

SCHEDULE 4.1

2012 Actuals

Enbridge Gas New Brunswick

Balance Sheet for Regulatory Purposes

As at December 31, 2012

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

(in thousands of dollars)

Assets	<u>2012</u>	<u>2011</u>
Regulated Assets		
Property, Plant and Equipment (Note 1)		
Gas Distributor Plant in Service - Net (includes AFUDC capitalized during 2012 of \$306.6)	\$ 173,555	\$ 162,532
Construction Work In Progress - Gas Distributor Plant	<u>88</u>	<u>4,124</u>
Total Property, Plant & Equipment	173,643	166,656
Deferred Charges		
Deferred Development Costs - Net (Note 2)	531	684
Development O&M Capitalized Costs - Net (Note 3)	<u>99,993</u>	<u>102,785</u>
Total Deferred Charges	100,524	103,469
Short Term Investments	<u>2,992</u>	<u>2,974</u>
Total Regulated Rate Base Assets	<u>277,159</u>	<u>273,099</u>
Other Regulated Assets	<u>18,093</u>	<u>16,500</u>
Total Regulated Assets	<u>295,252</u>	<u>289,599</u>
Regulatory Deferral	<u>177,541</u>	<u>178,747</u>
Total Assets	<u>\$ 472,793</u>	<u>\$ 468,346</u>
Liabilities and Partner's Equity		
Partner's Equity (Ratebase)	\$ 138,196	\$ 211,867
Long-term Advances from Associates and Affiliates (Note 4)	142,000	245,500
Other Regulated Liabilities	<u>15,056</u>	<u>10,979</u>
	295,252	468,346
Partner's Equity (Regulatory Deferral)	<u>177,541</u>	-
Total Liabilities and Equity	<u>\$ 472,793</u>	<u>\$ 468,346</u>

Rate Base for Regulatory Purposes – Note 9

Capital Structure for Regulatory Purposes – Note 10

Financial Statement Effects of Rate Regulation - Note 12

System Expansion Portfolio Test – Note 14

Development Period Test– Note 15

Enbridge Gas New Brunswick

 Statement of Income for Regulatory Purposes
 For the year ended December 31, 2012

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

(in thousands of dollars)

	2012	Expenses per GJ (in dollars)	2011
Revenue			
Operating Revenue (Note 5)			
Gas distribution	49,811		\$ 47,871
Miscellaneous	426		347
Allowance for Funds Used During Construction	307		65
	50,543		48,282
Installation Services			
Revenue	1,208		2,726
Cost of goods sold	(1,229)		(2,336)
	(21)		390
Total Revenue	50,522		48,672
Expenses			
Operating Expenses			
Operating & maintenance (Note 6)	14,698	\$ 2.47	8,029
Transportation (net)	2,056	0.35	2,032
Total Operating and maintenance expenses	16,754	2.81	10,061
Bad debt expense	384	0.06	242
Amortization of Property, Plant and Equipment	6,715	1.13	6,250
Municipal and Other Taxes	1,184	0.20	1,129
Interest on Amounts Due to Associates & Affiliates and Other Interest (Note 7)	9,249	1.55	15,243
Amortization of Deferred Development Costs	2,945	0.49	2,974
Total Expenses	37,231	\$ 6.25	35,900
Income before Extraordinary Items, Regulatory Deferral and Return on Rate Base	13,292		12,773
Regulatory Deferral	(1,206)		8,004
Regulated Return on Equity (Note 8)	\$ 12,086		\$ 20,777
Total GJ's	5,955,680		

Details of Affiliate Transactions – Note 11
I&S Profitability Margin – Note 13

Enbridge Gas New Brunswick
 Notes to Regulatory Financial Results
 For the year ended December 31, 2012

(in thousands of dollars)

