1.785	1.785
20-Nov-2006	0.648	0.648	0.648	0.648	0.648	0.648	0.648	1.845	1.845	1.845	1.845	1.845
21-Nov-2006	0.650	0.650	0.650	0.650	0.650	0.650	0.650	1.803	1.803	1.803	1.803	1.803
22-Nov-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	1.800	1.800	1.800	1.800	1.800
23-Nov-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	1.800	1.800	1.800	1.800	1.800
24-Nov-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	1.800	1.800	1.800	1.800	1.800
27-Nov-2006	0.645	0.645	0.645	0.645	0.645	0.645	0.645	1.800	1.800	1.800	1.800	1.800
28-Nov-2006	0.650	0.650	0.650	0.650	0.650	0.650	0.650	1.825	1.825	1.825	1.825	1.825
29-Nov-2006	0.664	0.664	0.664	0.664	0.664	0.664	0.664	1.900	1.900	1.900	1.900	1.900
30-Nov-2006	0.664	0.664	0.664	0.664	0.664	0.664	0.664	1.893	1.893	1.893	1.893	1.893
1-Dec-2006	0.655	0.655	0.655	0.655	0.655	0.655	0.655	1.890	1.890	1.890	1.890	1.890
4-Dec-2006	0.633	0.633	0.633	0.633	0.633	0.633	0.633	1.765	1.765	1.765	1.765	1.765
5-Dec-2006	0.613	0.613	0.613	0.613	0.613	0.613	0.613	1.770	1.770	1.770	1.770	1.770
6-Dec-2006	0.620	0.620	0.620	0.620	0.620	0.620	0.620	1.810	1.810	1.810	1.810	1.810
7-Dec-2006	0.610	0.610	0.610	0.610	0.610	0.610	0.610	1.750	1.750	1.750	1.750	1.750
8-Dec-2006	0.608	0.608	0.608	0.608	0.608	0.608	0.608	1.780	1.780	1.780	1.780	1.780
11-Dec-2006	0.608	0.608	0.608	0.608	0.608	0.608	0.608	1.775	1.775	1.775	1.775	1.775
12-Dec-2006	0.590	0.590	0.590	0.590	0.590	0.590	0.590	1.728	1.728	1.728	1.728	1.728
13-Dec-2006	0.608	0.608	0.608	0.608	0.608	0.608	0.608	1.750	1.750	1.750	1.750	1.750
14-Dec-2006	0.625	0.625	0.625	0.625	0.625	0.625	0.625	1.780	1.780	1.780	1.780	1.780
15-Dec-2006	0.623	0.623	0.623	0.623	0.623	0.623	0.623	1.805	1.805	1.805	1.805	1.805
18-Dec-2006	0.615	0.615	0.615	0.615	0.615	0.615	0.615	1.780	1.780	1.780	1.780	1.780
19-Dec-2006	0.615	0.615	0.615	0.615	0.615	0.615	0.615	1.740	1.740	1.740	1.740	1.740
20-Dec-2006	0.603	0.603	0.603	0.603	0.603	0.603	0.603	1.773	1.773	1.773	1.773	1.773
21-Dec-2006	0.603	0.603	0.603	0.603	0.603	0.603	0.603	1.765	1.765	1.765	1.765	1.765
22-Dec-2006	0.595	0.595	0.595	0.595	0.595	0.595	0.595	1.775	1.775	1.775	1.775	1.775
27-Dec-2006	0.555	0.555	0.555	0.555	0.555	0.555	0.555	1.715	1.715	1.715	1.715	1.715
28-Dec-2006	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.730	1.730	1.730	1.730	1.730
29-Dec-2006	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.725	1.725	1.725	1.725	1.725
2-Jan-2007	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.730	1.730	1.730	1.730	1.730
3-Jan-2007	0.563	0.563	0.563	0.563	0.563	0.563	0.563	1.753	1.753	1.753	1.753	1.753
4-Jan-2007	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.733	1.733	1.733	1.733	1.733
5-Jan-2007	0.558	0.558	0.558	0.558	0.558	0.558	0.558	1.718	1.718	1.718	1.718	1.718
8-Jan-2007	0.565	0.565	0.565	0.565	0.565	0.565	0.565	1.695	1.695	1.695	1.695	1.695
9-Jan-2007	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.690	1.690	1.690	1.690	1.690
10-Jan-2007	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.695	1.695	1.695	1.695	1.695
11-Jan-2007	0.560	0.560	0.560	0.560	0.560	0.560	0.560	1.650	1.650	1.650	1.650	1.650
12-Jan-2007	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.670	1.670	1.670	1.670	1.670
15-Jan-2007	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.670	1.670	1.670	1.670	1.670
16-Jan-2007	0.573	0.573	0.573	0.573	0.573	0.573	0.573	1.695	1.695	1.695	1.695	1.695
17-Jan-2007	0.560	0.560	0.560	0.560	0.560	0.560	0.560	1.695	1.695	1.695	1.695	1.695
18-Jan-2007	0.560	0.560	0.560	0.560	0.560	0.560	0.560	1.678	1.678	1.678	1.678	1.678
19-Jan-2007	0.570	0.570	0.570	0.570	0.570	0.570	0.570	1.700	1.700	1.700	1.700	1.700
22-Jan-2007	0.580	0.580	0.580	0.580	0.580	0.580	0.580	1.710	1.710	1.710	1.710	1.710
23-Jan-2007	0.598	0.598	0.598	0.598	0.598	0.598	0.598	1.750	1.750	1.750	1.750	1.750
24-Jan-2007	0.583	0.583	0.583	0.583	0.583	0.583	0.583	1.765	1.765	1.765	1.765	1.765
25-Jan-2007	0.557	0.557	0.557	0.557	0.557	0.557	0.557	1.770	1.770	1.770	1.770	1.770
26-Jan-2007	0.575	0.575	0.575	0.575	0.575	0.575	0.575	1.815	1.815	1.815	1.815	1.815
29-Jan-2007	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.825	1.825	1.825	1.825	1.825
30-Jan-2007	0.625	0.581	0.581	0.581	0.581	0.581	0.581	1.940	1.940	1.940	1.940	1.940
31-Jan-2007	0.575	0.587	0.587	0.587	0.587	0.587	0.587	1.918	1.918	1.918	1.918	1.918
1-Feb-2007	0.585	0.579	0.580	0.580	0.580	0.580	0.580	1.900	1.900	1.900	1.900	1.900
2-Feb-2007	0.565	0.583	0.583	0.583	0.583	0.583	0.583	1.880	1.880	1.880	1.880	1.880
5-Feb-2007	0.563	0.577	0.577	0.577	0.577	0.577	0.577	1.870	1.870	1.870	1.870	1.870
6-Feb-2007	0.558	0.572	0.572	0.572	0.572	0.572	0.572	1.843	1.843	1.843	1.843	1.843
7-Feb-2007	0.558	0.566	0.566	0.566	0.566	0.566	0.566	1.845	1.845	1.845	1.845	1.845
8-Feb-2007	0.570	0.590	0.590	0.590	0.590	0.590	0.590	1.900	1.900	1.900	1.900	1.900
9-Feb-2007	0.575	0.590	0.590	0.590	0.590	0.590	0.590	1.945	1.945	1.945	1.945	1.945
12-Feb-2007	0.555	0.573	0.573	0.573	0.573	0.573	0.573	1.865	1.865	1.865	1.865	1.865
13-Feb-2007	0.568	0.576	0.576	0.576	0.576	0.576	0.576	1.890	1.890	1.890	1.890	1.890
14-Feb-2007	0.540	0.572	0.572	0.572	0.572	0.572	0.572	1.870	1.870	1.870	1.870	1.870
15-Feb-2007	0.568	0.568	0.568	0.568	0.568	0.568	0.568	1.855	1.855	1.855	1.855	1.855
16-Feb-2007	0.568	0.570	0.570	0.570	0.570	0.570	0.570	1.883	1.883	1.883	1.883	1.883
19-Feb-2007	0.568	0.570	0.570	0.570	0.570	0.570	0.570	1.883	1.883	1.883	1.883	1.883
20-Feb-2007	0.555	0.581	0.581	0.581	0.581	0.581	0.581	1.863	1.863	1.863	1.863	1.863
21-Feb-2007	0.555	0.578	0.578	0.578	0.578	0.578	0.578	1.870	1.870	1.870	1.870	1.870
22-Feb-2007	0.553	0.579	0.579	0.579	0.579	0.579	0.579	1.820	1.820	1.820	1.820	1.820
23-Feb-2007	0.560	0.578	0.578	0.578	0.578	0.578	0.578	1.825	1.825	1.825	1.825	1.825
26-Feb-2007	0.560	0.572	0.572	0.572	0.572	0.572	0.572	1.810	1.810	1.810	1.810	1.810
27-Feb-2007	0.555	0.535	0.591	0.591	0.591	0.591	0.591	1.810	1.810	1.810	1.810	1.810
28-Feb-2007	0.535	0.515	0.592	0.592	0.592	0.592	0.592	1.795	1.795	1.795	1.795	1.795
1-Mar-2007	0.528	0.508	0.595	0.595	0.595	0.595	0.595	1.815	1.815	1.815	1.815	1.815
2-Mar-2007	0.540	0.515	0.594	0.594	0.594	0.594	0.594	1.810	1.810	1.810	1.810	1.810

