

## **Schedule 6**

### **2012 Budget**

**Enbridge Gas New Brunswick**  
Budget Balance Sheet for Regulatory Purposes  
As at December 31, 2012

(in thousands of dollars)

<b>Assets</b>	<u>2012</u>
<b>Regulated Assets</b>	
<b>Property, Plant and Equipment (Note 1)</b>	
<b>Gas Distributor Plant in Service - Net</b> (includes AFUDC capitalized during 2012 of \$53.2)	\$ 186,574
<b>Construction Work In Progress - Gas Distributor Plant</b>	1,661
<b>Total Property, Plant &amp; Equipment</b>	<u>188,235</u>
<b>Deferred Charges</b>	
<b>Deferred Development Costs - Net</b> (Note 2)	584
<b>Development O&amp;M Capitalized Costs - Net</b> (Note 3)	101,368
<b>Regulatory Deferral</b>	187,399
<b>Total Deferred Charges</b>	<u>289,351</u>
<b>Short Term Investments</b>	2,963
<b>Total Regulated Assets</b>	<u>480,549</u>
<b>Non-Ratebase Assets (Note 4)</b>	<u>26,297</u>
<b>Total Assets</b>	<u>\$ 506,846</u>
<b>Liabilities and Partner's Equity</b>	
<b>Partner's Equity</b>	\$ 218,846
<b>Long-term Advances from Associates and Affiliates</b> (Note 5)	262,150
<b>Non-Ratebase Liabilities</b> (Note 6)	25,850
<b>Total Liabilities and Equity</b>	<u>\$ 506,846</u>

**Rate Base for Regulatory Purposes** – Note 11  
**Capital Structure for Regulatory Purposes** – Note 12

**Enbridge Gas New Brunswick**  
Statement of Budgeted Income for Regulatory Purposes  
For the year ended December 31, 2012

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(in thousands of dollars)

	<u>2012</u>
<b>Revenue</b>	
<b>Operating Revenue</b> (Note 7)	
Gas distribution	\$ 57,697
Miscellaneous	144
<b>Allowance for Funds Used During Construction</b>	<u>53</u>
	57,894
<b>Installation Services</b>	
Revenue	1,947
Cost of goods sold	<u>(1,505)</u>
	442
<b>Total Revenue</b>	<u>58,336</u>
<b>Expenses</b>	
<b>Operating Expenses</b>	
Operating and maintenance expenses (Note 8)	17,241
Bad debt expense	269
<b>Amortization of Property, Plant and Equipment</b>	7,486
<b>Municipal and Other Taxes</b>	1,317
<b>Interest on Amounts Due to Associates &amp; Affiliates and Other Interest</b> (Note 9)	14,943
<b>Amortization of Deferred Development Costs</b>	<u>2,990</u>
<b>Total Expenses</b>	<u>44,246</u>
<b>Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base</b>	14,090
<b>Regulatory Deferral</b>	<u>8,549</u>
<b>Income before Tax</b>	<u>\$ 22,639</u>
<b>Tax</b>	<u>-</u>
<b>Regulated Return on Equity</b> (Note 10)	<u>\$ 22,639</u>

Details of Affiliate Transactions – Note 13

**Enbridge Gas New Brunswick**Notes to 2012 Budgeted Regulatory Financial Results  
For the year ended December 31, 2012Exhibit A  
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(in thousands of dollars)

Note 1 **Property, Plant & Equipment**

	<b>2012</b>			
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>	<b>Rates of Amortization</b>
<b>Property, plant &amp; equipment</b>				
General plant				
Computer hardware & software	\$ 1,430	\$ (1,230)	\$ 200	28.80%
Tools and work equipment	3,944	(2,476)	1,468	5.30%
Office furniture and equipment	888	(306)	582	4.40%
Transportation	512	(152)	360	11.80%
Communications	1,727	(479)	1,248	28.80%
Leasehold improvements	1,003	(491)	512	<b>1</b>
Subtotal	<u>9,504</u>	<u>(5,134)</u>	<u>4,370</u>	
Distribution plant				
Land	375	-	375	-
Rights of way and easements	151	-	151	-
Distribution mains	130,842	(19,062)	111,780	2.43%
Street services	53,374	(11,012)	42,362	3.83%
Meters and regulators	21,734	(4,306)	17,428	3.83%
Stations	13,673	(3,565)	10,108	4.40%
Subtotal	<u>220,149</u>	<u>(37,945)</u>	<u>182,204</u>	
Total plant in service	229,653	(43,079)	186,574	
Construction work in progress	<u>1,661</u>	<u>-</u>	<u>1,661</u>	-
<b>Total property, plant &amp; equipment</b>	<u><u>\$ 231,314</u></u>	<u><u>\$ (43,079)</u></u>	<u><u>\$ 188,235</u></u>	

1 - Amortized over the term of the related leases.

