

Schedule 6

**2009 Revised Financial Statements
blackline comparison to
statements filed on April 19, 2009**

Enbridge Gas New Brunswick
Balance Sheet for Regulatory Purposes
For the year ended December 31, 2009

Notice to Reader: Subject to approval by the New Brunswick Energy and Utilities Board

(in thousands of dollars)

Assets	<u>2009</u>	<u>2008</u>
Regulated Assets		
Property, Plant and Equipment (Note 1)		
	\$ 147,751	
Gas Distributor Plant in Service - Net (includes AFUDC capitalized during 2009 of \$33.7)	\$ 147,502	\$ 136,230
Construction Work In Progress - Gas Distributor Plant	<u>1,382</u>	<u>1,613</u>
	149,133	
Total Property, Plant & Equipment	<u>148,884</u>	137,843
Deferred Charges		
Deferred Development Costs - Net (Note 2)	1,151	1,583
	88,771	
Development O&M Capitalized Costs - Net (Note 3)	<u>88,327</u>	79,316
	155,895	
Regulatory Deferral	<u>155,372</u>	<u>132,878</u>
	245,817	
Total Deferred Charges	<u>244,850</u>	213,777
Short Term Investments	<u>2,955</u>	<u>3,048</u>
	397,905	
Total Regulated Assets	<u>396,689</u>	<u>354,668</u>
Other Regulated Assets	<u>16,483</u>	<u>20,511</u>
	\$ 414,388	
Total Assets	<u>\$ 413,172</u>	<u>\$ 375,179</u>
Liabilities and Partner's Equity		
Partner's Equity	\$ 186,656	\$ 185,367
	\$ 185,440	
Long-term Advances from Associates and Affiliates (Note 4)	212,650	166,650
Other Regulated Liabilities	<u>15,082</u>	<u>23,162</u>
	\$ 414,388	
Total Liabilities and Equity	<u>\$ 413,172</u>	<u>\$ 375,179</u>

Rate Base for Regulatory Purposes – Note 10
Capital Structure for Regulatory Purposes – Note 11
Financial Statement Effects of Rate Regulation - Note 13

Enbridge Gas New Brunswick
Statement of Income for Regulatory Purposes
For the year ended December 31, 2009

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(in thousands of dollars)

	<u>2009</u>	<u>2008</u>
Revenue		
Operating Revenue (Note 5)		
Gas distribution	\$ 26,162	\$ 27,883
Miscellaneous	281	391
Income from Investments	44	119
Allowance for Funds Used During Construction	<u>34</u>	<u>29</u>
	26,521	28,422
Installation Services		
Revenue	7,664	13,117
Cost of goods sold	<u>(6,221)</u>	<u>(11,486)</u>
	1,443	1,631
Total Revenue	<u>27,964</u>	<u>30,053</u>
Expenses		
Operating Expenses		
Operating and maintenance expenses (Note 6)	5,054	
Deemed capital taxes (Note 7)	<u>4,586</u>	4,028
Bad debt expense	-	344
	311	679
Amortization of Property, Plant and Equipment	5,042	
	<u>5,034</u>	4,992
Municipal and Other Taxes	1,053	960
Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 8)	12,367	
	<u>12,354</u>	10,681
Amortization of Deferred Development Costs	2,904	
	<u>2,898</u>	2,133
Total Expenses	26,731	
	<u>26,236</u>	23,817
Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base	1,233	
	<u>1,728</u>	6,236
Regulatory Deferral	23,158	
	<u>22,636</u>	14,969
Regulated Return on Equity (Note 9)	24,391	
	<u>\$ 24,364</u>	<u>\$ 21,205</u>

Details of Affiliate Transactions – Note 12
Financial Statement Effects of Rate Regulation - Note 13

(in thousands of dollars)

