

Enbridge Gas New Brunswick
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BY EMAIL AND COURIER

Ms. Lorraine R. Légère
Secretary to the Board
New Brunswick Energy and Utilities Board
P.O. Box 5001
15 Market Square, Suite 1400
Saint John, New Brunswick
E2L 1E8

Dear Ms. Légère:

Enbridge Gas New Brunswick – Rate Riders

In response to changes in the energy market over the past few months, Enbridge Gas New Brunswick (“EGNB”) is filing a request for Revenue Adjustment Rate Riders (“Rate Riders”) which will reduce delivery rates below the approved delivery rate in the Small General Service Residential Oil (“SGSRO”), Small General Service Commercial (“SGSC”), General Service (“GS”), Contract General Service (“CGS”), Contract Large General Service LFO (“LFO”), Contract Large Volume Off Peak Service (“CLVOPS”) and Off Peak Service (“OPS”) rate classes, as follows:

<u>Rate Class</u>	<u>Approved / Current Delivery Rate (\$/GJ)</u>	<u>Rate Reduction (\$/GJ)</u>	<u>Proposed Delivery Rate (\$/GJ)</u>
Small General Service Residential Oil	\$9.7456	(\$3.6431)	\$6.1025
Small General Service Commercial	\$9.3538	(\$3.5983)	\$5.7555
General Service	\$9.6570	(\$4.1693)	\$5.4877
Contract General Service	\$8.6291	(\$4.2892)	\$4.3399
Contract Large General Service LFO	\$4.0861	(\$2.0824)	\$2.0037
Contract Large Volume Off Peak Service	\$6.4718	(\$3.2169)	\$3.2549
Off Peak Service	\$7.2428	(\$3.1270)	\$4.1158

EGNB requests that the New Brunswick Energy and Utilities Board ("Board") approve the proposed Rate Riders effective January 1, 2009. The proposed adjustments are required on the basis that forward wholesale oil prices have decreased relative to natural gas, compared with the prices underpinning EGNB's 2008 Rate Applications dated November 5, 2007 and December 19, 2007.

Enclosed please find Schedule "C", the Derivation of Target Distribution Rates that outlines the economic data supporting this request. As has been previously discussed with Board staff, this economic data, while important, is not the only factor in determining the requested Rate Riders. EGNB takes into consideration more subjective or qualitative knowledge that it has of the actual economic situation of customer classes, such as actual gas prices, consumption patterns and customer expectations regarding savings. EGNB is requesting the Board approve the proposed Rate Riders, as outlined in Schedule "A", effective January 1, 2009.

Customer Communication

EGNB is proposing a customer communication consisting of a short on-bill message and a website posting as outlined in its previous applications. The proposed website notification is attached as Schedule "B". The on-bill message will state: "Delivery rate charges have decreased for SGSRO, SGSC, GS, CGS, LFO, CLVOPS and OPS customers. Please visit our website at www.naturalgasnb.com or call toll-free 1-800-994-2762 for more information."

EGNB has received a request from one LFO customer for email notification of rate changes. EGNB will be providing this customer with the requested notification upon approval of these Rate Riders and will continue to present this option to customers.

If you have any questions or require additional information, please call me.

Yours truly,



Dave Charleson
General Manager

Enclosures

c.c. Competitive Energy Services, LLC
Corridor Resources Inc.
ECNG Energy LP
Irving Energy Services Limited
Park Fuels Ltd.
Potash Corporation of Saskatchewan Inc.
Superior Propane Inc.

Schedule "A"

REVENUE ADJUSTMENT RATE RIDER

The following adjustments shall be applicable to all bills issued on and after January 1, 2009:

<u>Rate Class</u>	<u>Approved Delivery Rate (\$/GJ)</u>	<u>Rate Reduction (\$/GJ)</u>	<u>Reduced or Reinstated Delivery Rate (\$/GJ)</u>
Small General Service Residential Oil (SGSRO)	9.7456	3.6431	6.1025
Small General Service Commercial (SGSRC)	9.3538	3.5983	5.7555
General Service (GS)	9.6570	4.1693	5.4877
Contract General Service (CGS)	8.6291	4.2892	4.3399
Contract Large General Service LFO (LFO)	4.0861	2.0824	2.0037
Contract Large Volume Off Peak Service (CLVOPS)	6.4718	3.2169	3.2549
Off Peak Service (OPS)	7.2428	3.1270	4.1158



Schedule “B”

Notice of Rate Adjustments

Enbridge Gas New Brunswick (EGNB) would like to advise you, our valued customer, of changes to our distribution rates, effective January 1, 2009. EGNB has received approval from the New Brunswick Energy and Utilities Board to adjust natural gas delivery charges.

There are three charges that determine your total cost of natural gas. The first is the monthly customer or demand charge which is not being adjusted. The second is the delivery charge which is decreasing. The third, and the largest component of your total natural gas cost, is the charge for supply of the natural gas commodity.

