

Enbridge Gas New Brunswick  
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**BY EMAIL AND COURIER**

Ms. Lorraine R. Légère  
Secretary to the Board  
Board of Commissioners of Public Utilities  
P.O. Box 5001  
15 Market Square, Suite 1400  
Saint John, NB E2L 1E8

Dear Ms. Légère:

**Enbridge Gas New Brunswick – Rate Riders**

In response to changes in the energy market over the past month, Enbridge Gas New Brunswick (“EGNB”) is filing a request for Revenue Adjustment Rate Riders (“Rate Riders”) which reduce delivery rates from approved levels in the General Service (“GS”) and Contract General Service (“CGS”) rate change as follows:

<b><u>Rate Class</u></b>	<b><u>Current Reduced Delivery Rate (\$/GJ)</u></b>	<b><u>Rate Rider (\$/GJ)</u></b>	<b><u>Proposed Delivery Rate (\$/GJ)</u></b>
General Service	\$7.1820	\$1.50	\$5.6820
Contract General Service	\$5.8919	\$0.90	\$4.9919

EGNB requests that the New Brunswick Board of Commissioners of Public Utilities (“Board”) approve the proposed Rate Riders effective February 1, 2007. The proposed Rate Riders are justified on the basis that forward wholesale oil prices have decreased more rapidly than natural gas relative to EGNB’s Rate Reinstatement application of May 15, 2006, resulting in a decline to the competitive position of natural gas. EGNB anticipates retail oil prices in New Brunswick to range from **\$0.59** to **\$0.62** per litre in commercial market segments, a decrease of approximately **\$0.08** per litre or **\$2.07** per GJ.

Enclosed please find Schedule “C”, the Derivation of Target Distribution Rates, that outlines the economic data supporting this request. As has been previously discussed with Board staff, this economic data, while important, is not the only factor in determining the requested Rate Riders. EGNB takes into consideration more subjective or qualitative knowledge that it has of the actual economic situation of customer classes, such as actual gas prices, consumption patterns and customer expectations regarding savings. EGNB is requesting the Board approve the proposed Rate Riders, as outlined in Schedule “A” for February 1, 2007.

## **Customer Communication**

EGNB is proposing customer communication consisting of a short on-bill message and a website posting as outlined in its previous applications. The proposed website notification is attached as Schedule "B".

EGNB has not received any customer requests to date for email notification of rate changes but will continue to present this option to customers.

If you have any questions or require additional information, please call me.

Yours truly,

Andrew J. Harrington, P. Eng  
General Manager

Enclosures

c.c. Competitive Energy Services, LLC  
ECNG Limited Partnership  
Energistics Group Inc.  
Irving Energy Services Limited  
Park Fuels Ltd.  
Superior Propane Inc.

## Schedule "A"

### REVENUE ADJUSTMENT RATE RIDER

The following adjustments shall be applicable to all bills issued on and after February 1, 2007:

<b><u>Rate Class</u></b>	<b>Approved Delivery Rate <u>(\$/GJ)</u></b>	<b>Rate Reduction <u>(\$/GJ)</u></b>	<b>Reduced or Reinstated Delivery Rate <u>(\$/GJ)</u></b>
Small General Service Residential Electric (SGSRE)	7.6212	5.2725	2.3487
Small General Service Residential Oil (SGSRO)	7.6212	1.0399	6.5813
Small General Service Commercial (SGSC)	7.6212	1.3017	6.3195
General Service (GS)	7.1820	1.5000	5.6820
Contract General Service (CGS)	5.8919	0.9000	4.9919
Contract Large General Service LFO (CLGS-LFO) (for the first 33,000 GJs delivered per month)	2.3910	0.00	2.3910



Schedule “B”

Notice of Rate Adjustments

Enbridge Gas New Brunswick (EGNB) would like to advise you, our valued customer, of changes to our distribution rates, effective February 1, 2007. EGNB has received approval from the Board of Commissioners of Public Utilities of New Brunswick to adjust natural gas delivery charges.

