

Enbridge Gas New Brunswick
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July 15, 2009

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, Enbridge Gas New Brunswick (“EGNB”) is filing a request for Revenue Adjustment Rate Riders (“Rate Riders”) which will reinstate delivery rates to approved levels in the Small General Service Residential Oil (“SGSRO”), Small General Service Commercial (“SGSC”), General Service (“GS”), Contract General Service (“CGS”), Contract Large Volume Off Peak Service (“CLVOPS”), Off Peak Service (“OPS”) and Natural Gas Vehicle Fueling (“NGVF”) rate classes, as follows:

<u>Rate Class</u>	Approved Delivery Rate (\$/GJ)	Current Delivery Rate (\$/GJ)	Rate Increase (\$/GJ)	Proposed Delivery Rate (\$/GJ)
Small General Service Residential Oil	\$9.7456	8.9220	0.8236	\$9.7456
Small General Service Commercial	\$9.3538	8.7627	0.5911	\$9.3538
General Service	\$9.6570	8.3048	1.3522	\$9.6570
Contract General Service	\$8.6291	7.1239	1.5052	\$8.6291
Contract Large Volume Off Peak Service	\$6.4718	5.3429	1.1289	\$6.4718
Off Peak Service	\$7.2428	6.2286	1.0142	\$7.2428
Natural Gas Vehicle Fueling	\$9.6570	8.3048	1.3522	\$9.6570

EGNB requests that the New Brunswick Energy and Utilities Board (“Board”) approve the proposed Rate Reinstatement effective August 1, 2009. The proposed reinstatements to the rates that are based on oil are warranted on the basis that forward forecast natural gas prices have decreased relative to oil prices, when compared with the prices underpinning EGNB’s May 1st Rate Rider application, dated April 15, 2009.

Enclosed please find Schedule "C", the Derivation of Distribution Rates based on Oil that outlines the economic data supporting these requests. As has been previously discussed with Board, 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 Reinstatement, as outlined in Schedule "A", effective August 1, 2009.

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 SGSRO, SGSC, GS, CGS, LFO, CLVOPS, OPS and NGVF 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 requests for email notification from customers within the rate classes affected by this application. EGNB 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 gas consumed on and after August 1, 2009:

<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	0.0000	7.6212
Small General Service Residential Oil (SGSRO)	9.7456	0.0000	9.7456
Small General Service Commercial (SGSRC)	9.3538	0.0000	9.3538
General Service (GS)	9.6570	0.0000	9.6570
Contract General Service (CGS)	8.6291	0.0000	8.6291
Contract Large General Service LFO (LFO)	4.0861	0.0000	4.0861
Contract Large Volume Off Peak Service (CLVOPS)	6.4718	0.0000	6.4718
Off Peak Service (OPS)	7.2428	0.0000	7.2428
Natural Gas Vehicle Fueling (NGVF)	9.6570	0.0000	9.6570



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 August 1, 2009. 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 being changed. 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, **natural gas commodity prices have decreased relative to oil prices** and based on these changes in the market place, EGNB has received approval to increase delivery charges in the Small General Service Residential Oil (“SGSRO”), Small General Service Commercial (“SGSC”), General Service (“GS”), Contract General Service (“CGS”), Contract Large Volume Off Peak Service (“CLVOPS”), Off Peak Service (“OPS”) and Natural Gas Vehicle Fueling (“NGVF”) rate classes. These changes are outlined in the table below.

Natural Gas Distribution Charges as of August 1, 2009

RATE CLASS	Customer or Demand Charge	Approved Delivery Charge (\$/GJ)	August 2009 Adjusted Delivery Charge (\$/GJ)
Small General Service Residential Electric (SGSRE)	\$16.00/month	\$7.6212	\$7.6212
Small General Service Residential Oil (SGSRO)	\$16.00/month	\$9.7456	\$9.7456
Small General Service Commercial (SGSC)	\$16.00/month	\$9.3538	\$9.3538
General Service (GS)	\$16.00/month	\$9.6570	\$9.6570
Contract General Service (CGS)	\$5.20/GJ	\$8.6291	\$8.6291
Contract Large General Service LFO (LFO)	\$5.20/GJ	\$4.0861	\$4.0861
Contract Large Volume Off Peak Service (CLVOPS)	\$3.90/GJ	\$6.4718	\$6.4718
Off Peak Service (OPS)	\$12.00/month	\$7.2428	\$7.2428
Natural Gas Vehicle Fueling (NGVF)	\$16.00/month	\$9.6570	\$9.6570

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"

(Revised)

Derivation of Distribution Rates- Oil						
	Units	Calculation	SGSRO	SGSC	GS	CGS
1 Alternative Energy Price	CAN\$/l	Retail Oil Price	\$0.8110	\$0.7898	\$0.7796	\$0.7693
2 Assumed Efficiency factor		Assigned	78.16%	78.16%	81.25%	81.25%
3 Typical Annual Oil Consumption	GJs/year	Line 10 /Line 2	107	285	1,124	6,087
4 Conversion Factor	l/GJ	Assigned	25.8532	25.8532	25.8532	25.8532
5 Typical Annual Consumption	in litres	Line 3 x Line 4	2,766.29	7,368.16	29,059.00	157,368.43
6 Total Alternative Energy Cost	\$/year	Line 1 x Line 5	\$2,243.46	\$5,819.37	\$22,654.40	\$121,063.53
7 Target Savings Level	%	Assigned	20%	20%	15%	15%
8 Target Savings Amount	\$	Line 6 x Line 7	\$448.69	\$1,163.87	\$3,398.16	\$18,159.53
9 Target Natural Gas Cost	\$	Line 6 - Line 8	\$1,794.77	\$4,655.50	\$19,256.24	\$102,904.00
10 Typical Annual Natural Gas Consumption	GJs/year	Typical Customer	84	223	913	4,946
11 Target Burner Tip Price	\$/GJ	Line 9 /10	\$21.3663	\$20.8767	\$21.0912	\$20.8055
12 Commodity Cost	\$/GJ	EUG or EVP price	\$8.8984	\$8.8984	\$8.8984	\$8.8984
13 Target Distribution Rate	\$/GJ	Line 11 - Line 13	\$12.4679	\$11.9783	\$12.1928	\$11.9071
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14 Target Annual Distribution Charge	\$	Line 13 x Line 10	\$1,047.30	\$2,671.16	\$11,132.03	\$58,892.52
15 Monthly Customer Charge	\$	Assigned	\$16.00	\$16.00	\$16.00	
16 Annual Customer Charge	\$	Line 15 *12	\$192.00	\$192.00	\$192.00	0
17 Average Contract Demand	GJs	Average				46
18 Contract Demand Charge	\$	Assigned	0	0	0	\$5.20
19 Revenue from Demand Charge	\$	Line 17 *Line 18 *12	0	0	0	\$2,870.40
20 Target Revenue From Delivery Charge	\$	Line 14 - Lines 16 or 19	\$855.30	\$2,479.16	\$10,940.03	\$56,022.12
21 Distribution Delivery Charge	\$/GJ	Line 20/Line 10	\$10.1822	\$11.1173	\$11.9825	\$11.3268

The delivery rate for CLVOPS is calculated as 75% of the CGS delivery rate, the delivery rate for OPS is calculated as 75% of the GS delivery rate, and the delivery rate for NGVF is 100% of the GS delivery rate.