



DECISION

**IN THE MATTER of a Review of a
Cost of Service Study filed by Enbridge Gas
New Brunswick LP (EGNB)**

December 21, 2010

NEW BRUNSWICK ENERGY AND UTILITIES BOARD

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NEW BRUNSWICK ENERGY AND UTILITIES BOARD:

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COUNSEL: Ellen Desmond

APPLICANT:

Enbridge Gas New Brunswick LP
Len Hoyt, Q.C.
David MacDougall

INTERVENORS:

Atlantic Wallboard L.P. Christopher Stewart

Department of Energy Mary Ann Mann

Flakeboard Company Limited Gary Lawson

Public Intervenor Daniel Theriault, Q.C.

DECISION

Introduction

The need for a cost of service study is something all parties have been aware of since the beginning of the natural gas franchise. In its June 2000 decision, the Board ruled that the information that would be provided by cost of service studies in the initial years of a “greenfield” development would be of limited value and did not require EGNB to file cost of service studies at that time. The Board expressed its intention to re-visit this issue near the end of the Development Period.

On January 22, 2009, the Board convened a hearing in the nature of a case management session where it heard from all interested parties concerning a multitude of regulatory issues facing Enbridge Gas New Brunswick LP (EGNB). One of the issues identified at that hearing was Cost of Service and Rate Design. Several intervenors had urged the Board to require EGNB to prepare and file a cost of service study suggesting that the results might be considered in future rate making decisions.

EGNB had already begun work on the study in 2008 and a preliminary study using 2008 data was completed in May of 2009. Cost of service studies prepared by EGNB have been filed with the evidence in several proceedings since 2009. However, until the present time, EGNB was not required to defend any study.

EGNB was ordered to file its final cost of service study by January 15, 2010 and this was the subject matter of this hearing.

The process used for the review of the cost of service study afforded all interested parties an ample opportunity to fully participate in this hearing. Two of the intervenors filed evidence and retained consultants to provide expert opinion in the area of cost of service and rate design.

In a mature utility, rates are usually set on a cost of service basis. The objective is to have each class of customers pay for the cost of providing service to that class. Cost of service studies are conducted in order to determine the portion of costs to be allocated to each class.

The results of a cost of service study are used to design rates in a mature utility. It is important to note that, even in mature utilities, the rates rarely flow unchanged from the cost of service study. The eventual rates are based not only on costs of service but on other factors which are taken into consideration during the rate design process.

EGNB is not a mature utility. Its costs exceed its revenues and it does not use cost of service rates. Its rates are set using a market based formula that has been described fully in other decisions of this Board.

An approved cost of service study is a necessary step to be completed prior to the end of the Development Period in order to gauge the appropriateness of moving to full cost of service rates. In addition, the cost of service study may contain information that is useful to the Board in setting rates prior to the end of the Development Period.

In the June 3, 2010 rate decision, the Board stated that, after the completion of the cost of service hearing, the “Board would possess sufficient information to determine whether a cost component should be considered when fixing rates.”

Issues

A cost of service study, based on a prospective test year, was prepared by Black and Veatch for EGNB. The study was prepared in a professional manner and in keeping with the commonly accepted methods of cost allocation. It is unfortunate that EGNB's record keeping with respect to allocation of costs, particularly in the early years, was inadequate to complete all of the analysis required for a cost of service study. Most aspects of the study were unchallenged by parties and are accepted by the Board as appropriate. There were however, a number of areas of disagreement upon which the Board must rule and they will be discussed in detail in this decision. The matters at issue relate to mains allocation; treatment of the Deferral Account; treatment of development operations and maintenance - including incentives; and the design of rates and rate classes.

Classification of Mains Costs

In determining the cost of service, a natural gas local distribution company's assets are itemized and then classified into costs related to either the number of customers attached to the system or to the demand for throughput on the system.

Costs classified as "customer" are the costs directly related to the number of customers on the system. Some examples of customer costs would be meters, service lines, and customer service costs. These costs are generally allocated equally among all customers regardless of size or use.

Demand related costs are those costs that increase with throughput or demand on the system. In general, customers that use more gas pay a larger share of these costs.

For EGNB, like other natural gas local distribution companies, the main pipelines (mains) are among the largest assets. EGNB mains are currently valued at \$110.3 million dollars and the Board must determine how to apportion the costs between those related to customers and those related to demand.

Dividing mains costs between customer and demand is a key function of regulatory boards when considering a cost of service study. Boards in Canada generally use one of two methods: the minimum system method or the zero-intercept method. The appropriate method to be used in the present case was the subject of significant evidence and debate during the hearing.

EGNB proposes that the minimum system method be adopted. This is supported by John Reed the expert witness on behalf of two intervenors, Atlantic Wallboard LP (AWL) and Flakeboard Company Limited (FCL). Robert Knecht, the expert on behalf of the Public Intervenor, on the other hand, advocates for the zero-intercept method.

Minimum System

The minimum system method approximates the cost of the minimum-sized system that could be built by EGNB. This is not the system that was built or would normally be built by EGNB, rather it is the system that could be built by the utility using the smallest components. In this sense it is theoretical.