There are three charges that determine your total cost of natural gas. The first is the monthly customer or demand charge which is not being adjusted. The second is the delivery charge which is decreasing. The third, and the largest component of your total natural gas cost, is the charge for supply of the natural gas commodity.

EGNB delivers natural gas to customers at rates which are based on local market conditions targeted to provide savings against alternate energy products. Over the past month, **oil prices have decreased to a greater extent than natural gas commodity prices.** Based on these changes, EGNB has received approval to decrease delivery charges in the General Service (“GS”) and Contract General Service (“CGS”) rate classes. These changes are outlined in the table below.

Natural Gas Distribution Charges as of February 1, 2007

RATE CLASS	Customer or Demand Charge	Approved Delivery Charge (\$/GJ)	February 2007 Adjusted Delivery Charge (\$/GJ)
General Service (GS)	\$16.00/month	7.1820	<b>5.6820</b>
Contract General Service (CGS)	\$5.20/GJ	5.8919	<b>4.9919</b>

Enbridge Gas New Brunswick provides safe, reliable distribution of natural gas. The price that EGNB charges for the distribution of natural gas is regulated by the Board of Commissioners of Public Utilities of New Brunswick and can only change with their approval.<sup>1</sup> The price is based on market conditions and may increase or decrease significantly over time. If you wish to receive notification of distribution rate changes in the future by email, please email us at [egnb\\_mailbox@egnb.enbridge.com](mailto:egnb_mailbox@egnb.enbridge.com). For more information about EGNB, these delivery rate adjustments or the current price for supply of Enbridge Utility Gas, call toll free at 1-800-994-2762 or visit [www.amazingenergy.ca](http://www.amazingenergy.ca).

<sup>1</sup> This applies only to the customer or demand charge and delivery charge, which together constitute the distribution charge.

## Schedule "C"

<b>Derivation of Target Distribution Rates</b>			
<b>Line</b>	<b>Item</b>	<b>GS</b>	<b>CGS</b>
(1)	Retail Oil Price (\$/L)	0.6189	0.5900
(2)	Retail Oil Price (\$/GJ)	16.09	15.35
(3)	Typical Annual Oil Consumption (L)	37,411	139,862
(4)	Typical Annual Oil Consumption (GJ)	1,447	5,411
(5)	Annual Oil Cost (\$) (Line 1 x Line 3)	23,154	82,519
(6)	Target Savings Level (%)	15%	15%
(7)	Target Annual Savings (\$) (Line 5 x Line 6)	3,473	12,378
(8)	Typical Annual Natural Gas Cost (\$) (Line 5 minus Line 7)	19,681	70,141
(9)	Typical Annual Natural Gas Consumption (GJ)	1,175	4,400
(10)	Target Natural Gas Burner Tip Unit Price (\$/GJ) (Line 8 divided by Line 9)	16.75	15.94
(11)	Commodity Price (\$/GJ)	10.95	10.95
<b>(12)</b>	<b>Target Distribution Rate (\$/GJ) (Line 10 minus Line 11)</b>	<b>5.7994</b>	<b>4.9911</b>
<b>Breakdown of Distribution Charge between Monthly and Delivery Charges:</b>			
(13)	Annual Target Distribution Charge per Customer (\$) (Line 12 x Line 9)	6,814	21,961
(14)	<b>Monthly Customer Charge (\$)</b>	<b>16.00</b>	N/A
(15)	Annual Customer Charge (\$) (Line 14 x 12 months)	192	N/A
(16)	<b>Monthly Demand Charge (\$/GJ)</b>	N/A	<b>5.20</b>
(17)	<b>Typical Monthly Contract Demand (GJ)</b>	N/A	45.90
(18)	Annual Demand Charge (\$) (Line 17 x 12 months x Line 16)	N/A	2,864
(19)	Annual Delivery Charge per Customer (\$) (Line 13 minus Line 15 minus Line 18)	6,622	19,097
<b>(20)</b>	<b>Delivery Charge per GJ (\$) (Line 19 divided by Line 9)</b>	<b>5.6360</b>	<b>4.3402</b>