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(in thousands of dollars)

Note 2 **Deferred Development Costs - Net**

	<b>2012</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Franchise fee	\$ 1,500	\$ (1,025)	\$ 475
Deferred carrying costs	1,784	(1,675)	109
<b>Total deferred development costs, net</b>	<b>\$ 3,284</b>	<b>\$ (2,700)</b>	<b>\$ 584</b>

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

	<b>2012</b>		
	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>Net Book Value</b>
Development O&M capitalized costs	\$ 126,158	\$ (24,790)	\$ 101,368
<b>Total development O&amp;M capitalized costs, net</b>	<b>\$ 126,158</b>	<b>\$ (24,790)</b>	<b>\$ 101,368</b>

(in thousands of dollars)

Note 4 **Non-Ratebase Assets**

	<u>2012</u>
Cash, & Short Term Investments	\$ 7,201
Accounts Receivable	14,807
Inventory	4,289
	<u>\$ 26,297</u>

Note 5 **Long-term Advances from Associates and Affiliates**

	Issue Date	Maturity Date	Amount	2012 Cost of Debt		
				Enbridge Inc.	EGNB	Regulated
Promissory Note	26-Jun-03	27-Jun-13	13,000	5.62%	6.96%	6.62%
Promissory Note	30-Dec-03	30-Dec-13	14,000	5.34%	7.14%	6.34%
Promissory Note	23-Mar-04	24-Mar-14	14,000	5.33%	6.69%	6.33%
Promissory Note	30-Nov-04	28-Nov-14	21,000	5.69%	6.95%	6.69%
Promissory Note	30-Mar-05	30-Mar-15	6,000	5.04%	6.93%	6.04%
Promissory Note	28-Dec-05	28-Dec-15	14,000	4.59%	6.53%	5.59%
Promissory Note	19-Dec-06	19-Dec-16	21,000	4.82%	6.52%	5.82%
Promissory Note	20-Dec-07	20-Dec-17	29,000	5.54%	5.85%	6.54%
Promissory Note	19-Dec-08	19-Dec-13	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%
Promissory Note	24-Aug-10	24-Aug-15	12,000	3.22%	4.22%	4.22%
Promissory Note	22-Sep-10	22-Sep-15	9,000	3.25%	4.25%	4.25%
Promissory Note	30-Jun-11	29-Jun-21	6,150	4.60%	5.60%	5.60%
Promissory Note	31-Jul-11	30-Jul-21	20,000	4.60%	5.60%	5.60%
Promissory Note	23-Aug-12	23-Aug-22	22,000	5.00%	6.00%	6.00%
Total long-term advances from associates and affiliates			<u>\$ 262,150</u>	<u>5.04%</u>	<u>6.19%</u>	<u>6.04%</u>

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(in thousands of dollars)

Note 6 **Non-Ratebase Liabilities**

	<b>2012</b>
Short Term Indebtedness	\$ -
Accounts Payable	23,522
Long Term Deferred Post Employment Liabilities	2,328
	<u>\$ 25,850</u>

Note 7 **Operating Revenue**a. **Gas Distribution**

	<u>2012</u>		
	Revenue	Customers	Throughput TJs
Small general service (SGS)	\$ 14,098	10,485	1,010
General service (GS)	15,995	1,486	1,122
Contract general service (CGS)	16,191	343	1,310
Contract large general service (CLGS-LFO)	8,144	30	1,484
Contract large general service (CLGS-HFO)	3,234	9	1,152
Contract large volume off peak (CLVOPS)	-	-	-
Off peak service	35	13	3
	<u>\$ 57,697</u>	<u>12,366</u>	<u>6,081</u>
Total	<u>\$ 57,697</u>	<u>12,366</u>	<u>6,081</u>

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

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(in thousands of dollars)

Note 7 **Operating Revenue (continued)****b. Miscellaneous**

	<u>2012</u>
Agent billing and collection	\$ 138
Other miscellaneous revenue	<u>6</u>
<b>Total miscellaneous</b>	<b><u>\$ 144</u></b>