Note 1 **Property, Plant & Equipment**

			2009	2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
Property, plant & equipment					
General plant					
Computer hardware & software	\$ 3,351	\$ (2,548)	\$ 803	\$ 938	28.80%
Tools and work equipment	684	(181)	503	500	5.30%
Office furniture and equipment	460	(120)	340	359	4.40%
Transportation	783	(73)	710	282	11.80%
Communications	8	(8)	-	1	28.80%
Leasehold improvements	613	(204)	409	350	1
Subtotal	5,899	(3,134)	2,765	2,430	
Distribution plant					
Land	375	-	375	375	-
Rights of way and easements	156	-	156	121	-
	97,399	(11,444)	85,955		
Distribution mains	97,142	(11,436)	85,706	80,037	2.43%
Street services	41,227	(5,793)	35,434	32,456	3.83%
Meters and regulators	14,098	(2,332)	11,766	11,086	3.83%
Stations	13,291	(1,991)	11,300	9,725	4.40%
Subtotal	166,546	(21,560)	144,986	133,800	
	172,445	(24,694)	147,751		
Total plant in service	172,188	(24,686)	147,502	136,230	
Construction work in progress					
	1,382	-	1,382	1,613	-
Total property, plant & equipment	\$ 173,827	\$ (24,694)	\$ 149,133	\$ 137,843	
	\$ 173,570	\$ (24,686)	\$ 148,884		

1 - Amortized over the term of the related leases.

(in thousands of dollars)

Note 2 **Deferred Development Costs - Net**

			2009	2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
Franchise fee	\$ 1,500	\$ (775)	\$ 725	\$ 800	5.00%
Deferred carrying costs	1,784	(1,358)	426	783	20.00%
Total deferred development costs, net	\$ 3,284	\$ (2,133)	\$ 1,151	\$ 1,583	

Note 3 **Development O&M Capitalized Costs – Net**

			2009	2008	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
Development O&M capitalized costs	\$ 95,855	\$ (7,084)	\$ 88,771	\$ 79,316	2.43%
	\$ 95,405	\$ (7,078)	\$ 88,327		
Total development O&M capitalized costs, net	\$ 95,855	\$ (7,084)	\$ 88,771	\$ 79,316	
	\$ 95,405	\$ (7,078)	\$ 88,327		

(in thousands of dollars)

Note 4 **Long-term Advances from Associates and Affiliates**

	Issue Date	Maturity Date	Amount	2009 Cost of Debt			Amount	2008 Cost of Debt		
				Enbridge Inc.	EGNB	Regulated		Enbridge Inc.	EGNB	Regulated
Promissory Note	6-Feb-01	6-Feb-11	6,150	6.33%	7.95%	7.33%	6,150	6.33%	7.95%	7.33%
Promissory Note	28-Jun-02	29-Jun-12	6,000	6.08%	7.89%	7.08%	6,000	6.08%	7.89%	7.08%
Promissory Note	23-Dec-02	24-Dec-12	7,500	6.50%	7.41%	7.50%	7,500	6.50%	7.41%	7.50%
Promissory Note	26-Jun-03	27-Jun-13	13,000	5.62%	6.96%	6.62%	13,000	5.62%	6.96%	6.62%
Promissory Note	30-Dec-03	30-Dec-13	14,000	5.34%	7.14%	6.34%	14,000	5.34%	7.14%	6.34%
Promissory Note	23-Mar-04	24-Mar-14	14,000	5.33%	6.69%	6.33%	14,000	5.33%	6.69%	6.33%
Promissory Note	30-Nov-04	28-Nov-14	21,000	5.69%	6.95%	6.69%	21,000	5.69%	6.95%	6.69%
Promissory Note	30-Mar-05	30-Mar-15	6,000	5.04%	6.93%	6.04%	6,000	5.04%	6.93%	6.04%
Promissory Note	28-Dec-05	28-Dec-15	14,000	4.59%	6.53%	5.59%	14,000	4.59%	6.53%	5.59%
Promissory Note	19-Dec-06	19-Dec-16	21,000	4.82%	6.52%	5.82%	21,000	4.82%	6.52%	5.82%
Promissory Note	20-Dec-07	20-Dec-17	29,000	5.54%	5.85%	6.54%	29,000	5.54%	5.85%	6.54%
Promissory Note	19-Dec-08	19-Dec-13	15,000	6.85%	7.85%	7.85%	15,000	6.85%	7.85%	7.85%
Promissory Note	25-Jun-09	25-Jun-14	25,000	4.37%	5.37%	5.37%	-	-	-	-
Promissory Note	9-Dec-09	9-Dec-19	21,000	4.63%	5.63%	5.63%	-	-	-	-
Total long-term advances from associates and affiliates			\$ 212,650	5.47%	6.74%	6.47%	\$ 166,650	5.42%	6.74%	6.42%

The cost of debt of EGNB is limited to the actual borrowing rate of Enbridge Inc. plus 1%.

