

Schedule 9

2011 Budget Assumptions

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The following assumptions were used by EGNB in the development of its 2011 Budget:

Budget Item	Assumption
Major Assumptions	
Cost of Capital	ROE of 12.75%, as proposed by EGNB in Cost of Capital proceeding (NBEUB 2010-003) 50/50 debt/equity ratio. Cost of debt maintained at Enbridge Inc. cost of borrowing plus 1%
Inflation	Cost of living increase of 2% applied to salaries only
Property, Plant & Equipment	
Computer Hardware	Detailed review of requirements, scheduled replacements and upgrades
Computer Software	Detailed review of requirements and upgrades
Tools and Work Equipment	Detailed review of requirements, scheduled replacements and improvements
Office Furniture and Equipment	Detailed review of requirements and scheduled equipment replacements
Transportation Equipment	Detailed review of requirements and scheduled replacements
Leasehold Improvements	Detailed review of requirements, scheduled replacements and improvements
Land	No incremental land acquisitions
Distribution Mains	Based on anticipated new mains to support attachments not on main in the communities currently served at forecast costs, with allowance for main relocations and sewer conflict resolution, as well as the inclusion of a strategic project
Street Services	Based on anticipated attachments at forecast unit rates
Meters and Regulators	Based on anticipated attachments at forecast unit rates with incremental automated meter reading costs also included
Stations	Based on historic station costs and anticipated projects related to an existing and proposed station

Budget Item	Assumption
Accumulated Amortization	Based on Board approved amortization rates
Net Book Value	Cost less Accumulated Amortization
Construction Work in Progress	There will be the same value of work in progress open at the end of 2011 as there was at the beginning of 2011
Deferred Charges	
Deferred Development Costs - Net	Deferred Development Costs less amortization at Board approved rate. No additions.
Development O&M Capitalized Costs - Net	Forecast additions to Development O&M based on capitalization of O&M expenses less amortization at Board approved rate
Regulatory Deferral	Forecast difference between revenues and revenue requirement
Short Term Investments	Maritimes & Northeast Pipeline Firm Service Agreement security deposit remains constant
Non-Ratebase Assets	
Cash, & Short Term Investments	Estimated cash requirements based on an assessment of cash flow items
Accounts Receivable	30 days to receive cash for Distribution Revenue, Gas Sales and ABC, monthly forecast data relied upon
Inventory	No significant changes in level of inventory forecasted
Partners Equity	Assumed equity levels progress back to 50% by the end of 2011
Long-term Advances from Associates and Affiliates	Outstanding promissory notes at the end of 2010 and new debt required to fund operations in 2011. Budget assumes a retirement of one note and the issuance of one note, for a net reduction in long term debt of \$5.15 million.
Non-Ratebase Liabilities	
Short Term Indebtedness	Estimated short term borrowing position at year end to manage cash flow

Budget Item	Assumption																																																																																																																																																																								
Accounts Payable	30 days for payment on obligations related to: <ul style="list-style-type: none"> - 78% of O&M expenses excluding salary and benefits - property tax - firm service agreement - natural gas costs - installation and service activities 60 days for payment on obligations related to: <ul style="list-style-type: none"> - 22% of O&M expenses excluding salaries and benefits - 100% of salary and benefits - services, meters and stations - work in progress from property, plant and equipment - general plant 																																																																																																																																																																								