EGNB delivers natural gas to customers at rates which are based on local market conditions targeted to provide savings against alternate energy products. In recent months, **oil prices have decreased while natural gas commodity prices have remained relatively stable.** Based on these changes in the market place, EGNB has received approval to decrease delivery charges in the Small General Service Residential Oil (“SGSRO”), Small General Service Commercial (“SGSC”), General Service (“GS”), Contract General Service (“CGS”), Contract Large General Service LFO (“LFO”), Contract Large Volume Off Peak Service (“CLVOPS”) and Off Peak Service (“OPS”) rate classes. These changes are outlined in the table below.

Natural Gas Distribution Charges as of January 1, 2009

RATE CLASS	Customer or Demand Charge	Approved Delivery Charge (\$/GJ)	January 2009 Adjusted Delivery Charge (\$/GJ)
Small General Service Residential Oil (SGSRO)	\$16.00/month	\$9.7456	\$6.1025
Small General Service Commercial (SGSC)	\$16.00/month	\$9.3538	\$5.7555
General Service (GS)	\$16.00/month	\$9.6570	\$5.4877
Contract General Service (CGS)	\$5.20/GJ	\$8.6291	\$4.3399
Contract Large General Service LFO (LFO)	\$5.20/GJ	\$4.0861	\$2.0037
Contract Large Volume Off Peak Service (CLVOPS)	\$3.90/GJ	\$6.4718	\$3.2549
Off Peak Service (OPS)	\$12.00/month	\$7.2428	\$4.1158

EGNB provides safe, reliable distribution of natural gas. The price that EGNB charges for the distribution of natural gas is regulated by the New Brunswick Energy and Utilities Board and can only change with their approval. ¹ The price is based on market conditions and may increase or decrease significantly over time. If you wish to receive notification of delivery rate changes in the future by email, please email us at egnb_mailbox@egnb.enbridge.com. For more information about EGNB, these delivery rate adjustments or the current price for supply of Enbridge Utility Gas, call toll free at 1-800-994-2762 or visit www.naturalgasnb.com.

¹ This applies only to the customer or demand charge and delivery charge, which together constitute the distribution charge.

Schedule "C"

Derivation of Distribution Rates						
Line	Item	SGSRO	SGSC	GS	CGS	LFO
(1)	Retail Oil Price (\$/L)	0.7228	0.6826	0.6276	0.6032	0.5774
(2)	Retail Oil Price (\$/GJ)	18.69	17.66	16.23	15.59	14.93
(3)	Typical Annual Oil Consumption (L)	3,769	6,454	37,411	140,092	807,549
(4)	Typical Annual Oil Consumption (GJ)	146	250	1,447	5,420	31,205
(5)	Annual Oil Cost (\$) (Line 1 x Line 3)	2,724	4,405	23,479	84,503	466,279
(6)	Target Savings Level (%)	20%	20%	15%	15%	10%
(7)	Target Annual Savings (\$) (Line 5 x Line 6)	545	881	3,522	12,675	46,628
(8)	Typical Annual Natural Gas Cost (\$) (Line 5 minus Line 7)	2,180	3,524	19,957	71,828	419,651
(9)	Typical Annual Natural Gas Consumption (GJ)	114	195	1,175	4,400	31,205
(10)	Target Natural Gas Burner Tip Unit Price (\$/GJ) (Line 8 divided by Line 9)	19.12	18.07	16.98	16.32	13.45
(11)	Commodity Price (\$/GJ)	11.33	11.33	11.33	11.33	10.73
(12)	Distribution Rate (\$/GJ) (Line 10 minus Line 11)	7.7867	6.7401	5.6511	4.9908	2.7176
Breakdown of Distribution Charge between Monthly and Delivery Charges:						
(13)	Annual Distribution Charge per Customer (\$) (Line 12 x Line 9)	888	1,314	6,640	21,960	84,802
(14)	Monthly Customer Charge (\$)	16.00	16.00	16.00	N/A	N/A
(15)	Annual Customer Charge (\$) (Line 14 x 12 months)	192	192	192	N/A	N/A
(16)	Monthly Demand Charge (\$/GJ)	N/A	N/A	N/A	5.20	5.20
(17)	Average Monthly Contract Demand (GJ)	N/A	N/A	N/A	45.90	357.00
(18)	Annual Demand Charge (\$) (Line 17 x 12 months x Line 16)	N/A	N/A	N/A	2,864	22,277
(19)	Annual Delivery Charge per Customer (\$) (Line 13 minus Line 15 minus Line 18)	696	1,122	6,448	19,095	62,525
(20)	Delivery Charge per GJ (\$) (Line 19 divided by Line 9)	6.1025	5.7555	5.4877	4.3399	2.0037

The delivery rate for CLVOPS is calculated as 75% of the CGS delivery rate and the delivery rate for OPS is calculated as 75% of the GS delivery rate.