TETCO NG Basis

DATE	Apr-2007	May-2007	Jun-2007	Jul-2007	Aug-2007	Sep-2007	Oct-2007	Nov-2007	Dec-2007	Jan-2008	Feb-2008	Mar-2008
5-Mar-2007	0.535	0.510	0.596	0.596	0.596	0.596	0.596	1.808	1.808	1.808	1.808	1.808
6-Mar-2007	0.545	0.508	0.595	0.595	0.595	0.595	0.595	1.820	1.820	1.820	1.820	1.820
7-Mar-2007	0.530	0.495	0.597	0.597	0.597	0.597	0.597	1.810	1.810	1.810	1.810	1.810
8-Mar-2007	0.525	0.490	0.585	0.585	0.585	0.585	0.585	1.805	1.805	1.805	1.805	1.805
9-Mar-2007	0.520	0.490	0.582	0.582	0.582	0.582	0.582	1.775	1.775	1.775	1.775	1.775
12-Mar-2007	0.513	0.488	0.595	0.595	0.595	0.595	0.595	1.805	1.805	1.805	1.805	1.805
13-Mar-2007	0.515	0.505	0.587	0.587	0.587	0.587	0.587	1.790	1.790	1.790	1.790	1.790
14-Mar-2007	0.520	0.505	0.590	0.590	0.590	0.590	0.590	1.810	1.810	1.810	1.810	1.810
15-Mar-2007	0.518	0.505	0.587	0.587	0.587	0.587	0.587	1.813	1.813	1.813	1.813	1.813
16-Mar-2007	0.523	0.500	0.583	0.583	0.583	0.583	0.583	1.810	1.810	1.810	1.810	1.810
19-Mar-2007	0.523	0.495	0.588	0.588	0.588	0.588	0.588	1.800	1.800	1.800	1.800	1.800
20-Mar-2007	0.523	0.495	0.591	0.591	0.591	0.591	0.591	1.815	1.815	1.815	1.815	1.815
21-Mar-2007	0.525	0.495	0.598	0.598	0.598	0.598	0.598	1.810	1.810	1.810	1.810	1.810
22-Mar-2007	0.530	0.485	0.599	0.599	0.599	0.599	0.599	1.820	1.820	1.820	1.820	1.820
23-Mar-2007	0.525	0.493	0.602	0.602	0.602	0.602	0.602	1.820	1.820	1.820	1.820	1.820
26-Mar-2007	0.570	0.490	0.607	0.607	0.607	0.607	0.607	1.850	1.850	1.850	1.850	1.850
27-Mar-2007	0.578	0.505	0.606	0.606	0.606	0.606	0.606	1.858	1.858	1.858	1.858	1.858
28-Mar-2007	0.578	0.495	0.605	0.605	0.605	0.605	0.605	1.845	1.845	1.845	1.845	1.845
29-Mar-2007	0.550	0.583	0.607	0.607	0.607	0.607	0.607	1.875	1.875	1.875	1.875	1.875