Long Term Deferred Post Employment Liabilities	Forecast year end balance for 2010 assumed to remain constant in 2011																																																																																																																																																																								
Average Rate Base	Forecast timing of additions for 2011																																																																																																																																																																								
Capital Structure	Natural progression of debt/equity ratio towards optimal 50/50 during 2011																																																																																																																																																																								
Operating Revenue																																																																																																																																																																									
Cumulative Customers	Forecast consists of total forecast customers to the end of 2010 (based on June 2010 actual results) and additions forecast for 2011, as shown below, based on a review of historic attachment rates and assessment of current market potential. <table border="1" data-bbox="562 1073 1866 1357" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="14" style="text-align: center;">2011 Forecast Customer Additions</th> </tr> <tr> <th></th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>SGSRE</td> <td>6</td> <td>14</td> <td>9</td> <td>8</td> <td>5</td> <td>23</td> <td>29</td> <td>36</td> <td>55</td> <td>51</td> <td>48</td> <td>49</td> <td>333</td> </tr> <tr> <td>SGSRO</td> <td>22</td> <td>8</td> <td>4</td> <td>4</td> <td>12</td> <td>18</td> <td>23</td> <td>32</td> <td>49</td> <td>40</td> <td>34</td> <td>36</td> <td>282</td> </tr> <tr> <td>SGSC</td> <td>10</td> <td>8</td> <td>8</td> <td>5</td> <td>7</td> <td>8</td> <td>8</td> <td>7</td> <td>18</td> <td>27</td> <td>24</td> <td>14</td> <td>144</td> </tr> <tr> <td>GS</td> <td>8</td> <td>8</td> <td>4</td> <td>2</td> <td>5</td> <td>8</td> <td>4</td> <td>8</td> <td>11</td> <td>18</td> <td>8</td> <td>11</td> <td>95</td> </tr> <tr> <td>CGS</td> <td>2</td> <td>2</td> <td>-</td> <td>-</td> <td>4</td> <td>3</td> <td>-</td> <td>2</td> <td>8</td> <td>2</td> <td>2</td> <td>2</td> <td>27</td> </tr> <tr> <td>LFO</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>HFO</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>OPS</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>CLVOPS</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td></td> <td>48</td> <td>40</td> <td>25</td> <td>19</td> <td>33</td> <td>60</td> <td>64</td> <td>85</td> <td>141</td> <td>138</td> <td>116</td> <td>112</td> <td>881</td> </tr> </tbody> </table>	2011 Forecast Customer Additions															Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	SGSRE	6	14	9	8	5	23	29	36	55	51	48	49	333	SGSRO	22	8	4	4	12	18	23	32	49	40	34	36	282	SGSC	10	8	8	5	7	8	8	7	18	27	24	14	144	GS	8	8	4	2	5	8	4	8	11	18	8	11	95	CGS	2	2	-	-	4	3	-	2	8	2	2	2	27	LFO	-	-	-	-	-	-	-	-	-	-	-	-	-	HFO	-	-	-	-	-	-	-	-	-	-	-	-	-	OPS	-	-	-	-	-	-	-	-	-	-	-	-	-	CLVOPS	-	-	-	-	-	-	-	-	-	-	-	-	-		48	40	25	19	33	60	64	85	141	138	116	112	881
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Throughput	<p>The total throughput forecast is developed based on historic consumption for existing customers, adjusted for normal weather and expected consumption for customers that are forecast to be attached based on a standard profile and the time of year that they are forecast to be attached.