(in thousands of dollars)

Note 5 **Operating Revenue**

a. **Gas Distribution**

	2009			2008		
	Revenue	Customers	Throughput TJs	Revenue	Customers	Throughput TJs
Small general service (SGS)	\$ 6,982	8,404	793	\$ 6,707	7,772	719
General service (GS)	7,559	1,507	1,063	7,555	1,348	866
Contract general service (CGS)	6,501	246	1,011	7,698	246	976
Contract large general service (CLGS-LFO)	4,680	24	1,367	5,368	22	1,524
Contract large general service (CLGS-HFO)	418	9	974	399	7	924
Contract large volume off peak (CLVOPS)	-	-	-	44	1	5
Off peak service	22	14	3	112	17	28
Total	\$ 26,162	10,204	5,211	\$ 27,883	9,413	5,042

1 Terajoule (TJ) = 1,000 Gigajoules (GJ)

(in thousands of dollars)

Note 5 **Operating Revenue (continued)**

b. Miscellaneous

	<u>2009</u>	<u>2008</u>
Agent billing and collection	\$ 125	\$ 105
Other miscellaneous revenue	<u>156</u>	<u>286</u>
Total miscellaneous	<u><u>\$ 281</u></u>	<u><u>\$ 391</u></u>

Details of Agent Billing and Collection Revenues

(in dollars)

	<u>2009</u>	<u>2008</u>
Agent billing and collection		
Small general service (SGS)	\$ 96,602	\$ 81,648
General service (GS)	18,902	14,497
Contract general service (CGS)	8,213	7,141
Agent billing		
Contract large general service (CLGS-LFO)	306	572
Contract large general service (CLGS-HFO)	396	277
Contract large volume service (CLVOPS)	-	45
Off peak service (OPS)	<u>917</u>	<u>1,020</u>
Total agent billing and collection revenue	<u><u>\$ 125,336</u></u>	<u><u>\$ 105,200</u></u>

(in thousands of dollars)

Note 6 **Operating and Maintenance Expenses**

	<u>2009</u>	<u>2008</u>
	\$ 1,254	
Corporate management	\$ 1,128	\$ 1,177
	\$ 1,499	
Corporate administration	984	876
	774	
Financial reporting	715	602
	943	
Information technology	919	886
Regulatory & upstream	1,372	852
Sales & marketing	6,872	17,528
	5,821	
Distribution & maintenance	5,763	6,201
Customer care	1,342	983
	2,179	
Human resources	1,786	1,813
Gas transportation and related activities	1,141	1,288
	23,197	
Total	22,022	32,206
Capitalized to:		
	6,322	
Property, plant & equipment	6,267	6,593
	11,821	
Development O&M capitalized costs	11,169	21,585
	18,143	
Total capitalized	17,436	28,178
	\$ 5,054	
Total	\$ 4,586	\$ 4,028

(in thousands of dollars)

Note 7 **Deemed Capital Taxes**

	2009		2008	
	Federal	Provincial	Federal	Provincial
Calculation of deemed taxable capital				
Partnership capital for regulatory purposes	\$ 177,243	\$ 177,243	\$ 176,777	\$ 176,777
	\$ 176,054	\$ 176,054		
Retained earnings for regulatory purposes	9,413	9,413	8,590	8,590
	9,386	9,386		
Sub-total	186,656	186,656	185,367	185,367
	185,440	185,440		
Restricted term deposit	(2,955)	(2,955)	(3,048)	(3,048)
Long-term debt	212,650	212,650	166,650	166,650
Sub-total	209,695	209,695	163,602	163,602
Capital deduction	(50,000)	(5,000)	(50,000)	(5,000)
Total taxable capital	346,351	391,351	298,969	343,969
	345,135	390,135		
Taxes				
Federal	-	0.000%	-	0.000%
Provincial	-	0.000%	¹ 344	0.100%
Total deemed capital taxes	<u>\$ -</u>		<u>\$ 344</u>	