FEX Average 2006 - 2007

	Average	30 Day Max	30 Day Min
5-May-2006	0.910		
8-May-2006	0.906		
9-May-2006	0.916		
10-May-2006	0.915		
11-May-2006	0.915		
12-May-2006	0.908		
15-May-2006	0.905		
16-May-2006	0.910		
17-May-2006	0.906		
18-May-2006	0.899		
19-May-2006	0.899		
22-May-2006	0.904		
23-May-2006	0.902		
24-May-2006	0.900		
25-May-2006	0.910		
26-May-2006	0.909		
29-May-2006	0.909		
30-May-2006	0.917		
31-May-2006	0.914		
1-Jun-2006	0.914		
2-Jun-2006	0.914		
5-Jun-2006	0.912		
6-Jun-2006	0.905		
7-Jun-2006	0.905		
8-Jun-2006	0.897		
9-Jun-2006	0.910		
12-Jun-2006	0.917		
13-Jun-2006	0.905		
14-Jun-2006	0.903		
15-Jun-2006	0.903	0.917	0.897
16-Jun-2006	0.897		
19-Jun-2006	0.900		
20-Jun-2006	0.901		
21-Jun-2006	0.910		
22-Jun-2006	0.902		
23-Jun-2006	0.898		
26-Jun-2006	0.899		
27-Jun-2006	0.900		
28-Jun-2006	0.899		
29-Jun-2006	0.909		
30-Jun-2006	0.910		
4-Jul-2006	0.910		
5-Jul-2006	0.908		
6-Jul-2006	0.906		
7-Jul-2006	0.906		
10-Jul-2006	0.897		
11-Jul-2006	0.892		
12-Jul-2006	0.890		
13-Jul-2006	0.894		
14-Jul-2006	0.896	0.917	0.890
17-Jul-2006	0.889		
18-Jul-2006	0.889		
19-Jul-2006	0.889		
20-Jul-2006	0.892		
21-Jul-2006	0.887		
24-Jul-2006	0.885		
25-Jul-2006	0.884		
26-Jul-2006	0.888		
27-Jul-2006	0.888		



FEX Average 2006 - 2007

	Average	30 Day Max	30 Day Min
28-Jul-2006	0.892		
31-Jul-2006	0.892		
1-Aug-2006	0.893		
2-Aug-2006	0.896		
3-Aug-2006	0.897		
7-Aug-2006	0.901		
8-Aug-2006	0.900		
9-Aug-2006	0.901		
10-Aug-2006	0.896		
11-Aug-2006	0.897		
14-Aug-2006	0.895	0.910	0.884
15-Aug-2006	0.898		
16-Aug-2006	0.902		
17-Aug-2006	0.899		
18-Aug-2006	0.896		
21-Aug-2006	0.903		
22-Aug-2006	0.903		
23-Aug-2006	0.906		
24-Aug-2006	0.908		
25-Aug-2006	0.909		
28-Aug-2006	0.908		
29-Aug-2006	0.910		
30-Aug-2006	0.908		
31-Aug-2006	0.912		
1-Sep-2006	0.911		
5-Sep-2006	0.907		
6-Sep-2006	0.911		
7-Sep-2006	0.908		
8-Sep-2006	0.899		
11-Sep-2006	0.898		
12-Sep-2006	0.898		
13-Sep-2006	0.899		
14-Sep-2006	0.901		
15-Sep-2006	0.900	0.912	0.895
18-Sep-2006	0.901		
19-Sep-2006	0.893		
20-Sep-2006	0.896		
21-Sep-2006	0.903		
22-Sep-2006	0.904		
25-Sep-2006	0.905		
26-Sep-2006	0.907		
27-Sep-2006	0.910		
28-Sep-2006	0.910		
29-Sep-2006	0.903		
2-Oct-2006	0.905		
3-Oct-2006	0.900		
4-Oct-2006	0.896		
5-Oct-2006	0.897		
6-Oct-2006	0.897		
9-Oct-2006	0.897		
10-Oct-2006	0.891		
11-Oct-2006	0.887		
12-Oct-2006	0.889		
13-Oct-2006	0.887		
16-Oct-2006	0.887	0.911	0.887
17-Oct-2006	0.884		
18-Oct-2006	0.888		
19-Oct-2006	0.895		
20-Oct-2006	0.897		

FEX Average 2006 - 2007

	Average	30 Day Max	30 Day Min
23-Oct-2006	0.895		
24-Oct-2006	0.897		
25-Oct-2006	0.897		
26-Oct-2006	0.898		
27-Oct-2006	0.902		
30-Oct-2006	0.896		
31-Oct-2006	0.899		
1-Nov-2006	0.890		
2-Nov-2006	0.889		
3-Nov-2006	0.893		
6-Nov-2006	0.893		
7-Nov-2006	0.893		
8-Nov-2006	0.893		
9-Nov-2006	0.893		
10-Nov-2006	0.891		
13-Nov-2006	0.886		
14-Nov-2006	0.886		
15-Nov-2006	0.885	0.902	0.884
16-Nov-2006	0.883		
17-Nov-2006	0.880		
20-Nov-2006	0.879		
21-Nov-2006	0.880		
22-Nov-2006	0.883		
23-Nov-2006	0.883		
24-Nov-2006	0.889		
27-Nov-2006	0.890		
28-Nov-2006	0.891		
29-Nov-2006	0.886		
30-Nov-2006	0.883		
1-Dec-2006	0.880		
4-Dec-2006	0.883		
5-Dec-2006	0.883		
6-Dec-2006	0.877		
7-Dec-2006	0.877		
8-Dec-2006	0.876		
11-Dec-2006	0.878		
12-Dec-2006	0.875		
13-Dec-2006	0.871		
14-Dec-2006	0.871		
15-Dec-2006	0.870	0.893	0.870
18-Dec-2006	0.870		
19-Dec-2006	0.873		
20-Dec-2006	0.879		
21-Dec-2006	0.874		
22-Dec-2006	0.869		
25-Dec-2006	0.869		
26-Dec-2006	0.869		
27-Dec-2006	0.870		
28-Dec-2006	0.870		
29-Dec-2006	0.866		
2-Jan-2007	0.866		
3-Jan-2007	0.861		
4-Jan-2007	0.857		
5-Jan-2007	0.860		
8-Jan-2007	0.859		
9-Jan-2007	0.858		
10-Jan-2007	0.858		
11-Jan-2007	0.858		
12-Jan-2007	0.863		