</p> <p>The standard profile, in GJs, assumed for customer additions is:</p> <table border="1" data-bbox="569 464 1734 634"> <thead> <tr> <th></th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>SGSRE - Retrofit</td> <td>16</td> <td>14</td> <td>14</td> <td>9</td> <td>6</td> <td>4</td> <td>2</td> <td>2</td> <td>2</td> <td>4</td> <td>7</td> <td>11</td> <td>90</td> </tr> <tr> <td>SGSRE - NC</td> <td>14</td> <td>12</td> <td>12</td> <td>8</td> <td>5</td> <td>3</td> <td>2</td> <td>2</td> <td>2</td> <td>3</td> <td>6</td> <td>9</td> <td>77</td> </tr> <tr> <td>SGSRO</td> <td>14</td> <td>12</td> <td>11</td> <td>8</td> <td>5</td> <td>3</td> <td>2</td> <td>2</td> <td>2</td> <td>3</td> <td>6</td> <td>9</td> <td>75</td> </tr> <tr> <td>SGSC</td> <td>39</td> <td>36</td> <td>30</td> <td>15</td> <td>9</td> <td>6</td> <td>4</td> <td>4</td> <td>4</td> <td>6</td> <td>13</td> <td>23</td> <td>188</td> </tr> <tr> <td>GS</td> <td>116</td> <td>92</td> <td>86</td> <td>49</td> <td>43</td> <td>18</td> <td>18</td> <td>18</td> <td>18</td> <td>31</td> <td>49</td> <td>73</td> <td>612</td> </tr> <tr> <td>CGS</td> <td>580</td> <td>483</td> <td>451</td> <td>258</td> <td>225</td> <td>97</td> <td>97</td> <td>97</td> <td>97</td> <td>161</td> <td>258</td> <td>419</td> <td>3,220</td> </tr> </tbody> </table>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	SGSRE - Retrofit	16	14	14	9	6	4	2	2	2	4	7	11	90	SGSRE - NC	14	12	12	8	5	3	2	2	2	3	6	9	77	SGSRO	14	12	11	8	5	3	2	2	2	3	6	9	75	SGSC	39	36	30	15	9	6	4	4	4	6	13	23	188	GS	116	92	86	49	43	18	18	18	18	31	49	73	612	CGS	580	483	451	258	225	97	97	97	97	161	258	419	3,220																																																																						
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Rates	<p>Board approved market-based rates for January to March 2011. April to December 2011 rates assume market-based rates based on 21-day average market data at August 3, 2010, excluding the LFO block 1 rate in 2011, which assumes the Board approved rate effective July 1, 2011 based on June 3, 2010 decision of the Board. Rates for LFO block 2 and 3 remain unchanged. LFO block 1 size reduced to 22,000 GJs based on June 3, 2010 decision of the Board.</p> <table border="1" data-bbox="569 873 1917 1187"> <thead> <tr> <th colspan="2">2011 Rates (monthly)</th> <th>Jan</th> <th>Feb</th> <th>Mar</th> <th>Apr</th> <th>May</th> <th>Jun</th> <th>Jul</th> <th>Aug</th> <th>Sep</th> <th>Oct</th> <th>Nov</th> <th>Dec</th> </tr> </thead> <tbody> <tr> <td>SGSRE</td> <td>\$ 8.3846</td> <td>\$ 8.3846</td> <td>\$ 8.3846</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> <td>\$ 10.5108</td> </tr> <tr> <td>SGSRO</td> <td>10.7106</td> <td>10.7106</td> <td>10.7106</td> <td>12.0959</td> <td>12.0959</td> <td>12.0959</td> <td>12.0959</td> <td>12.0959</td> <td>12.0959</td> <td>12.0959</td> <td>12.0959</td> <td>12.0959</td> <td>12.0959</td> </tr> <tr> <td>SGSC</td> <td>11.5142</td> <td>11.5142</td> <td>11.5142</td> <td>13.0647</td> <td>13.0647</td> <td>13.0647</td> <td>13.0647</td> <td>13.0647</td> <td>13.0647</td> <td>13.0647</td> <td>13.0647</td> <td>13.0647</td> <td>13.0647</td> </tr> <tr> <td>GS</td> <td>12.4158</td> <td>12.4158</td> <td>12.4158</td> <td>13.9499</td> <td>13.9499</td> <td>13.9499</td> <td>13.9499</td> <td>13.9499</td> <td>13.9499</td> <td>13.9499</td> <td>13.9499</td> <td>13.9499</td> <td>13.9499</td> </tr> <tr> <td>CGS</td> <td>11.8155</td> <td>11.8155</td> <td>11.8155</td> <td>13.3020</td> <td>13.3020</td> <td>13.3020</td> <td>13.3020</td> <td>13.3020</td> <td>13.3020</td> <td>13.3020</td> <td>13.3020</td> <td>13.3020</td> <td>13.3020</td> </tr> <tr> <td>LFO</td> <td>6.4324</td> <td>6.4324</td> <td>6.4324</td> <td>6.4324</td> <td>6.4324</td> <td>6.4324</td> <td>8.7786</td> <td>8.7786</td> <td>8.7786</td> <td>8.7786</td> <td>8.7786</td> <td>8.7786</td> <td>8.7786</td> </tr> <tr> <td>LFO2</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> <td>0.1900</td> </tr> <tr> <td>LFO3</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> <td>0.0800</td> </tr> <tr> <td>HFO</td> <td>0.6357</td> <td>0.6357</td> <td>0.6357</td> <td>1.9509</td> <td>1.9509</td> <td>1.9509</td> <td>1.9509</td> <td>1.9509</td> <td>1.9509</td> <td>1.9509</td> <td>1.9509</td> <td>1.9509</td> <td>1.9509</td> </tr> <tr> <td>OPS</td> <td>9.3119</td> <td>9.3119</td> <td>9.3119</td> <td>10.4624</td> <td>10.4624</td> <td>10.4624</td> <td>10.4624</td> <td>10.4624</td> <td>10.4624</td> <td>10.4624</td> <td>10.4624</td> <td>10.4624</td> <td>10.4624</td> </tr> <tr> <td>CLVOP</td> <td>8.8616</td> <td>8.8616</td> <td>8.8616</td> <td>9.9765</td> <td>9.9765</td> <td>9.9765</td> <td>9.9765</td> <td>9.9765</td> <td>9.9765</td> <td>9.9765</td> <td>9.9765</td> <td>9.9765</td> <td>9.9765</td> </tr> </tbody> </table>	