Note 1 Property, Plant & Equipment

			<u>2012</u>	<u>2011</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Rates of Amortization</u>
Property, plant & equipment					
General plant					
Computer hardware & software	\$ 3,314	\$ (2,297)	\$ 1,017	\$ 957	28.80%
Tools and work equipment	835	(263)	572	566	5.30%
Office furniture and equipment	489	(165)	324	344	4.40%
Transportation	1,290	(412)	878	698	11.80%
Communications	81	(65)	16	38	28.80%
Leasehold improvements	866	(549)	317	357	1
Subtotal	<u>6,875</u>	<u>(3,751)</u>	<u>3,124</u>	<u>2,960</u>	
Distribution plant					
Land	375	-	375	375	-
Rights of way and easements	156	-	156	156	-
Distribution mains	118,254	(19,025)	99,229	92,604	2.43%
Street services	53,866	(10,500)	43,366	40,635	3.83%
Meters and regulators	20,475	(3,487)	16,988	15,518	3.83%
Stations	14,171	(3,854)	10,317	10,284	4.40%
Subtotal	<u>207,297</u>	<u>(36,866)</u>	<u>170,431</u>	<u>159,572</u>	
Total plant in service	214,172	(40,617)	173,555	162,532	
Construction work in progress	88	-	88	\$ 4,124	-
Total property, plant & equipment	<u>\$ 214,260</u>	<u>\$ (40,617)</u>	<u>\$ 173,643</u>	<u>\$ 166,656</u>	

1 - Amortized over the term of the related leases.

Enbridge Gas New Brunswick
 Notes to Regulatory Financial Results
 For the year ended December 31, 2012

(in thousands of dollars)

Note 2 Deferred Development Costs - Net

			2012	2011	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
Franchise fee	\$ 1,500	\$ (1,000)	\$ 500	\$ 575	5.00%
Deferred carrying costs	1,784	(1,753)	31	109	20.00%
Total deferred development costs, net	\$ 3,284	\$ (2,753)	\$ 531	\$ 684	

Note 3 Development O&M Capitalized Costs - Net

			2012	2011	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value	Rates of Amortization
Development O&M capitalized costs	\$ 114,952	\$ (14,959)	\$ 99,993	\$ 102,785	2.43%
Total development O&M capitalized costs, net	\$ 114,952	\$ (14,959)	\$ 99,993	\$ 102,785	

Enbridge Gas New Brunswick
Notes to Regulatory Financial Results
For the year ended December 31, 2012

(in thousands of dollars)

Note 4 Long-term Advances from Associates and Affiliates

Issue Date	Maturity Date	Amount	2012 Cost of Debt			2011 Cost of Debt				
			Enbridge Inc.	EGNB	Regulated	Amount	Enbridge Inc.	EGNB	Regulated	
Promissory Note	28-Jun-02	29-Jun-12	-	-	-	-	6,000	6.08%	7.89%	7.08%
Promissory Note	23-Dec-02	24-Dec-12	-	-	-	-	7,500	6.50%	7.41%	7.50%
Promissory Note	26-Jun-03	27-Jun-13	-	-	-	-	13,000	5.62%	6.96%	6.62%
Promissory Note	30-Dec-03	30-Dec-13	10,000	5.34%	7.14%	6.34%	14,000	5.34%	7.14%	6.34%
Promissory Note	23-Mar-04	24-Mar-14	5,000	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	18,000	4.82%	6.52%	5.82%	21,000	4.82%	6.52%	5.82%
Promissory Note	20-Dec-07	20-Dec-17	20,000	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	15,000	4.63%	5.63%	5.63%	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	4,000	3.25%	4.25%	4.25%	9,000	3.25%	4.25%	4.25%
Promissory Note	30-Dec-11	30-Dec-21	14,000	4.50%	5.50%	5.50%	18,000	4.50%	5.50%	5.50%
Total long-term advances from associates and affiliates			\$ 142,000	4.51%	5.46%	6.04%	\$ 245,500	5.10%	6.30%	6.10%

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

Enbridge Gas New Brunswick
 Notes to Regulatory Financial Results
 For the year ended December 31, 2012