¹ - Effective January 1, 2009, the Provincial portion of the Large Corporation Capital Tax (LCCT) was eliminated

(in thousands of dollars)

Note 8 **Interests on Amounts Due to Associates & Affiliates and Other Interest**

	<u>2009</u>	<u>2008</u>
	\$ 12,176	
Interest on long-term debt	\$ 12,162	\$ 10,468
Other interest expense	180	203
	11	
AIDC - allowance for funds used during construction (debt component)	<u>12</u>	10
	<u>12,367</u>	
Total interest on amounts due to associates & affiliates and other interest	<u>\$ 12,354</u>	<u>\$ 10,681</u>

Note 9 **Regulated Returns on Equity**

	<u>2009</u>	<u>2008</u>
	\$ 24,369	
Regulated return on equity	\$ 24,342	\$ 21,186
AEDC - allowance for funds used during construction (equity component)	22	19
	<u>24,391</u>	
Total regulated return on equity	<u>\$ 24,364</u>	<u>\$ 21,205</u>

(in thousands of dollars)

Note 10 **Rate Base for Regulatory Purposes**

	<u>2009</u>	<u>2008</u>
Property, plant & equipment		
	\$ 172,445	
Cost	\$ 172,188	\$ 155,576
	(24,694)	
Accumulated amortization	(24,686)	(19,346)
	147,751	
Net	147,502	136,230
Deferred charges		
Franchise fee, at cost	1,500	1,500
Accumulated amortization	(775)	(700)
Net	725	800
	95,855	
Development O&M capitalized costs	95,405	84,236
	(7,084)	
Accumulated amortization	(7,078)	(4,920)
	88,771	
Net	88,327	79,316
Deferred carrying costs, at cost	1,784	2,687
Accumulated amortization	(1,358)	(1,904)
Net	426	783
	155,895	
Deferral account	155,372	132,878
	245,817	
Total deferred charges	244,850	213,777
Term deposit	2,955	3,048
Working capital allowance	<u>1,757</u>	<u>2,242</u>
	\$ 398,280	
Total rate base	\$ 397,064	\$ 355,297
	\$ 374,900	
Average rate base	\$ 374,483	\$ 325,932

(in thousands of dollars)

Note 11 **Capital Structure for Regulatory Purposes**

	<u>2009</u>	<u>2008</u>
Capital structure		
Long-term debt	\$ 212,650	\$ 166,650
	\$ 186,656	
Equity	<u>185,440</u>	<u>185,367</u>
	\$ 399,306	
Total	<u><u>\$ 398,090</u></u>	<u><u>\$ 352,017</u></u>

Capital structure percentage

	53.25%	
Long-term debt	53.42%	47.34%
	46.75%	
Equity	46.58%	52.66%
Total	<u>100.00%</u>	<u>100.00%</u>

Capital structure average percentage for regulatory purposes

Long-term debt	50.00%	50.00%
Equity	<u>50.00%</u>	<u>50.00%</u>
Total	<u><u>100.00%</u></u>	<u><u>100.00%</u></u>

Weighted cost of capital for regulatory purposes

Long-term debt	3.25%	3.21%
Equity	<u>6.50%</u>	<u>6.50%</u>
Total	<u><u>9.75%</u></u>	<u><u>9.71%</u></u>

(in thousands of dollars)