FEX Average 2006 - 2007

	Average	30 Day Max	30 Day Min
15-Jan-2007	0.863	0.883	0.857
16-Jan-2007	0.857		
17-Jan-2007	0.860		
18-Jan-2007	0.860		
19-Jan-2007	0.861		
22-Jan-2007	0.853		
23-Jan-2007	0.855		
24-Jan-2007	0.856		
25-Jan-2007	0.854		
26-Jan-2007	0.854		
29-Jan-2007	0.853		
30-Jan-2007	0.854		
31-Jan-2007	0.858		
1-Feb-2007	0.856		
2-Feb-2007	0.850		
5-Feb-2007	0.853		
6-Feb-2007	0.852		
7-Feb-2007	0.850		
8-Feb-2007	0.853		
9-Feb-2007	0.860		
12-Feb-2007	0.857		
13-Feb-2007	0.864		
14-Feb-2007	0.865		
15-Feb-2007	0.867	0.867	0.850
16-Feb-2007	0.866		
19-Feb-2007	0.866		
20-Feb-2007	0.861		
21-Feb-2007	0.868		
22-Feb-2007	0.868		
23-Feb-2007	0.869		
26-Feb-2007	0.868		
27-Feb-2007	0.864		
28-Feb-2007	0.861		
1-Mar-2007	0.860		
2-Mar-2007	0.856		
5-Mar-2007	0.853		
6-Mar-2007	0.856		
7-Mar-2007	0.855		
8-Mar-2007	0.853		
9-Mar-2007	0.859		
12-Mar-2007	0.860		
13-Mar-2007	0.858		
14-Mar-2007	0.856		
15-Mar-2007	0.855	0.869	0.850
16-Mar-2007	0.856		
19-Mar-2007	0.854		
20-Mar-2007	0.867		
21-Mar-2007	0.874		
22-Mar-2007	0.870		
23-Mar-2007	0.868		
26-Mar-2007	0.867		
27-Mar-2007	0.870		
28-Mar-2007	0.869		
29-Mar-2007	0.869		
30-Mar-2007	0.873		

BANK OF CANADA - EXCHANGE RATES

Date	Jun-2006	Sep-2006	Dec-2006	Mar-2007	Jun-2007	Sep-2007	Dec-2007	Mar-2008	Jun-2008
5-May-2006	0.9043	0.9066	0.9089	0.9112	0.9135	0.9158			
8-May-2006	0.9004	0.9027	0.905	0.9073	0.9096	0.9119			
9-May-2006	0.9098	0.9121	0.9144	0.9167	0.919	0.9213			
10-May-2006	0.909	0.9113	0.9136	0.9159	0.9182	0.9205			
11-May-2006	0.9091	0.9115	0.9139	0.9163	0.9187	0.9211			
12-May-2006	0.9022	0.9046	0.907	0.9094	0.9118	0.9142			
15-May-2006	0.8987	0.9011	0.9035	0.9059	0.9083	0.9107			
16-May-2006	0.9036	0.906	0.9084	0.9108	0.9132	0.9156			
17-May-2006	0.8995	0.9019	0.9043	0.9067	0.9091	0.9115			
18-May-2006	0.8923	0.8948	0.8973	0.8998	0.9023	0.9048			
19-May-2006	0.8927	0.8952	0.8977	0.9002	0.9027	0.9052			
22-May-2006	0.8975	0.9	0.9025	0.905	0.9075	0.91			
23-May-2006	0.8958	0.8983	0.9008	0.9033	0.9058	0.9083			
24-May-2006	0.8938	0.8961	0.8985	0.9009	0.9033	0.9057			
25-May-2006	0.9045	0.9068	0.9092	0.9116	0.914	0.9164			
26-May-2006	0.9033	0.9056	0.908	0.9104	0.9128	0.9152			
29-May-2006	0.9033	0.9056	0.908	0.9104	0.9128	0.9152			
30-May-2006	0.911	0.9133	0.9157	0.9181	0.9205	0.9229			
31-May-2006	0.9082	0.9105	0.9129	0.9153	0.9177	0.9201			
1-Jun-2006	0.9076	0.9099	0.9123	0.9147	0.9171	0.9195			
2-Jun-2006	0.9084	0.9106	0.913	0.9154	0.9178	0.9202			
5-Jun-2006	0.9063	0.9086	0.911	0.9134	0.9158	0.9182			
6-Jun-2006	0.8989	0.9012	0.9036	0.906	0.9084	0.9108			
7-Jun-2006	0.899	0.9014	0.9038	0.9062	0.9086	0.911			
8-Jun-2006	0.891	0.8933	0.8957	0.8981	0.9005	0.9029			
9-Jun-2006	0.9045	0.9068	0.9092	0.9116	0.914	0.9164			
12-Jun-2006	0.9113	0.9137	0.9161	0.9185	0.9209	0.9233			