(in thousands of dollars)

Note 5 Operating Revenue

a. Gas Distribution

	January - September 2012			2011		
	Revenue	Customers	Throughput TJs	Revenue	Customers	Throughput TJs
Small general service (SGS)	\$ 9,300	9,997	646			
General service (GS)	9,608	1,234	655			
Contract general service (CGS)	10,246	321	843			
Contract large general service (CLGS-LFO)	6,104	31	1,201			
Contract large general service (CLGS-HFO)	3,055	10	837			
Off peak service	46	14	4			
Sub-Total	<u>\$ 38,359</u>	<u>11,607</u>	<u>4,186</u>			
	October - December 2012					
	Revenue	Customers	Throughput TJs			
Small general service (SGS)	\$ 3,330	9,940	246			
Mid-general service (MGS)	2,912	1,466	254			
Large general service (LGS)	2,080	394	313			
Contract general service (CGS)	1,414	92	308			
Industrial contract general service (ICGS)	1,716	10	648			
Off peak service (OPS)	-	13	-			
Sub-Total	<u>\$ 11,452</u>	<u>11,915</u>	<u>1,769</u>			
Total	<u>\$ 49,811</u>	<u>11,915</u>	<u>5,955</u>	<u>\$ 47,871</u>	<u>11,367</u>	<u>5,557</u>

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

Enbridge Gas New Brunswick
Notes to Regulatory Financial Results
For the year ended December 31, 2012

(in thousands of dollars)

Note 5 **Operating Revenue (continued)**

b. Miscellaneous

	<u>2012</u>	<u>2011</u>
Agent billing and collection	\$ 140	\$ 131
Other miscellaneous revenue	<u>286</u>	<u>216</u>
Total miscellaneous	<u>\$ 426</u>	<u>\$ 347</u>

Details of Agent Billing and Collection Revenues

(in dollars)

	<u>January - September 2012</u>	<u>2011</u>
Agent billing and collection		
Small general service (SGS)	\$ 81,192	
General service (GS)	10,757	
Contract general service (CGS)	6,880	
Agent billing		
Contract large general service (CLGS-LFO)	636	
Contract large general service (CLGS-HFO)	330	
Contract large volume service (CLVOPS)	8	
Off peak service (OPS)	<u>628</u>	
Sub-total	<u>\$ 100,431</u>	

Enbridge Gas New Brunswick
 Notes to Regulatory Financial Results
 For the year ended December 31, 2012

(in thousands of dollars)

Note 5 **Operating Revenue (continued)**

b. Miscellaneous (continued)

Details of Agent Billing and Collection Revenues (continued)

(in dollars)

	October- December 2012	2011
Agent billing and collection		
Small general service (SGS)	\$ 31,278	
Mid-general service (MGS)	4,786	
Large general service (LGS)	2,808	
Contract general service (CGS)	590	
Industrial contract general service (ICGS)	96	
Off peak service (OPS)	157	
Sub-total	39,715	
Total agent billing and collection revenue	\$ 140,146	\$ 131,127

Enbridge Gas New Brunswick
Notes to Regulatory Financial Results
For the year ended December 31, 2012

(in thousands of dollars)

Note 6 Operating and Maintenance Expenses

	<u>2012</u>	<u>2011</u>
Corporate management	\$ 2,094	\$ 1,489
Corporate administration	1,114	1,146
Financial reporting	791	648
Information technology	857	871
Regulatory & upstream	1,083	1,227
Sales & marketing	6,119	6,674
Distribution & maintenance	5,367	5,981
Customer care	1,360	1,387
Human resources	2,978	1,998
Gas transportation and related activities	<u>2,056</u>	<u>2,032</u>
Total	<u>23,819</u>	<u>23,453</u>
Capitalized to:		
Property, plant & equipment	7,065	4,353
Development O&M capitalized costs	<u>-</u>	<u>9,039</u>
Total capitalized	<u>7,065</u>	<u>13,392</u>
Total	<u>\$ 16,754</u>	<u>\$ 10,061</u>

