

Enbridge Gas New Brunswick  
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September 12, 2008

**BY EMAIL AND COURIER**

Ms. Lorraine R. Légère  
Secretary to the Board  
New Brunswick Energy and Utilities Board  
P.O. Box 5001  
15 Market Square, Suite 1400  
Saint John, New Brunswick  
E2L 1E8

Dear Ms. Légère:

**Enbridge Gas New Brunswick – Rate Reinstatement**

In response to changes in the energy market over the past month, Enbridge Gas New Brunswick (“EGNB”) is filing a request for a Revenue Adjustment Rate Rider (“Rate Rider”) which will partially reinstate delivery rates toward approved levels in the Small General Service Residential Electric (“SGSRE”) rate class, as follows:

<b><u>Rate Class</u></b>	<b><u>Approved Delivery Rate (\$/GJ)</u></b>	<b><u>Current Reduced Delivery Rate (\$/GJ)</u></b>	<b><u>Rate Reinstatement (\$/GJ)</u></b>	<b><u>Proposed Delivery Rate (\$/GJ)</u></b>
Small General Service Residential Electric	\$7.6212	\$2.8181	\$1.7735	\$4.5916

EGNB requests that the New Brunswick Energy and Utilities Board (“Board”) approve the proposed rate reinstatements effective October 1, 2008. The proposed adjustments are justified on the basis that New Brunswick Power rates have remained constant, whereas natural gas prices have decreased, resulting in an improvement in the competitive position of EGNB’s SGSRE rate.

Enclosed please find Schedule “C”, the Derivation of 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 Rider. 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 Rider, as outlined in Schedule "A", effective October 1, 2008.

### **Customer Communication**

EGNB is proposing a 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". The on-bill message will state: "Delivery rate charges have increased for SGSRE customers. Please visit our website at [www.naturalgasnb.com](http://www.naturalgasnb.com) or call toll-free 1-800-994-2762 for more information."

EGNB has not received any SGSRE 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,



Dave Charleson  
General Manager

Enclosures

c.c. Competitive Energy Services, LLC  
Corridor Resources Inc.  
ECNG Energy LP  
Irving Energy Services Limited  
Park Fuels Ltd.  
Potash Corporation of Saskatchewan Inc.  
Superior Propane Inc.

**Schedule "A"**

**REVENUE ADJUSTMENT RATE RIDER**

The following adjustments shall be applicable to all bills issued on and after October 1, 2008:

<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	3.0296	4.5916



**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 October 1, 2008.** EGNB has received approval from the New Brunswick Energy and Utilities Board 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 increasing. 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 last few months, electricity prices have remained constant while natural gas prices have declined. Based on these changes in commodity prices, EGNB has received approval to increase delivery charges in the Small General Service Residential Electric (“SGSRE”) rate class. These changes are outlined in the table below.

**Natural Gas Distribution Charges as of October 1, 2008**

<b>RATE CLASS</b>	<b>Customer or Demand Charge</b>	<b>Approved Delivery Charge (\$/GJ)</b>	<b>Current Reduced Delivery Charge (\$/GJ)</b>	<b>October 2008 Adjusted Delivery Charge (\$/GJ)</b>
<b>Small General Service Residential Electric (SGSRE)</b>	\$16.00/month	\$7.6212	\$2.8181	<b>\$4.5916</b>

EGNB provides safe, reliable distribution of natural gas. The price that EGNB charges for the distribution of natural gas is regulated by the New Brunswick Energy and Utilities Board 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 delivery 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.naturalgasnb.com](http://www.naturalgasnb.com).

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

## Schedule "C"

Derivation of Distribution Rates Based on Electricity		
Line	Item	SGSRE
(1)	NB Power Average Rate (\$/kWh) <sup>1</sup>	0.0886
(2)	NB Power Average Rate (\$/GJ)	24.61
(3)	Typical Annual Electric Consumption (kWh)	27,310
(4)	Typical Annual Electric Consumption (GJ)	98
(5)	Annual Electric Cost (\$) (Line 1 x Line 3)	2,419
(6)	NB Power Rental Water Heater Charge (60 Gallon)	88.13
(7)	Total Cost Electric Heating and Domestic Hot Water (Line 5 plus Line 6)	2,507
(8)	Target Savings Level (%)	20.0%
(9)	Target Annual Savings (\$) (Line 7 x Line 8)	501
(10)	Typical Annual Natural Gas Cost (\$) (Line 7 minus Line 9)	2,006
(11)	Typical Annual Natural Gas Consumption (GJ)	114
(12)	Target Natural Gas Burner Tip Unit Price (\$/GJ) (Line 10 divided by Line 11)	17.59
(13)	Commodity Price (\$/GJ)	11.32
<b>(14)</b>	<b>Target Distribution Rate (\$/GJ) (Line 12 minus Line 13)</b>	<b>6.2758</b>
<b>Breakdown of Distribution Charge between Monthly and Delivery Charges:</b>		
(15)	Annual Target Distribution Charge per Customer (\$) (Line 14 x Line 11)	715.45
(16)	Monthly Customer Charge (\$)	<b>16.00</b>
(17)	Annual Customer Charge (\$) (Line 16 x 12 months)	192.00
(18)	Annual Delivery Charge per Customer (\$) (Line 15 minus Line 17)	523.45
(19)	<b>Proposed Delivery Charge per GJ (\$) (Line 18 divided by Line 11)</b>	<b>4.5916</b>

<sup>1</sup> NB Power average (\$/kWh) is estimated for a typical residential customer using electricity for space and water heating.