13-Jun-2006	0.8987	0.9011	0.9035	0.9059	0.9083	0.9107			
14-Jun-2006	0.8974	0.8998	0.9022	0.9046	0.907	0.9094			
15-Jun-2006	0.897	0.8995	0.9019	0.9043	0.9067	0.9091			
16-Jun-2006	0.8905	0.8929	0.8953	0.8977	0.9001	0.9025			
19-Jun-2006	0.8936	0.896	0.8984	0.9008	0.9032	0.9056			
20-Jun-2006	0.8954	0.8969	0.8993	0.9017	0.9041	0.9065			
21-Jun-2006		0.9037	0.9061	0.9085	0.9109	0.9133	0.9157		
22-Jun-2006		0.8964	0.8988	0.9012	0.9036	0.906	0.9084		
23-Jun-2006		0.8923	0.8947	0.8971	0.8995	0.9019	0.9043		
26-Jun-2006		0.8926	0.895	0.8974	0.8998	0.9022	0.9046		
27-Jun-2006		0.8937	0.8961	0.8985	0.9009	0.9033	0.9057		
28-Jun-2006		0.8933	0.8957	0.8981	0.9005	0.9029	0.9053		
29-Jun-2006		0.903	0.9054	0.9078	0.9102	0.9126	0.915		
30-Jun-2006		0.9039	0.9063	0.9087	0.9111	0.9135	0.9159		
4-Jul-2006		0.9039	0.9063	0.9087	0.9111	0.9135	0.9159		
5-Jul-2006		0.9016	0.904	0.9064	0.9088	0.9112	0.9136		
6-Jul-2006		0.9002	0.9026	0.905	0.9074	0.9098	0.9122		
7-Jul-2006		0.8997	0.9023	0.9048	0.9073	0.9098	0.9123		
10-Jul-2006		0.8903	0.8929	0.8954	0.8979	0.9004	0.9029		
11-Jul-2006		0.8852	0.8879	0.8905	0.8931	0.8957	0.8983		
12-Jul-2006		0.8832	0.8859	0.8885	0.8911	0.8937	0.8963		
13-Jul-2006		0.887	0.8897	0.8923	0.8949	0.8975	0.9001		
14-Jul-2006		0.889	0.8917	0.8943	0.8969	0.8995	0.9021		
17-Jul-2006		0.8826	0.8853	0.8879	0.8905	0.8931	0.8957		
18-Jul-2006		0.882	0.8847	0.8873	0.8899	0.8925	0.8951		
19-Jul-2006		0.8821	0.8848	0.8874	0.89	0.8926	0.8952		
20-Jul-2006		0.8855	0.8882	0.8908	0.8934	0.896	0.8986		
21-Jul-2006		0.8804	0.8831	0.8857	0.8883	0.8909	0.8935		
24-Jul-2006		0.8779	0.8807	0.8834	0.8861	0.8888	0.8915		
25-Jul-2006		0.8771	0.8799	0.8826	0.8853	0.888	0.8907		
26-Jul-2006		0.8814	0.8842	0.8869	0.8896	0.8923	0.895		
27-Jul-2006		0.8813	0.884	0.8867	0.8894	0.8921	0.8948		
28-Jul-2006		0.8848	0.8875	0.8902	0.8929	0.8956	0.8983		
31-Jul-2006		0.8849	0.8876	0.8903	0.893	0.8957	0.8984		
1-Aug-2006		0.8861	0.8889	0.8916	0.8943	0.897	0.8997		
2-Aug-2006		0.8892	0.892	0.8947	0.8974	0.9001	0.9028		
3-Aug-2006		0.89	0.8928	0.8955	0.8982	0.9009	0.9036		
7-Aug-2006		0.8947	0.8974	0.9001	0.9028	0.9055	0.9082		
8-Aug-2006		0.8928	0.8955	0.8982	0.9009	0.9036	0.9063		
9-Aug-2006		0.894	0.8967	0.8994	0.9021	0.9048	0.9075		
10-Aug-2006		0.8894	0.8921	0.8948	0.8975	0.9002	0.9029		
11-Aug-2006		0.8904	0.8931	0.8958	0.8985	0.9012	0.9039		
14-Aug-2006		0.8883	0.891	0.8937	0.8964	0.8991	0.9018		
15-Aug-2006		0.8913	0.894	0.8967	0.8994	0.9021	0.9048		
16-Aug-2006		0.8958	0.8984	0.9011	0.9038	0.9065	0.9092		
17-Aug-2006		0.8926	0.8952	0.8979	0.9006	0.9033	0.906		
18-Aug-2006		0.8889	0.8915	0.8942	0.8969	0.8996	0.9023		
21-Aug-2006		0.8961	0.8987	0.9014	0.9041	0.9068	0.9095		
22-Aug-2006		0.8966	0.8992	0.9019	0.9046	0.9073	0.91		