Enbridge Gas New Brunswick
 Notes to Regulatory Financial Results
 For the year ended December 31, 2012

(in thousands of dollars)

Note 7 Interest on Amounts Due to Associates & Affiliates and Other Interest

	<u>2012</u>		<u>2011</u>
Interest on long-term debt	9,230	\$	14,745
Other interest (revenue)/expense	(105)		472
AIDC - allowance for funds used during construction (debt component)	124		26
Total interest on amounts due to associates & affiliates and other interest	<u>\$ 9,249</u>	<u>\$</u>	<u>15,243</u>

Note 8 Regulated Return on Equity

	<u>2012</u>		<u>2011</u>
Regulated return on equity	\$ 11,904	\$	20,738
AEDC - allowance for funds used during construction (equity component)	182		39
Total regulated return on equity	<u>\$ 12,086</u>	<u>\$</u>	<u>20,777</u>

Enbridge Gas New Brunswick
Notes to Regulatory Financial Results
For the year ended December 31, 2012

(in thousands of dollars)

Note 9 Rate Base for Regulatory Purposes

	<u>2012</u>	<u>2011</u>
Property, plant & equipment		
Cost	\$ 214,172	\$ 198,822
Accumulated amortization	<u>(40,617)</u>	<u>(36,290)</u>
Net	173,555	162,532
Deferred charges		
Franchise fee, at cost	1,500	1,500
Accumulated amortization	<u>(1,000)</u>	<u>(925)</u>
Net	500	575
Development O&M capitalized costs	114,952	114,951
Accumulated amortization	<u>(14,959)</u>	<u>(12,166)</u>
Net	99,993	102,785
Deferred carrying costs, at cost	1,784	1,784
Accumulated amortization	<u>(1,753)</u>	<u>(1,675)</u>
Net	31	109
* Deferral account	<u>-</u>	<u>178,747</u>
Total deferred charges	100,524	282,216
Term deposit	2,992	2,974
Working capital allowance	<u>1,785</u>	<u>1,960</u>
Total rate base	<u>\$ 278,856</u>	<u>\$ 449,682</u>
Average rate base	<u>\$ 278,125</u>	<u>\$ 436,120</u>

* Deferral account excluded for rate making purposes
Effective January 1, 2012

Enbridge Gas New Brunswick
Notes to Regulatory Financial Results
For the year ended December 31, 2012

(in thousands of dollars)

Note 10 **Capital Structure for Regulatory Purposes**

	<u>2012</u>	<u>2011</u>
Capital structure		
Long-term debt	\$ 142,000	\$ 245,500
Equity	<u>138,196</u>	<u>211,867</u>
Total	<u>\$ 280,196</u>	<u>\$ 457,367</u>

Capital structure percentage

Long-term debt	50.68%	53.68%
Equity	<u>49.32%</u>	<u>46.32%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

Capital structure average percentage for regulatory purposes

Long-term debt	55.00%	55.00%
Equity	<u>45.00%</u>	<u>45.00%</u>
Total	<u>100.00%</u>	<u>100.00%</u>

Weighted cost of capital for regulatory purposes

Long-term debt	3.32%	3.36%
Equity	<u>4.91%</u>	<u>5.85%</u>
Total	<u>8.23%</u>	<u>9.21%</u>

Enbridge Gas New Brunswick
 Notes to Regulatory Financial Results
 For the year ended December 31, 2012

(in thousands of dollars)

