

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

**IN THE MATTER OF** an application by Enbridge Gas New Brunswick to extend the Development Period and the Deferral Account Recovery Period.

**APPLICATION**

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”) for an order or orders extending the Development Period and the Deferral Account Recovery Period described below.
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. The Development Period is the period during which EGNB cannot be expected to operate like a mature utility.
4. EGNB’s Deferral Account is an account in which it records the shortfall of actual revenue received as against the revenue requirement approved by the Board.
5. The Board’s June 23, 2000 decision in the matter of an application by EGNB for approval of its rates and tariffs provided:
  - (a) Development Period: “The Board considers that the development period should last until December 31, 2005. Thereafter, the onus will be on EGNB to annually

prove that the development period should be extended for a further year.” (p. 8 of Decision)

(b) Deferral Account Recovery Period: “The Board therefore requires that EGNB establish an amortization schedule, at the end of the development period, that will clear the balance in the deferral account over the remaining term of the initial General Franchise Agreement.” (p. 32 of Decision)

6. It has become obvious that EGNB will still be in the Development Period through 2010. EGNB now wishes to extend the Development Period to December 31, 2010.

7. It has become practically impossible for EGNB, without violating the essential precepts of EGNB’s rate/business model, to recover the Deferral Account before the end of the term of the initial General Franchise Agreement. EGNB wishes to recover the Deferral Account over a period of 40 years from the end of the Development Period. Alternatively, a recovery period from the end of the Development Period to 2040 would be acceptable.

8. Evidence in support of EGNB’s Application is being filed with the Board together with this Application.

9. On the basis of the foregoing, EGNB applies for the following orders, decisions or directions of the Board:

(a) approval of the extension of the Development Period to December 31, 2010 and thereafter the onus will be on EGNB to annually prove that the Development Period should be extended for a further year;

(b) that EGNB establish an amortization schedule, at the end of the Development Period, that will clear the balance in the Deferral Account over a period of 40 years or, alternatively, by 2040;

- (c) such interim order and such further directions in that regard, as may be necessary or appropriate;
  - (d) an order 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 Gas Distribution Act, 1999; and
  - (e) such further or other order, decision or direction relating to the extension of the Development Period and/or the Deferral Account Recovery Period 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  
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Fredericton, NB E3B 7G5  
Attention: Shelley Black

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(b) The Applicant's counsel:

McInnes Cooper  
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**DATED** at Fredericton, New Brunswick this 8<sup>th</sup> day of October, 2004.

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

by its counsel  
**McINNES COOPER**

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Len Hoyt