

Schedule 2

10 Year Forecast Assumptions

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The following assumptions were used by EGNB in the development of its 10 year forecast:

Forecast Item	Assumption																				
Major Assumptions																					
End of Development Period	The Development Period continues until 2016, which is the first year that full costs, including the amortization of the Deferral Account can be recovered on a sustainable basis at competitive rates																				
Peak Deferral Amount	\$173 million in 2011																				
Deferral Account Recovery Period	Amortized over 30 years, commencing in 2016																				
Cost of Capital	ROE of 13.0% in 2010, 12.75% for 2011 - 2015 and 11.75% for 2016 - 2019 50/50 debt/equity ratio for 2010 - 2015 adjusted to 60/40 for 2016 - 2019 Cost of debt maintained at Enbridge Inc. cost of borrowing plus 1%																				
Inflation	Inflation will occur at the rate of the Consumer Price Index ("CPI"). The following percentage increases in the CPI were assumed, based on forecast information from Enbridge Inc: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>CPI</td> <td>2.40%</td> <td>2.10%</td> <td>2.00%</td> <td>2.00%</td> <td>2.00%</td> <td>2.00%</td> <td>2.00%</td> <td>2.00%</td> <td>2.00%</td> </tr> </tbody> </table>		2011	2012	2013	2014	2015	2016	2017	2018	2019	CPI	2.40%	2.10%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
	2011	2012	2013	2014	2015	2016	2017	2018	2019												
CPI	2.40%	2.10%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%												
Property, Plant & Equipment																					
Computer Hardware	Detailed review of forecasted requirements in all years based on useful life																				
Computer Software	Detailed review of forecasted requirements in all years based on anticipated projects and software requirements																				
Tools and Work Equipment	Detailed review of 2010 requirements, scheduled replacements and improvements in future years																				
Office Furniture and Equipment	Detailed review of 2010 requirements and forecast equipment replacements in future years																				
Transportation Equipment	Detailed review of forecasted requirements in all years based on 6 year vehicle replacement, including completion of move from vehicle leasing to purchasing that began in 2008																				
Leasehold Improvements	Detailed review of 2010 requirements, scheduled replacements and improvements in future years																				

Forecast Item	Assumption
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 2010 costs, with rates inflated in future years, allowance for main relocations and sewer conflict resolution
Street Services	Based on anticipated attachments at forecast unit rates for 2010, with rates inflated in future years
Meters and Regulators	Based on anticipated attachments at forecast unit rates for 2010, with rates inflated in future years. Incremental automated meter reading costs also included
Stations	Based on historic station costs inflated in future years and anticipated projects related to an existing and proposed station
Accumulated Amortization	Based on Board approved amortization rates
Net Book Value	Cost less Accumulated Amortization
Construction Work in Progress	For 2010 and 2011, the forecast year end 2009 Construction Work in Progress (“CWIP”) is used For 2012 - 2019, assumed CWIP will be 25% of the sum of the opening CWIP balance and additions during the year
Deferred Charges	
Deferred Development Costs - Net	Board approved amortization rates of equity call costs and the franchise fee. Incremental equity call costs assumed for 2010
Development O&M Capitalized Costs - Net	Forecast additions to Development O&M based on capitalization of O&M expenses (capitalization reduced as the end of the Development Period approaches), less amortization at Board approved rate
Regulatory Deferral	Forecast difference between revenues and revenue requirement until 2016. Net of accumulated depreciation for 2016 - 2019
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 For 2010 and 2011, monthly forecast data relied upon For 2012 - 2019, assume prior year balance + 1/12 of the revenue items - 1/12 of the prior year revenue

Forecast Item	Assumption
Inventory	Continued decreases in level of inventory as vendor manager inventory implemented
Partners Equity	Equity call for \$38 million in 2010 Buy back of equity in 2016 to reflect assumed reduction in equity component of cost of capital to 40% on transition to mature utility and then further reductions to maintain 40% equity
Long-term Advances from Associates and Affiliates	Outstanding promissory notes at the end of 2009 and new debt required to fund operations beginning in 2011 and buy back of equity in 2016
Non-Ratebase Liabilities	
Short Term Indebtedness	Estimated short term borrowing position at year end to manage cash flow
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 For 2010 and 2011, monthly forecast data relied upon For 2012 - 2019, assume prior year balance + 1/12 of the cost items within the year – 1/12 of the prior year cost items
Long Term Deferred Post Employment Liabilities	Forecast year end balance for 2009 assumed to remain constant
Average Rate base	Forecast timing of additions for 2010 and 2011 Average of opening and closing ratebase balance for 2012 - 2019