Note 11 Details of Affiliate Transactions

	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
For the period ending December 31, 2012						
Corporate management	\$ 17	\$ 72	\$ -	\$ 89	\$ 1,108	8%
Sales & marketing	-	30	-	30	335	9%
Human resources	24	33	-	57	199	29%
Distribution & maintenance	-	562	-	562	1,474	38%
Budget & regulatory	-	-	-	-	968	0%
Financial reporting	35	31	-	66	170	39%
Customer care	-	31	762	793	798	99%
Corporate administration	1,052	8	-	1,060	1,060	100%
Gas transportation & related	-	110	-	110	110	100%
Information technology	3	200	-	203	312	65%
Total	\$ 1,131	\$ 1,077	\$ 762	\$ 2,970	\$ 6,534	45%
For the period ending December 31, 2011						
Corporate management	\$ 32	\$ 122	\$ -	\$ 154	\$ 462	33%
Sales & marketing	-	18	-	18	1,070	2%
Human resources	23	40	-	63	246	26%
Distribution & maintenance	-	716	-	716	1,839	39%
Budget & regulatory	-	1	-	1	1,106	0%
Financial reporting	34	21	-	55	167	33%
Customer care	-	81	663	744	760	98%
Corporate administration	1,072	5	-	1,077	1,077	100%
Gas transportation & related	-	109	-	109	109	100%
Information technology	101	136	-	237	338	70%
Total	\$ 1,262	\$ 1,249	\$ 663	\$ 3,174	\$ 7,174	44%

Enbridge Gas New Brunswick

Notes to Regulatory Financial Results
For the year ended December 31, 2012

Note 12 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, for the most part, are similar to those being used by other enterprises in the gas distribution industry in Canada. The ultimate recoverability of costs incurred is dependent upon the approval of the EUB. The type of regulation in effect for the Partnership is a modified cost of service regulation.

The Partnership is allowed the opportunity to earn a return on its rate base intended to provide its Partners with a fair return on investment and to cover the cost of interest expense on debt. The Partnership's return on rate base is equal to the sum of: (a) its net rate base as prescribed by the EUB (excluding the Regulatory Deferral account) multiplied by the allowed equity component percentage multiplied by the allowed rate of return on equity; plus (b) its net rate base multiplied by the allowed debt component percentage multiplied by the allowed regulatory rate for debt.

The Partnership's current regulated capital structure was approved by the EUB and is based on actual debt and equity with equity capped at 45%. The rate of return on equity is set at 10.9% and the allowed regulatory rate for debt based on approved methodology is 6.04%.

Unlike many utilities, the Partnership's distribution rates are a combination of both market and cost based rates. Beginning October 1, 2012, distribution rates are charged by the Partnership based on cost of service at a ratio of 1.2:1 revenue to cost ratio to all rate classes with the exception of the Small General Service class which is charged a market based rate with a targeted savings of 20% over electricity. As a result, fluctuations in electricity rates can have an impact on the distribution rates the Partnership can charge.

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. As noted above, the Partnership's distribution rates are a combination of market and cost based rates, not pure cost of service. The EUB has approved a regulatory deferral account to capture the difference between the Partnership's regulated revenues and its regulated cost of service which non-regulated enterprises would not recognize. Prior to April 16, 2012 it had been determined that the regulatory deferral account balance would be amortized over a recovery period as approved by the EUB. In a decision rendered by the EUB in January 2005, the EUB had indicated that it does not believe it would be appropriate to determine a specific recovery period for the regulatory deferral account, however, the EUB had indicated that the recovery period would begin at the end of the development period and end no sooner than December 31, 2040. The EUB had stated that it believed that the regulatory deferral account balance should be recovered through rates after the end of the development period. The end of the development period and subsequent cost of service based distribution rates are subject to EUB approval. Amounts included in the regulatory deferral account are approved by the EUB annually as part of its review of the regulatory financial results. As a result of legislative changes proclaimed on January 18, 2012, the Partnership is not permitted to earn a return, or amortize the regulatory deferral account unless allowed by future regulation.

