

**BOARD OF COMMISSIONERS OF PUBLIC UTILITIES
PROVINCE OF NEW BRUNSWICK**

IN THE MATTER OF sections 52 and 56 of the *Gas Distribution Act, 1999*, S.N.B. 1999, c. G-2.11, as amended;

AND IN THE MATTER OF an application by Enbridge Gas New Brunswick to replace its Small General Service rate class with separate rate classes for Small General Service Commercial, Small General Service Residential Oil and Small General Service Residential Electric.

APPLICATION TO REPLACE SGS RATE CLASS

1. Enbridge Gas New Brunswick Limited Partnership, as represented by its general partner, Enbridge Gas New Brunswick Inc. ("EGNB" or the "Applicant") hereby applies to the Board of Commissioners of Public Utilities of the Province of New Brunswick (the "Board"), pursuant to sections 52 and 56 of the *Gas Distribution Act, 1999* (the "Act"), for an order or orders approving the replacement of its Small General Service ("SGS") rate class with separate rate classes for Small General Service Commercial, Small General Service Residential Oil and Small General Service Residential Electric.
2. EGNB is the general franchisee under a General Franchise Agreement dated August 31, 1999 ("GFA") with the Province of New Brunswick as represented by the Minister of Natural Resources and Energy. The GFA (which was filed with the Board as part of EGNB's 2000 Rate Application) authorizes EGNB to distribute natural gas and provide customer services in the Province of New Brunswick.
3. EGNB's Board approved SGS monthly distribution charge is \$7.6212 per GJ (the "Distribution Rate"). The rate is currently reduced by a Board approved Revenue Adjustment Rate Rider (the "Rider") of \$2.1776 per GJ.
4. EGNB is not proposing to change the Distribution Rate for any of the three new classes, nor the Rider for the SGSC or SGSRO rate classes.

5. EGNB does, however, wish to increase the Rider for the SGSRE rate class to \$5.2725 per GJ, thereby reducing the effective distribution charge for the SGSRE rate class to \$2.3487 per GJ, effective January 1, 2007.
6. Primarily, the objective of EGNB in making this application is to facilitate EGNB's ability to grow its residential market by attracting customers who currently use or, in the case of new construction, would use electricity to meet heat and hot water requirements. In addition, EGNB believes that it is important to separate commercial customers from residential customers for rate making purposes going forward.
7. Information in support of EGNB's Application is being filed with the Board together with this Application.
8. As for existing and signed EGNB customers:
 - (a) the SGSC rate will apply to all existing and signed non-residential SGS customers;
 - (b) the SGSRO rate will apply to all existing and signed residential SGS customers who do not qualify for the proposed SGSRE rate; and
 - (c) the SGSRE rate will apply to all existing and signed residential SGS customers who reside in dwelling units that either replaced the primary electric space heating and domestic hot water equipment with equipment that uses natural gas or were built using natural gas equipment for heat and hot water requirements.
9. On the basis of the foregoing, EGNB applies for the following orders, decisions or directions of the Board:
 - (a) approval, under sections 52 and 56 of the Act, of the replacement of its SGS rate class with separate rate classes for SGSC, SGSRO and SGSRE, the

reclassification of existing and signed SGS customers in the manner described in paragraph 8 above and the increase in the Rider applicable to the SGSRE rate class, such changes to be effective January 1, 2007;

- (b) an order under section 56 of the Act, to the extent necessary or appropriate, to ensure an expeditious determination of this Application;
 - (c) such interim order under section 77 of the Act, and such further directions in that regard, as may be necessary or appropriate;
 - (d) an order under subsection 96(3) of the Act exempting the Applicant, to the extent necessary or appropriate, from some or all of the provisions of any regulations made by the Board under subsection 96(1) of the Act; and
 - (e) such further or other order, decision or direction relating to the Applicant's existing SGS rate class or the proposed SGSC, SGSRO and SGSRE rate classes as the Applicant may request and the Board may deem necessary or appropriate.
10. The names, addresses, telephone numbers and other telecommunications numbers of the Applicant and the Applicant's authorized representative are as follows:

- (a) The Applicant:

Enbridge Gas New Brunswick
440 Wilsey Road
Suite 101
Fredericton, NB E3B 7G5
Attention: Andrew Harrington

Telephone: (506) 457-7704
Fax: (506) 452-2868
Email: andrew.harrington@enbridge.com

(b) The Applicant's counsel:

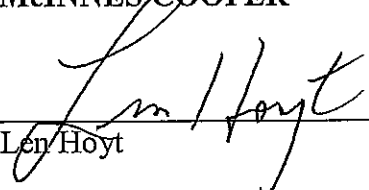
McInnes Cooper
Suite 600, Barker House
570 Queen Street
P.O. Box 610, Stn. A
Fredericton, NB E3B 5A6
Attention: Len Hoyt

Telephone: (506) 458-1622
Fax: (506) 458-9903
Email: len.hoyt@mcinnescooper.com

DATED at Fredericton, New Brunswick this 26th day of October, 2006.

**ENBRIDGE GAS NEW BRUNSWICK LIMITED
PARTNERSHIP**, as represented by its general
partner **ENBRIDGE GAS NEW BRUNSWICK
INC.**

by its counsel
McINNES COOPER



Len Hoyt