

Enbridge Gas New Brunswick
Enbridge Gaz Nouveau-Brunswick
440, chemin Wilsey Road, Suite/pièce 101
Fredericton, New Brunswick
E3B 7G5 Canada

Dave Charleson
General Manager
Tel 506-453-7388
Fax 506-457-7753
Email dave.charleson@enbridge.com



March 14, 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:

<u>Rate Class</u>	<u>Approved Delivery Rate (\$/GJ)</u>	<u>Current Reduced Delivery Rate (\$/GJ)</u>	<u>Rate Reinstatement (\$/GJ)</u>	<u>Proposed Delivery Rate (\$/GJ)</u>
Small General Service Residential Electric	\$7.6212	\$3.4377	\$0.8433	\$4.2810

EGNB requests that the New Brunswick Energy and Utilities Board (“Board”) approve the proposed rate reinstatements effective April 1, 2008. The proposed adjustments are justified on the basis that the recently approved adjustment to the New Brunswick Power declining block rate and the additional 3% increase proposed for April 1st have resulted in higher electricity costs of \$219 per year, approximately \$1.92 per GJ, for a residential customer.

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 April 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 changed for SGSRE customers. Please visit our website at www.naturalgasnb.com or call toll-free 1-800-994-2762 for more information."

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,



Dave Charleson
General Manager

Enclosures

c.c. Competitive Energy Services, LLC
Corridor Resources Inc.
ECNG Energy LP
Energestics Group Inc.
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 April 1, 2008:

<u>Rate Class</u>	<u>Approved Delivery Rate (\$/GJ)</u>	<u>Rate Reduction (\$/GJ)</u>	<u>Reduced or Reinstated Delivery Rate (\$/GJ)</u>
Small General Service Residential Electric (SGSRE)	7.6212	3.3402	4.2810
Small General Service Residential Oil (SGSRO)	7.6212	0.0000	7.6212
Small General Service Commercial (SGSC)	7.6212	0.0000	7.6212
General Service (GS)	7.1820	0.0000	7.1820
Contract General Service (CGS)	5.8919	0.0000	5.8919



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 April 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. In recent months, **electricity prices have increased in comparison to natural gas.** Based on these changes in the market place, 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 April 1, 2008

RATE CLASS	Customer or Demand Charge	Approved Delivery Charge (\$/GJ)	Current Reduced Delivery Charge (\$/GJ)	April 2008 Adjusted Delivery Charge (\$/GJ)
Small General Service Residential Electric (SGSRE)	\$16.00/month	\$7.6212	\$3.4377	\$4.2810

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.¹ 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. 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.

¹ 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) ¹	0.08794
(2)	NB Power Average Rate (\$/GJ)	24.43
(3)	Typical Annual Electric Consumption (kWh)	27,310
(4)	Typical Annual Electric Consumption (GJ)	98
(5)	Annual Electric Cost (\$) (Line 1 x Line 3)	2,402
(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)	2,490
(8)	Target Savings Level (%)	20.0%
(9)	Target Annual Savings (\$) (Line 7 x Line 8)	498
(10)	Typical Annual Natural Gas Cost (\$) (Line 7 minus Line 9)	1,992
(11)	Typical Annual Natural Gas Consumption (GJ)	114
(12)	Target Natural Gas Burner Tip Unit Price (\$/GJ) (Line 10 divided by Line 11)	17.47
(13)	Commodity Price (\$/GJ)	11.51
(14)	Target Distribution Rate (\$/GJ) (Line 12 minus Line 13)	5.9652
Breakdown of Distribution Charge between Monthly and Delivery Charges:		
(15)	Annual Target Distribution Charge per Customer (\$) (Line 14 x Line 11)	680.04
(16)	Monthly Customer Charge (\$)	16.00
(17)	Annual Customer Charge (\$) (Line 16 x 12 months)	192.00
(18)	Annual Delivery Charge per Customer (\$) (Line 15 minus Line 17)	488.04
(19)	Proposed Delivery Charge per GJ (\$) (Line 18 divided by Line 11)	4.2810

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