BANK OF CANADA - EXCHANGE RATES

Date	Jun-2006	Sep-2006	Dec-2006	Mar-2007	Jun-2007	Sep-2007	Dec-2007	Mar-2008	Jun-2008
23-Aug-2006		0.8996	0.9022	0.9049	0.9076	0.9103	0.913		
24-Aug-2006		0.9014	0.904	0.9067	0.9094	0.9121	0.9148		
25-Aug-2006		0.9023	0.9049	0.9076	0.9103	0.913	0.9157		
28-Aug-2006		0.9009	0.9035	0.9062	0.9089	0.9116	0.9143		
29-Aug-2006		0.9035	0.9061	0.9088	0.9115	0.9142	0.9169		
30-Aug-2006		0.9016	0.9042	0.9069	0.9096	0.9123	0.915		
31-Aug-2006		0.9058	0.9084	0.9111	0.9138	0.9165	0.9192		
1-Sep-2006		0.9045	0.9071	0.9098	0.9125	0.9152	0.9179		
5-Sep-2006		0.9003	0.9028	0.9055	0.9082	0.9109	0.9136		
6-Sep-2006		0.9048	0.9073	0.91	0.9127	0.9154	0.9181		
7-Sep-2006		0.9013	0.9038	0.9065	0.9092	0.9119	0.9146		
8-Sep-2006		0.8928	0.8953	0.898	0.9007	0.9034	0.9061		
11-Sep-2006		0.8917	0.8942	0.8969	0.8996	0.9023	0.905		
12-Sep-2006		0.8903	0.8929	0.8981	0.9002	0.9029	0.9056		
13-Sep-2006		0.8924	0.8948	0.8975	0.9002	0.9029	0.9056		
14-Sep-2006		0.8943	0.8967	0.8994	0.9021	0.9048	0.9075		
15-Sep-2006		0.8936	0.8961	0.8988	0.9015	0.9042	0.9069		
18-Sep-2006		0.8945	0.8969	0.8996	0.9023	0.905	0.9077		
19-Sep-2006		0.8917	0.8885	0.8911	0.8938	0.8965	0.8992		
20-Sep-2006			0.8889	0.8915	0.8942	0.8969	0.8996	0.9023	
21-Sep-2006			0.8967	0.8993	0.902	0.9047	0.9074	0.9101	
22-Sep-2006			0.8972	0.8998	0.9025	0.9052	0.9079	0.9106	
25-Sep-2006			0.8979	0.9005	0.9032	0.9059	0.9086	0.9113	
26-Sep-2006			0.9005	0.9031	0.9058	0.9085	0.9112	0.9139	
27-Sep-2006			0.903	0.9056	0.9083	0.911	0.9137	0.9164	
28-Sep-2006			0.9033	0.9059	0.9086	0.9113	0.914	0.9167	
29-Sep-2006			0.8967	0.8993	0.902	0.9047	0.9074	0.9101	
2-Oct-2006			0.8983	0.9009	0.9036	0.9063	0.909	0.9117	
3-Oct-2006			0.8937	0.8963	0.899	0.9017	0.9044	0.9071	
4-Oct-2006			0.8896	0.8922	0.8949	0.8976	0.9003	0.903	
5-Oct-2006			0.8903	0.8929	0.8956	0.8983	0.901	0.9037	
6-Oct-2006			0.8906	0.8932	0.8959	0.8986	0.9013	0.904	
9-Oct-2006			0.8906	0.8932	0.8959	0.8986	0.9013	0.904	
10-Oct-2006			0.8846	0.8872	0.8899	0.8926	0.8953	0.898	
11-Oct-2006			0.8805	0.8831	0.8858	0.8885	0.8912	0.8939	
12-Oct-2006			0.8822	0.8848	0.8875	0.8902	0.8929	0.8956	
13-Oct-2006			0.8808	0.8834	0.8861	0.8888	0.8915	0.8942	
16-Oct-2006			0.8807	0.8832	0.8859	0.8886	0.8913	0.894	
17-Oct-2006			0.8779	0.8804	0.8831	0.8858	0.8885	0.8912	
18-Oct-2006			0.8817	0.8842	0.8869	0.8896	0.8923	0.895	
19-Oct-2006			0.8887	0.8912	0.8939	0.8966	0.8993	0.902	
20-Oct-2006			0.8907	0.8932	0.8959	0.8986	0.9013	0.904	
23-Oct-2006			0.888	0.8905	0.8932	0.8959	0.8986	0.9013	
24-Oct-2006			0.8903	0.8928	0.8955	0.8982	0.9009	0.9036	
25-Oct-2006			0.8901	0.8926	0.8953	0.898	0.9007	0.9034	
26-Oct-2006			0.8919	0.8944	0.8971	0.8998	0.9025	0.9052	
27-Oct-2006			0.895	0.8975	0.9002	0.9029	0.9056	0.9083	
30-Oct-2006			0.889	0.8915	0.8942	0.8969	0.8996	0.9023	
31-Oct-2006			0.8927	0.8952	0.8979	0.9006	0.9033	0.906	
1-Nov-2006			0.8836	0.8861	0.8888	0.8915	0.8942	0.8969	
2-Nov-2006			0.8824	0.8849	0.8876	0.8903	0.893	0.8957	
3-Nov-2006			0.8867	0.8893	0.892	0.8947	0.8974	0.9001	
6-Nov-2006			0.8867	0.8892	0.8919	0.8946	0.8973	0.9	
7-Nov-2006			0.8867	0.8892	0.8919	0.8946	0.8973	0.9	
8-Nov-2006			0.8861	0.8886	0.8913	0.894	0.8967	0.8994	
9-Nov-2006			0.8869	0.8894	0.8921	0.8948	0.8975	0.9002	
10-Nov-2006			0.8848	0.8873	0.89	0.8927	0.8954	0.8981	
13-Nov-2006			0.8793	0.8818	0.8845	0.8872	0.8899	0.8926	
14-Nov-2006			0.8797	0.8822	0.8849	0.8876	0.8903	0.893	
15-Nov-2006			0.8782	0.8807	0.8834	0.8861	0.8888	0.8915	
16-Nov-2006			0.8765	0.879	0.8817	0.8844	0.8871	0.8898	
17-Nov-2006			0.873	0.8755	0.8782	0.8809	0.8836	0.8863	
20-Nov-2006			0.8721	0.8746	0.8773	0.88	0.8827	0.8854	
21-Nov-2006			0.8731	0.8756	0.8783	0.881	0.8837	0.8864	
22-Nov-2006			0.8766	0.8791	0.8818	0.8845	0.8872	0.8899	
23-Nov-2006			0.8766	0.8791	0.8818	0.8845	0.8872	0.8899	
24-Nov-2006			0.8821	0.8846	0.8873	0.89	0.8927	0.8954	
27-Nov-2006			0.8838	0.8863	0.889	0.8917	0.8944	0.8971	
28-Nov-2006			0.8849	0.8874	0.8901	0.8928	0.8955	0.8982	
29-Nov-2006			0.8794	0.8819	0.8846	0.8873	0.89	0.8927	
30-Nov-2006			0.8765	0.879	0.8817	0.8844	0.8871	0.8898	
1-Dec-2006			0.8738	0.8762	0.8789	0.8816	0.8843	0.887	
4-Dec-2006			0.8766	0.879	0.8817	0.8844	0.8871	0.8898	
5-Dec-2006			0.8768	0.8792	0.8819	0.8846	0.8873	0.89	
6-Dec-2006			0.8709	0.8732	0.8759	0.8786	0.8813	0.884	
7-Dec-2006			0.8703	0.8726	0.8753	0.878	0.8807	0.8834	
8-Dec-2006			0.8699	0.8722	0.8749	0.8776	0.8803	0.883	
11-Dec-2006			0.8712	0.8735	0.8762	0.8789	0.8816	0.8843	
12-Dec-2006			0.8681	0.8704	0.8731	0.8758	0.8785	0.8812	
13-Dec-2006			0.8649	0.8672	0.8699	0.8726	0.8753	0.878	
14-Dec-2006			0.8646	0.8669	0.8696	0.8723	0.875	0.8777	