Note 12 **Details of Affiliate Transactions**

Consulting and Services	Enbridge Operational Services	Enbridge Inc.	Enbridge Commercial Services Inc.	Enbridge Gas Distribution Inc.	Gazifère Inc.	Total Affiliate Consulting and Services	Total Consulting and Services	Affiliate Expenditure as Percent of Total Consulting and Services
For the period ending December 31, 2009								
Corporate management	\$ -	\$ 185	\$ -	\$ -	\$ -	\$ 217	\$ 381	57%
Sales & marketing	\$ -	\$ 59	\$ -	\$ 32	\$ -	\$ 91	\$ 256	36%
Human resources	-	403	-	23	-	426	562	76%
Distribution & maintenance	-	9	-	23	-	32	168	49%
Budget & regulatory	-	58	-	624	-	682	1,615	42%
Financial reporting	-	-	-	3	-	3	1,307	0%
Customer care	-	100	-	20	-	120	255	47%
Corporate administration	-	40	-	31	586	617	647	95%
Gas transportation & related	60	-	-	-	-	60	60	100%
Information technology	-	1,417	31	256	-	1,422	1,422	83%
		135				422	514	82%
		2,321				3,992	7,768	51%
Total	\$ 60	\$ 1,145	\$ 31	\$ 994	\$ 586	\$ 2,816	\$ 6,593	43%
For the fiscal year ended December 31, 2008								
Corporate management	\$ -	\$ 38	\$ -	\$ 39	\$ -	\$ 77	\$ 292	26%
Sales & marketing	-	-	-	-	-	-	1,137	0%
Human resources	-	37	-	23	-	60	187	32%
Distribution & maintenance	-	-	-	802	-	802	1,120	72%
Budget & regulatory	84	-	-	11	-	95	812	12%
Financial reporting	-	50	-	12	-	62	190	33%
Customer care	-	-	-	37	-	37	556	7%
Corporate administration	-	761	-	7	-	768	768	100%
Gas transportation & related	70	-	-	-	-	70	70	100%
Information technology	-	139	59	253	-	451	488	92%
Total	\$ 154	\$ 1,025	\$ 59	\$ 1,184	\$ -	\$ 2,422	\$ 5,620	43%

(in thousands of dollars)

Note 13 Financial Statement Effects of Rate Regulation

The Partnership's primary business activities are subject to regulation by the New Brunswick Energy and Utilities Board (EUB). The Partnership follows accounting practices prescribed by its regulator or stipulated in approved ratemaking decisions that are subject to examination and approval by the EUB and are similar to those being used by other enterprises in the gas distribution industry in Canada. Accordingly, the timing and recognition of certain revenues and expenses may differ from that otherwise expected under generally acceptable accounting principles (GAAP) applicable to non-regulated operations. The ultimate recoverability of costs incurred is dependant upon the approval of the EUB.

Rate regulation creates differences between the manner in which the Partnership accounts for transactions or events and how they would be accounted for if the Partnership was not subject to rate regulation. The differences in accounting treatment include:

The Partnership is subject to non-traditional regulation which recognizes its immature nature. Unlike many similar utilities, the Partnership's rates are market, not cost, based. Rates charged by the Partnership are based on a targeted savings over alternate fuel for end use customers. This rate setting methodology has been approved by the EUB for use during the development period after which rates are expected to be cost based. The EUB has approved a regulatory deferral account to capture the difference between the Partnership's regulated revenues and its revenue requirement which non-regulated enterprises would not recognize.

The EUB permits an "allowance for funds used during construction" (AFUDC) to be included in the rate base. In addition, AFUDC is included in the cost of property, plant and equipment and is depreciated over future periods as part of the total cost of the related asset, based on the expectation that depreciation expense, including the AFUDC component, will be approved for inclusion in future rates. AFUDC for rate-regulated entities includes both an interest component and a cost of equity component. In the absence of rate regulation, GAAP would permit the capitalization of only the interest component. Therefore, the initial set up of the equity component as a capitalized asset and the corresponding revenue recognized during the construction phase would not be recognized nor would the subsequent depreciation of the asset.

As prescribed by the EUB, the Partnership does not recognize gains and losses on the sale of natural gas in the statement of income and uses a purchase gas variance account to defer the gain or loss on sale. Non-regulated enterprises would normally account for the gain or loss in the statement of income or comprehensive income.

As allowed by the EUB, the Partnership capitalizes certain operating and maintenance expenses incurred during the Partnership's development period. Non-regulated enterprises may expense certain of these costs in the period incurred.

Enbridge Inc., on behalf of the Partnership, maintains a pension plan which provides defined benefit pension benefits to employees. As prescribed by the EUB, contributions made to the plan are expensed as paid, consistent with the recovery of such costs in rates. Under GAAP, pension costs and obligations for defined benefit pension plans are determined using the projected benefit method and are charged to income as services are rendered.