2011 Rates (monthly)		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	SGSRE	\$ 8.3846	\$ 8.3846	\$ 8.3846	\$ 10.5108	\$ 10.5108	\$ 10.5108	\$ 10.5108	\$ 10.5108	\$ 10.5108	\$ 10.5108	\$ 10.5108	\$ 10.5108	\$ 10.5108	SGSRO	10.7106	10.7106	10.7106	12.0959	12.0959	12.0959	12.0959	12.0959	12.0959	12.0959	12.0959	12.0959	12.0959	SGSC	11.5142	11.5142	11.5142	13.0647	13.0647	13.0647	13.0647	13.0647	13.0647	13.0647	13.0647	13.0647	13.0647	GS	12.4158	12.4158	12.4158	13.9499	13.9499	13.9499	13.9499	13.9499	13.9499	13.9499	13.9499	13.9499	13.9499	CGS	11.8155	11.8155	11.8155	13.3020	13.3020	13.3020	13.3020	13.3020	13.3020	13.3020	13.3020	13.3020	13.3020	LFO	6.4324	6.4324	6.4324	6.4324	6.4324	6.4324	8.7786	8.7786	8.7786	8.7786	8.7786	8.7786	8.7786	LFO2	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	0.1900	LFO3	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	0.0800	HFO	0.6357	0.6357	0.6357	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	OPS	9.3119	9.3119	9.3119	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	CLVOP	8.8616	8.8616	8.8616	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765
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HFO	0.6357	0.6357	0.6357	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509	1.9509																																																																																																																																																												
OPS	9.3119	9.3119	9.3119	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624	10.4624																																																																																																																																																												
CLVOP	8.8616	8.8616	8.8616	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765	9.9765																																																																																																																																																												
Distribution Revenue	Assumed throughput * assumed rates																																																																																																																																																																								
ABC Revenue	Number of ABC and AB customers plus capture of new additions based on historic data times existing rates																																																																																																																																																																								
Other Miscellaneous Revenue	0.2% interest on Maritimes & Northeast Pipeline Firm Service Agreement security deposit																																																																																																																																																																								

Budget Item	Assumption																														
Allowance for Funds Used During Construction	Based on 25% of CWIP eligible for allowance for funds used during construction (“AFUDC”) times the weighted average cost of capital (“WACC”)																														
Installation Services																															
Revenue	Based on anticipated customer attachments at historical capture percentages for conversions done by EGNB or 3rd party contractor on behalf of EGNB																														
Cost of Goods Sold	Service cost of goods sold (“COGS”) based on the percentage of revenue from historic experience. Installation COGS based on remaining cost after applying assumed margins on different types of jobs.																														