BANK OF CANADA - EXCHANGE RATES

Date	Jun-2006	Sep-2006	Dec-2006	Mar-2007	Jun-2007	Sep-2007	Dec-2007	Mar-2008	Jun-2008
15-Dec-2006			0.8638	0.866	0.8687	0.8714	0.8741	0.8768	
18-Dec-2006			0.8639	0.8661	0.8688	0.8715	0.8742	0.8769	
19-Dec-2006			0.8653	0.8693	0.8717	0.8741	0.8765	0.8789	
20-Dec-2006			0.8732	0.8756	0.878	0.8804	0.8828	0.8852	
21-Dec-2006				0.8683	0.8707	0.8731	0.8755	0.8779	0.8803
22-Dec-2006				0.8632	0.8656	0.868	0.8704	0.8728	0.8752
25-Dec-2006				0.8632	0.8656	0.868	0.8704	0.8728	0.8752
26-Dec-2006				0.8632	0.8656	0.868	0.8704	0.8728	0.8752
27-Dec-2006				0.8635	0.8659	0.8683	0.8707	0.8731	0.8755
28-Dec-2006				0.8636	0.866	0.8684	0.8708	0.8732	0.8756
29-Dec-2006				0.8602	0.8626	0.865	0.8674	0.8698	0.8722
2-Jan-2007				0.8595	0.8619	0.8643	0.8667	0.8691	0.8715
3-Jan-2007				0.8552	0.8576	0.86	0.8624	0.8648	0.8672
4-Jan-2007				0.8511	0.8535	0.8559	0.8583	0.8607	0.8631
5-Jan-2007				0.8543	0.8567	0.8591	0.8615	0.8639	0.8663
8-Jan-2007				0.8525	0.8549	0.8573	0.8597	0.8621	0.8645
9-Jan-2007				0.8521	0.8545	0.8569	0.8593	0.8617	0.8641
10-Jan-2007				0.8521	0.8544	0.8568	0.8592	0.8616	0.864
11-Jan-2007				0.8516	0.8539	0.8563	0.8587	0.8611	0.8635
12-Jan-2007				0.8568	0.8591	0.8615	0.8639	0.8663	0.8687
15-Jan-2007				0.8568	0.8591	0.8615	0.8639	0.8663	0.8687
16-Jan-2007				0.8514	0.8537	0.8561	0.8585	0.8609	0.8633
17-Jan-2007				0.8541	0.8564	0.8588	0.8612	0.8636	0.866
18-Jan-2007				0.8541	0.8564	0.8588	0.8612	0.8636	0.866
19-Jan-2007				0.8552	0.8575	0.8599	0.8623	0.8647	0.8671
22-Jan-2007				0.8473	0.8496	0.852	0.8544	0.8568	0.8592
23-Jan-2007				0.8487	0.851	0.8534	0.8558	0.8582	0.8606
24-Jan-2007				0.8496	0.8519	0.8543	0.8567	0.8591	0.8615
25-Jan-2007				0.8477	0.85	0.8524	0.8548	0.8572	0.8596
26-Jan-2007				0.8483	0.8506	0.853	0.8554	0.8578	0.8602
29-Jan-2007				0.847	0.8493	0.8517	0.8541	0.8565	0.8589
30-Jan-2007				0.8483	0.8506	0.853	0.8554	0.8578	0.8602
31-Jan-2007				0.8518	0.8541	0.8565	0.8589	0.8613	0.8637
1-Feb-2007				0.8498	0.8521	0.8545	0.8569	0.8593	0.8617
2-Feb-2007				0.8444	0.8467	0.8491	0.8515	0.8539	0.8563
5-Feb-2007				0.8473	0.8496	0.852	0.8544	0.8568	0.8592
6-Feb-2007				0.8465	0.8488	0.8512	0.8536	0.856	0.8584
7-Feb-2007				0.8446	0.8467	0.8491	0.8515	0.8539	0.8563
8-Feb-2007				0.8466	0.8489	0.8513	0.8537	0.8561	0.8585
9-Feb-2007				0.8544	0.8567	0.8591	0.8615	0.8639	0.8663
12-Feb-2007				0.8513	0.8536	0.856	0.8584	0.8608	0.8632
13-Feb-2007				0.8581	0.8604	0.8628	0.8652	0.8676	0.87
14-Feb-2007				0.8592	0.8615	0.8639	0.8663	0.8687	0.8711
15-Feb-2007				0.8612	0.8635	0.8659	0.8683	0.8707	0.8731
16-Feb-2007				0.86	0.8623	0.8647	0.8671	0.8695	0.8719
19-Feb-2007				0.86	0.8623	0.8647	0.8671	0.8695	0.8719
20-Feb-2007				0.8547	0.857	0.8594	0.8618	0.8642	0.8666
21-Feb-2007				0.8623	0.8646	0.867	0.8694	0.8718	0.8742
22-Feb-2007				0.8623	0.8646	0.867	0.8694	0.8718	0.8742
23-Feb-2007				0.8631	0.8654	0.8678	0.8702	0.8726	0.875
26-Feb-2007				0.8625	0.8648	0.8672	0.8696	0.872	0.8744
27-Feb-2007				0.8579	0.8602	0.8626	0.865	0.8674	0.8698
28-Feb-2007				0.8553	0.8575	0.8599	0.862	0.8641	0.8662
1-Mar-2007				0.8541	0.8563	0.8585	0.8606	0.8627	0.8648
2-Mar-2007				0.8502	0.8524	0.8546	0.8567	0.8588	0.8609
5-Mar-2007				0.8473	0.8495	0.8517	0.8538	0.8559	0.858
6-Mar-2007				0.8502	0.8524	0.8546	0.8567	0.8588	0.8609
7-Mar-2007				0.8491	0.8513	0.8535	0.8556	0.8577	0.8598
8-Mar-2007				0.8472	0.8494	0.8516	0.8537	0.8558	0.8579
9-Mar-2007				0.8534	0.8556	0.8578	0.8599	0.862	0.8641
12-Mar-2007				0.8544	0.8566	0.8588	0.8609	0.863	0.8651
13-Mar-2007				0.8525	0.8547	0.8569	0.859	0.8611	0.8632
14-Mar-2007				0.8506	0.8528	0.855	0.8571	0.8592	0.8613
15-Mar-2007				0.8498	0.852	0.8542	0.8563	0.8584	0.8605
16-Mar-2007				0.8505	0.8527	0.8549	0.857	0.8591	0.8612
19-Mar-2007				0.849	0.8512	0.8534	0.8555	0.8576	0.8597
20-Mar-2007				0.8593	0.8639	0.8661	0.8682	0.8703	0.8724
21-Mar-2007				0.8686	0.8707	0.8728	0.8749	0.877	0.8791
22-Mar-2007					0.8661	0.8682	0.8703	0.8724	0.8745
23-Mar-2007					0.8636	0.8657	0.8678	0.8699	0.872
26-Mar-2007					0.8628	0.8649	0.867	0.8691	0.8712
27-Mar-2007					0.8658	0.8679	0.87	0.8721	0.8742
28-Mar-2007					0.8649	0.867	0.8691	0.8712	0.8733
29-Mar-2007					0.8649	0.867	0.8691	0.8712	0.8733
30-Mar-2007					0.8691	0.8712	0.8733	0.8754	0.8775