Forecast Item	Assumption																																																																																																		
Capital Structure	Existing debt/equity ratio assumed for 2010 – 2015. A move to 60% debt, 40% equity assumed for 2016 - 2019 on transition to a mature utility																																																																																																		
Operating Revenue																																																																																																			
Cumulative Customers	Existing customers at end of 2009, plus forecast additions within the subsequent years. Additions forecast based on review of historic attachment rates and assessment of current market potential without the inclusion of sales stretch targets																																																																																																		
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"> <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>21</td> <td>18</td> <td>17</td> <td>11</td> <td>8</td> <td>5</td> <td>2</td> <td>2</td> <td>2</td> <td>5</td> <td>9</td> <td>14</td> <td>114</td> </tr> <tr> <td>SGSRE - New Const</td> <td>20</td> <td>18</td> <td>17</td> <td>11</td> <td>8</td> <td>4</td> <td>2</td> <td>2</td> <td>2</td> <td>4</td> <td>9</td> <td>13</td> <td>110</td> </tr> <tr> <td>SGSRO</td> <td>21</td> <td>18</td> <td>17</td> <td>11</td> <td>8</td> <td>5</td> <td>2</td> <td>2</td> <td>2</td> <td>5</td> <td>9</td> <td>14</td> <td>114</td> </tr> <tr> <td>SGSC</td> <td>41</td> <td>37</td> <td>31</td> <td>16</td> <td>10</td> <td>6</td> <td>4</td> <td>4</td> <td>4</td> <td>6</td> <td>14</td> <td>23</td> <td>195</td> </tr> <tr> <td>GS</td> <td>171</td> <td>135</td> <td>126</td> <td>72</td> <td>63</td> <td>27</td> <td>27</td> <td>27</td> <td>27</td> <td>45</td> <td>72</td> <td>108</td> <td>900</td> </tr> <tr> <td>CGS</td> <td>594</td> <td>495</td> <td>462</td> <td>264</td> <td>231</td> <td>99</td> <td>99</td> <td>99</td> <td>99</td> <td>165</td> <td>264</td> <td>429</td> <td>3,300</td> </tr> </tbody> </table>		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	SGSRE - Retrofit	21	18	17	11	8	5	2	2	2	5	9	14	114	SGSRE - New Const	20	18	17	11	8	4	2	2	2	4	9	13	110	SGSRO	21	18	17	11	8	5	2	2	2	5	9	14	114	SGSC	41	37	31	16	10	6	4	4	4	6	14	23	195	GS	171	135	126	72	63	27	27	27	27	45	72	108	900	CGS	594	495	462	264	231	99	99	99	99	165	264	429	3,300
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Rates	<p>Board approved market-based rates for 2010</p> <p>2011 - 2015 rates assume market-based rates based on 21-day average market data at June 4, 2010, excluding the LFO block 1 rate in 2011, which assumes the Board approved rate effective July 1, 2011 from June 3, 2010 decision of the Board</p> <p>LFO block 1 reduced to 22,000 GJs effective June 2010 based on June 3, 2010 decision of the Board</p> <p>LFO block 2 and 3 rates remain unchanged</p> <p>No assumptions made for rates at the class level for 2016 - 2019 as rates are assumed to be different from market-based rates (likely some form of cost-of-service) and will be structured in a way that revenues will be equal to the revenue requirement</p>																																																																																																		
Distribution Revenue	Assumed throughput * assumed rates for 2010 - 2015, then equal to the revenue requirement for 2016 - 2019																																																																																																		
ABC Revenue	Number of ABC customers plus capture of new additions based on historic data times existing ABC rates																																																																																																		

Forecast Item	Assumption
Other Miscellaneous Revenue	3.8% interest on Maritimes & Northeast Pipeline Firm Service Agreement security deposit Amounts related to late payment penalties incurred early in 2010 also included for 2010
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 following percentage of revenue based on historic experience: - 35% deemed labour - 22.2% deemed parts - 8.6% deemed subcontractor costs 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 manager for 2010 and material changes in future years. Inflation applied to future years. - Adjustments made to future Regulatory costs to reflect a decline in overall costs once proceedings related to future regulation of EGNB are complete, excluding 2015 when incremental costs are assumed related to moving out of the Development Period in 2016 - Incentives included in Sales & Marketing until 2015 based on forecast attachments. Significant reduction then assumed for 2016 - 2019 - Gas transportation and related activities includes consulting cost in 2010 for a metering issue related to gas deliveries into the distribution system. Inflation has only been applied to the 2010 forecast excluding the consulting cost