Operating expenses																															
Operating and Maintenance Expenses	Based on input by department managers for 2011																														
Capitalized to Property, Plant and Equipment and Development O&M	<p>O&M budget capitalized based on the following percentage assumptions:</p> <table data-bbox="661 695 1260 1169"> <thead> <tr> <th colspan="2" data-bbox="1155 695 1218 722">2011</th> </tr> </thead> <tbody> <tr> <td data-bbox="661 722 1155 750">Corporate management</td> <td data-bbox="1155 722 1260 750">64.69%</td> </tr> <tr> <td data-bbox="661 750 1155 777">Corporate administration</td> <td data-bbox="1155 750 1260 777">65.00%</td> </tr> <tr> <td data-bbox="661 777 1155 805">Financial Reporting</td> <td data-bbox="1155 777 1260 805">65.68%</td> </tr> <tr> <td data-bbox="661 805 1155 833">Information Technology</td> <td data-bbox="1155 805 1260 833">53.75%</td> </tr> <tr> <td data-bbox="661 833 1155 860">Regulatory</td> <td data-bbox="1155 833 1260 860">64.58%</td> </tr> <tr> <td data-bbox="661 860 1155 888">Sales & Marketing</td> <td></td> </tr> <tr> <td data-bbox="693 888 1155 915"> Sales and Marketing</td> <td data-bbox="1155 888 1260 915">69.40%</td> </tr> <tr> <td data-bbox="693 915 1155 943"> Incentives</td> <td data-bbox="1155 915 1260 943">100.00%</td> </tr> <tr> <td data-bbox="661 943 1155 971">Distribution & maintenance</td> <td></td> </tr> <tr> <td data-bbox="693 971 1155 998"> Operations</td> <td data-bbox="1155 971 1260 998">46.53%</td> </tr> <tr> <td data-bbox="693 998 1155 1026"> Installation Services</td> <td data-bbox="1155 998 1260 1026">71.72%</td> </tr> <tr> <td data-bbox="661 1026 1155 1053">Customer Care</td> <td data-bbox="1155 1026 1260 1053">1.66%</td> </tr> <tr> <td data-bbox="661 1053 1155 1081">Human Resources</td> <td data-bbox="1155 1053 1260 1081">58.14%</td> </tr> <tr> <td data-bbox="661 1081 1155 1109">Gas transportation and related activities</td> <td data-bbox="1155 1081 1260 1109">0.00%</td> </tr> </tbody> </table> <p data-bbox="548 1209 1938 1351">For 2011, 100% of the Operations O&M expenses capitalized are capitalized to Property, Plant and Equipment and 100% of the Incentives, Sales and Marketing and Installation Services O&M amounts capitalized are capitalized to Development O&M. Remaining capitalized expenses are allocated to Property, Plant and Equipment or Development O&M on a prorata basis, based on the direct allocations.</p>	2011		Corporate management	64.69%	Corporate administration	65.00%	Financial Reporting	65.68%	Information Technology	53.75%	Regulatory	64.58%	Sales & Marketing		Sales and Marketing	69.40%	Incentives	100.00%	Distribution & maintenance		Operations	46.53%	Installation Services	71.72%	Customer Care	1.66%	Human Resources	58.14%	Gas transportation and related activities	0.00%
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Budget Item	Assumption
Bad debt expense	0.4% of yearly Distribution Revenue, Installation Revenue, and Gas Sales Revenue
Amortization of Property, Plant and Equipment	Based on Board approved amortization rates
Municipal and Other Taxes	Existing tax rates applied to existing tax base plus additions
Interest on Amounts Due to Associates & Affiliates and Other Interest	Based on actual and assumed interest rates for each promissory note associated with the long-term advances from associates and affiliates
Amortization of Deferred Development Costs	Based on Board approved amortization rate
Regulatory Deferral	Forecast difference between revenues and revenue requirement
Tax	Accumulated tax loss carry forward used in 2011
Regulated Return on Equity	Average rate base * return on equity * equity proportion of capital structure