Forecast Depart. Costs	**Jan-07**	**Feb-07**	**Mar-07**	**Apr-07**	**May-07**	**Jun-07**	**Jul-07**	**Aug-07**	**Sep-07**	**Oct-07**	**Nov-07**	**Dec-07**
Base Pay	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Subscriptions (Gas Daily)	-	-	-	-	5,000	-	-	-	-	-	-	-
Travel: Ground Transportation	-	-	-	-	-	1,000	-	-	-	-	-	-
Travel: Airfare	-	-	-	-	-	-	-	-	-	-	-	-
Travel: Accomodation	-	-	-	-	-	1,000	-	-	-	-	-	-
Travel: Meals & Entertainment	-	-	-	-	-	200	-	-	-	-	-	-
Travel: Other	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Civic Memberships	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal: Salary, Travel & Fees	7,500	7,500	7,500	7,500	12,500	9,700	7,500	7,500	7,500	7,500	7,500	7,500
Legal Fees	837	837	837	837	837	837	837	837	837	837	837	837
Professional Consulting	-	-	-	-	-	-	-	-	-	-	-	-
IC: Enbridge Gas Services	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563	1,563
IC: Enbridge Operational Services	7,000	7,000	7,000	7,000	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
IC: Rates Group	-	-	-	-	-	-	-	-	-	-	-	-
Energy Forecasting, Risk Management Consulting	-	-	-	-	-	-	-	-	-	-	-	-
Total Dept. Costs	16,900	16,900	16,900	16,900	19,100	16,300	14,100	14,100	14,100	14,100	14,100	14,100
Forecast Supply (GJ)	220,377	197,471	197,737	107,047	83,200	51,075	54,436	44,949	53,426	103,848	131,225	188,762
cost ($/GJ)	0.08	0.09	0.09	0.16	0.23	0.32	0.26	0.31	0.26	0.14	0.11	0.07

Forecast Depart. Costs	**Jan-08**	**Feb-08**	**Mar-08**	**Apr-08**	**May-08**	**Jun-08**	**Jul-08**	**Aug-08**	**Sep-08**	**Oct-08**	**Nov-08**	**Dec-08**
Base Pay	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Subscriptions (Gas Daily)	-	-	-	-	5,000	-	-	-	-	-	-	-
Travel: Ground Transportation	-	-	-	-	-	-	-	-	-	-	-	-
Travel: Airfare	-	-	-	-	-	-	-	-	-	-	-	-
Travel: Accomodation	-	-	-	-	-	-	-	-	-	-	-	-
Travel: Meals & Entertainment	-	-	-	-	-	-	-	-	-	-	-	-
Travel: Other	-	-	-	-	-	-	-	-	-	-	-	-
Trade and Civic Memberships	-	-	-	-	-	-	-	-	-	-	-	-
Subtotal: Salary, Travel & Fees	7,500	7,500	7,500	7,500	12,500	7,500	7,500	7,500	7,500	7,500	7,500	7,500
Legal Fees	837	837	837	837	837	837	837	837	837	837	837	837
Professional Consulting	-	-	-	-	-	-	-	-	-	-	-	-
IC: Enbridge Gas Services	1,563	1,563	1,563	1,563	-	-	-	-	-	-	-	-
IC: Enbridge Operational Services	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200	4,200
IC: Rates Group	-	-	-	-	-	-	-	-	-	-	-	-
Energy Forecasting, Risk Management Consulting	-	-	-	-	-	-	-	-	-	-	-	-
Total Dept. Costs	14,100	14,100	14,100	14,100	17,537	12,537	12,537	12,537	12,537	12,537	12,537	12,537
Forecast Supply (GJ)	244,306	214,027	189,893	143,684	97,451	64,864	58,894	55,345	66,701	120,744	164,962	237,188
cost ($/GJ)	0.06	0.07	0.07	0.10	0.18	0.19	0.21	0.23	0.19	0.10	0.08	0.05

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(in thousands of dollars)

	EUG Standard Offer		
Revenue			
Gas Sales	Revenue YTD	Customers YTD	Throughput TJs YTD
Small general service (SGS)	$ 4,673	4,820	402.1
General service (GS)	3,143	484	281.9
Contract general service (CGS)	1,839	60	173.3
Contract large general service (CLGS-LFO)	649	2	32.3
Contract large general service (CLGS-HFO)	-	-	-
Contract large volume off peak (CLVOPS)	-5	-	-
Off peak service	67	17	5.4
Total	$ 10,365	5,383	895.0
Expenses			
Commodity	9,626		
Transportation	933		
ABC Billing	75		
Administration	239		
Total	10,873		
Price of Gas Variance Account (PGVA)	508		

Notes: The price of the EUG standard offer is calculated using a forecast of the average cost of gas for the following twelve month period. Any difference between the forecast cost and the actual cost is recorded in the PGVA balance.

Monthly 2008 EUG standard offer price ($/GJ):	
January	$ 11.20
February	$ 11.20
March	$ 12.35
April	$ 13.13
May	$ 13.13
June	$ 14.15
July	$ 14.95
August	$ 13.55
September	$ 11.85
October	$ 10.90
November	$ 10.90
December	$ 10.90

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(in thousands of dollars)

	EUG Alternate Offers		
Revenue			
Gas Sales	Revenue YTD	Customers YTD	Throughput TJs YTD
Small general service (SGS)	828	1,171	74.3
General service (GS)	45	7	4.5
Contract general service (CGS)	56	2	5.7
Contract large general service (CLGS-LFO)	619	6	537.6
Contract large general service (CLGS-HFO)	3,519	1	335.6
Contract large volume off peak (CLVOPS)	605	-	20.4
Off peak service	-	-	-
Total	$ 5,670	1,187	978.1
Expenses			
Commodity	5,238		
Transportation	399		
ABC Billing	12		
Administration	21		
Total	5,670		
Price of Gas Variance Account (PGVA)	0		

Notes: The PGVA for alternate products is used to establish that annual gas costs do not exceed revenue, as required under section 4.1 of the Gas Distributor Marketing Regulation - Gas Distribution Act, 199

Monthly 2008 EUG alternate offer price ($/GJ):	**Off-Peak**	**Commercial Variable**	**Fixed Price**
January	$ 7.91	$ 8.85	$ 10.80
February	$ 8.80	$ 9.75	$ 10.80
March	$ 9.50	$ 10.43	$ 10.80
April	$ 10.53	$ 11.51	$ 10.80
May	$ 11.96	$ 12.92	$ 10.80
June	$ 12.39	$ 13.33	$ 10.80
July	$ 13.87	$ 14.84	$ 10.80
August	$ 10.16	$ 11.13	$ 10.80
September	$ 9.71	$ 10.71	$ 10.80
October	$ 8.80	$ 9.81	$ 10.80
November	$ 8.81	$ 9.95	$ 12.50
December	$ 9.54	$ 10.71	$ 12.50