**Details of Agent Billing and Collection Revenues**

(in dollars)

	<u>2012</u>
Agent billing and collection	
Small general service (SGS)	\$ 110,936
General service (GS)	16,853
Contract general service (CGS)	8,512
Agent billing	
Contract large general service (CLGS-LFO)	881
Contract large general service (CLGS-HFO)	384
Contract large volume service (CLVOPS)	-
Off peak service (OPS)	<u>725</u>
<b>Total agent billing and collection revenue</b>	<b><u>\$ 138,291</u></b>



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(in thousands of dollars)

Note 8 **Operating and Maintenance Expenses**

	<u>2012</u>
Corporate management	\$ 1,247
Corporate administration	1,127
Financial reporting	715
Information technology	1,028
Regulatory & upstream	1,317
Sales & marketing	9,218
Distribution & maintenance	6,438
Customer care	1,336
Human resources	2,168
Gas transportation and related activities	<u>1,710</u>
<b>Total</b>	<u>26,304</u>
<b>Capitalized to:</b>	
Property, plant & equipment	9,063
Development O&M capitalized costs	<u>-</u>
<b>Total capitalized</b>	<u>9,063</u>
<b>Total</b>	<u><u>\$ 17,241</u></u>

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(in thousands of dollars)

Note 9 **Interest on Amounts Due to Associates & Affiliates and Other Interest**

	<u>2012</u>
Interest on long-term debt	\$ 14,922
AIDC - allowance for funds used during construction (debt component)	21
<b>Total interest on amounts due to associates &amp; affiliates and other interest</b>	<b>\$ 14,943</b>

Note 10 **Regulated Return on Equity**

	<u>2012</u>
Regulated return on equity	\$ 22,607
AEDC - allowance for funds used during construction (equity component)	32
<b>Total regulated return on equity</b>	<b>\$ 22,639</b>

(in thousands of dollars)

Note 11 **Rate Base for Regulatory Purposes**

	<u>2012</u>
<b>Property, plant &amp; equipment</b>	
Cost	\$ 229,653
Accumulated amortization	<u>(43,079)</u>
Net	186,574
<b>Deferred charges</b>	
Franchise fee, at cost	1,500
Accumulated amortization	<u>(1,025)</u>
Net	475
Development O&M capitalized costs	126,158
Accumulated amortization	<u>(24,790)</u>
Net	101,368
Deferred carrying costs, at cost	1,784
Accumulated amortization	<u>(1,675)</u>
Net	109
Deferral account	<u>187,399</u>
<b>Total deferred charges</b>	289,351
<b>Term deposit</b>	2,963
<b>Working capital allowance</b>	<u>1,532</u>
<b>Total rate base</b>	<u>\$ 480,420</u>
<b>Average rate base</b>	<u>\$ 461,763</u>

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(in thousands of dollars)

Note 12 **Capital Structure for Regulatory Purposes**

	<u>2012</u>
<b>Capital structure</b>	
Long-term debt	\$ 262,150
Equity	218,846
Total	<u>\$ 480,996</u>

**Capital structure percentage**

Long-term debt	54.50%
Equity	45.50%
Total	<u>100.00%</u>

**Capital structure average percentage for regulatory purposes**

Long-term debt	55.09%
Equity	44.91%
Total	<u>100.00%</u>

**Weighted cost of capital for regulatory purposes**

Long-term debt	3.33%
Equity	4.90%
Total	<u>8.23%</u>

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Note 13 **Details of Affiliate Transactions**

Consulting and Services	Enbridge Operational Services	Enbridge 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
<b>For the period ending December 31, 2012</b>							
Corporate management	\$ -	\$ 22	\$ 54	\$ -	\$ 76	\$ 206	37%
Sales & marketing	-	-	-	-	-	1,405	0%
Human resources	-	43	101	-	144	308	47%
Distribution & maintenance	-	-	88	-	88	1,250	7%
Budget & regulatory	-	-	-	-	-	1,200	0%
Financial reporting	-	35	11	-	46	200	23%
Customer care	-	-	42	712	754	767	98%
Corporate administration	-	1,021	3	-	1,024	1,024	100%
Gas transportation & related	104	-	-	-	104	109	95%
Information technology	-	130	225	-	355	474	75%
<b>Total</b>	<b>\$ 104</b>	<b>\$ 1,251</b>	<b>\$ 524</b>	<b>\$ 712</b>	<b>\$ 2,591</b>	<b>\$ 6,943</b>	<b>37%</b>