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Capitalized to Property, plant and equipment and Development O&M	<p>O&M budget capitalized based on the following percentage assumptions:</p> <table border="1" data-bbox="548 354 1923 743"> <thead> <tr> <th></th> <th>2010</th> <th>2011</th> <th>2012</th> <th>2013</th> <th>2014</th> <th>2015</th> <th>2016</th> <th>2017</th> <th>2018</th> <th>2019</th> </tr> </thead> <tbody> <tr> <td>Corporate management</td> <td>65.89%</td> <td>49.74%</td> <td>33.59%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> </tr> <tr> <td>Corporate administration</td> <td>25.00%</td> <td>18.33%</td> <td>11.67%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> </tr> <tr> <td>Financial Reporting</td> <td>65.89%</td> <td>49.74%</td> <td>33.59%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> </tr> <tr> <td>Information Technology</td> <td>65.89%</td> <td>49.74%</td> <td>33.59%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> </tr> <tr> <td>Regulatory</td> <td>80.00%</td> <td>66.00%</td> <td>52.00%</td> <td>10.00%</td> <td>10.00%</td> <td>10.00%</td> <td>10.00%</td> <td>10.00%</td> <td>10.00%</td> <td>10.00%</td> </tr> <tr> <td>Sales & Marketing</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Sales and Marketing</td> <td>95.00%</td> <td>76.50%</td> <td>58.00%</td> <td>2.50%</td> <td>2.50%</td> <td>2.50%</td> <td>2.50%</td> <td>2.50%</td> <td>2.50%</td> <td>2.50%</td> </tr> <tr> <td> Incentives</td> <td>100.00%</td> <td>80.00%</td> <td>60.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>Distribution & maintenance</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td> Operations</td> <td>75.00%</td> <td>67.00%</td> <td>59.00%</td> <td>35.00%</td> <td>35.00%</td> <td>35.00%</td> <td>35.00%</td> <td>35.00%</td> <td>35.00%</td> <td>35.00%</td> </tr> <tr> <td> Installation Services</td> <td>100.00%</td> <td>81.00%</td> <td>62.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> <td>5.00%</td> </tr> <tr> <td>Customer Care</td> <td>8.00%</td> <td>6.40%</td> <td>4.80%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> </tr> <tr> <td>Human Resources</td> <td>65.89%</td> <td>49.74%</td> <td>33.59%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> <td>17.45%</td> </tr> <tr> <td>Gas transportation and related activities</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> <td>0.00%</td> </tr> </tbody> </table> <p>For 2010 - 2015, 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> <p>For 2016 - 2019, all capitalized O&M expenses are capitalized to property, plant and equipment</p>		2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Corporate management	65.89%	49.74%	33.59%	17.45%	17.45%	17.45%	17.45%	17.45%	17.45%	17.45%	Corporate administration	25.00%	18.33%	11.67%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	Financial Reporting	65.89%	49.74%	33.59%	17.45%	17.45%	17.45%	17.45%	17.45%	17.45%	17.45%	Information Technology	65.89%	49.74%	33.59%	17.45%	17.45%	17.45%	17.45%	17.45%	17.45%	17.45%	Regulatory	80.00%	66.00%	52.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	Sales & Marketing											Sales and Marketing	95.00%	76.50%	58.00%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	2.50%	Incentives	100.00%	80.00%	60.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Distribution & maintenance											Operations	75.00%	67.00%	59.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	35.00%	Installation Services	100.00%	81.00%	62.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	Customer Care	8.00%	6.40%	4.80%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Human Resources	65.89%	49.74%	33.59%	17.45%	17.45%	17.45%	17.45%	17.45%	17.45%	17.45%	Gas transportation and related activities	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
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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 within future years																																																																																																																																																																					
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. Future rates are based on Enbridge Inc. forecast of interest expense																																																																																																																																																																					

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Amortization of Deferred Development Costs	Based on Board approved amortization rate
Regulatory Deferral	Forecast difference between revenues and revenue requirement until 2016. Net of accumulated amortization for 2016 - 2019
Tax	Accumulated tax loss carry forward is either used or expired by 2014. 2014 - 2019 taxes calculated at a 15% Federal and 8% Provincial rate based on all announced tax changes
Regulated Return on Equity	Average rate base * return on equity * equity proportion of capital structure