Enbridge Gas New Brunswick

Notes to Regulatory Financial Results
For the year ended December 31, 2012

Note 12 Financial Statement Effects of Rate Regulation (continued)

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, US 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 utility 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. The Partnership offers other Alternative gas products, in which it does recognize a gain or loss on sale in the year 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. The overfunded or underfunded status of defined benefit pension and Other Post Employment Benefits (OPEB) are recognized as Pension assets and other post employment benefits with a corresponding Pension liability and other post-employment benefits on the Balance Sheet for Regulatory Purposes. A plan’s funded status is measured as the difference between the fair value of plan assets and the plan’s accrued benefit obligation. Any unrecognized actuarial gains and losses and prior service costs and credits that arise during the year are recognized on the Statement of Income for Regulatory Purposes.

Enbridge Gas New BrunswickNotes to Regulatory Financial Results
For the year ended December 31, 2012

(in thousands of dollars)

Note 13 I&S Profitability Margin

	<u>2012</u>	<u>2011</u>
Revenues as per regulatory financial statements	\$ 1,208	\$ 2,726
Revenue adjustment for rental program	-	(200)
	<u>\$ 1,208</u>	<u>\$ 2,526</u>
Less: Cost of goods sold		
COGS as per regulatory financial statements	\$ 1,229	\$ 2,325
Billing services	-	3
Adjustment for Rental COGS	-	(192)
	<u>\$ 1,229</u>	<u>\$ 2,136</u>
Adjusted net margin	\$ (21)	\$ 390
Less: Allocated expenses		
O&M expenses	\$ 603	\$ 808
Cost of capital	42	73
Depreciation	18	61
Billing services (Customer Care)	2	-
Bad debt expense	251	58
	<u>\$ 916</u>	<u>\$ 1,000</u>
Net revenue (loss)	<u>\$ (937)</u>	<u>\$ (610)</u>

Enbridge Gas New BrunswickNotes to Regulatory Financial Results
For the year ended December 31, 2012

(in thousands of dollars)

Note 14 **System Expansion Portfolio Test**

	<u>2012 Actual</u>	<u>2011 Actual</u>
Item Capital		
1 Main	\$ 2,419	\$ 1,279
2 Service Line/ Meter	2,053	5,248
3 Sales Incentive	3,711	3,811
4 O&M Capitalized to Main	1,376	3,775
5 O&M Capitalized to Service Line / Meter	1,977	605
6 O&M Capitalized to Development O&M	-	5,228
7 Total Capital	<u>11,547</u>	<u>19,945</u>
8 Cost of Capital	8.23%	8.26%
Depreciation Rates		
9 Main, Sales Incentives & Development O&M	2.43%	2.43%
10 Service Line/ Meter	3.83%	3.83%
Net Annual Impact on Revenue Requirement		
Energy (GJs)	432,023	215,091
Revenue	\$ 4,384	\$ 2,376
Less:		
Depreciation: Mains ((item 1 + item 4) * item 9)	92	123
Depreciation: Service Line/ Meter ((item 2 + item 5) * item 10)	154	224
Depreciation: Sales Incentive (item 3 * item 9)	90	93
Depreciation: Development O&M (item 6 * item 9)	-	127
Cost of Capital (item 7 * item 8)	949	1,647
Annual Impact	<u>\$ 3,098</u>	<u>\$ 162</u>

Enbridge Gas New Brunswick

Notes to Regulatory Financial Results
For the year ended December 31, 2012

(in thousands of dollars)

Note 15 Development Period Test

	<u>2012</u>	<u>2011</u>
Revenue Requirement	\$ 50,134	\$ 57,344
Capitalized O&M Expenses ¹	7,065	13,419
1 year amortization of Deferral Account ²	<u>5,918</u>	<u>5,959</u>
Total Revenue Requirement	\$ 63,117	\$ 76,722
Total Gas Distribution Revenues	<u>49,811</u>	<u>47,871</u>
Excess/(Shortfall)	<u>\$ (13,306)</u>	<u>\$ (28,851)</u>

¹ Capitalized O&M expense represents amount capitalized to Property, Plant & Equipment

² Assumes 30 year amortization period