The customer component of the system is determined by calculating the cost of the theoretical minimum system. The cost is calculated by multiplying the cost per meter of the smallest unit of mains by the length of the system.

Edwin Overcast, EGNB's expert witness, suggests that, for natural gas utilities, this is the most appropriate method because it accounts for the economies of scale associated with mains. Another advantage, he testified, is that the minimum system method reflects cost causation as it is based on the utility's actual costs.

The primary conceptual argument against the minimum system approach is that the minimum system often has some load-carrying capability and, therefore, includes demand-related costs. Advocates of the system, including Dr. Overcast, acknowledge this issue and make an adjustment when allocating a portion of the demand costs to the small customers. In the case of EGNB, Dr. Overcast does not allocate any demand cost to the Small General Service (SGS) class because the demand associated with these customers is already accommodated by the minimum system.

Although EGNB proposes the use of the minimum system method, it did not conduct a minimum system study. EGNB's explanation for this was offered by Dr. Overcast during cross examination by Mr. Stewart (transcript page 212):

Q.177 - My understanding is that you did not do a minimum system study here for Enbridge Gas New Brunswick?

DR. OVERCAST: No, we did not.

Q.178 - Why not?

DR. OVERCAST: Well at the time we were preparing this, we didn't have the time or the data to do it...

Instead, Dr. Overcast used the results of a minimum system study completed by another utility – Empire Gas Company of Missouri. That study classified mains costs as 77% customer and 23% demand related. Dr. Overcast testified that he believed that Empire Gas' system was comparable to EGNB's system. He went on to describe the use of the Empire Gas classification ratio as a reasonable assumption although acknowledging that (transcript page 213):

...it's not the assumption that would ultimately be used when they file a cost of service study. It's just an assumption to create a place holder for the real number that EGNB calculates on their own.

As indicated earlier, EGNB has been aware of the need to prepare a cost of service study since at least 2008. They would also have been aware that certain parties wished to use the results of the study to propose alternative rate-making methods. EGNB began working with their experts on the study in the fall of 2008 and prepared and filed a draft version in the spring of 2009.

Zero-intercept

The Public Intervenor's expert witness, Robert Knecht, testified that the Board should use the zero-intercept method to classify the costs of distribution mains. He testified (transcript page 496):

I advocate the use of a zero intercept approach because (a) it recognizes that mains costs are incurred to meet both peak demands and to interconnect all the customers, and (b) avoids the problem that the minimum system method overstates the customer component because the minimum system has load-carrying capability.

In essence the zero-intercept method separates out the cost related to demand by estimating the cost of installing a system that carries no gas – a zero-diameter pipe. Using pipes of decreasing diameter, this analysis requires the use of a statistical technique to extrapolate from costs for pipes that are well established to those that are theoretical. The cost of a system using such zero-load equipment makes up the customer portion of the costs. This method generally requires more data and more calculation than the minimum system method.

Mr. Knecht has performed a zero intercept analysis, noting (Exhibit PI-1, page 20):

...my evidence in this proceeding is primarily methodological. While I believe that the analyses that I prepared represent a reasonable assessment of a zero-intercept analysis I would expect that they would be subject to a thorough review by the company, before being adopted in a COSS (Cost of Service Study).

Mr. Knecht's preliminary calculations result in an average customer component of 40% with a demand component of 60%.

Minimum system vs. Zero-intercept

Both methods are theoretical and both are widely accepted and used by regulatory boards in North America. The challenge for this Board is to determine which of these methods is most appropriate for the circumstances of the EGNB system.

The National Association of Regulatory Utilities Commissioners publishes a widely used Cost Allocation Manual, 1992 edition, and makes the following comparison between the two methods (page 95):

The (zero-intercept) method can sometimes produce statistically unreliable results. The extension of the regression equation beyond the boundaries of the data normally will intercept the Y axis at a positive value. In some cases, because of incorrect accounting data or some other abnormality in the data, the regression equation will intercept the Y axis at a negative value. When this happens, a review of the accounting data must be made, and suspect data deleted.

The results of the (minimum system) method can be influenced by several factors. The analyst must determine the minimum size for each piece of equipment: "Should the minimum size be based upon the minimum size equipment currently installed, historically installed, or the minimum size necessary to meet safety requirements?" The manner in which the minimum size equipment is selected will directly affect the percentage of costs that are classified as demand and customer costs.

Each of these classification methods has strengths and weaknesses; however the Board would be better able to assess those strengths and weaknesses in the context of an analysis of actual studies related to the EGNB system.

The classification of mains costs between customer and demand is a critical component of any cost of service analysis. The Board's ability to determine this issue is significantly compromised by EGNB's failure to perform any analysis of its own system. While EGNB indicated they did not have the time or the data, they should have understood the importance of the issue and dedicated the necessary resources to complete the study. It is unfortunate for them to have omitted such an important step on a project they have been working on for nearly two years.

The Board orders EGNB to perform and file both a minimum system study as well as a zero-intercept study prior to December 31, 2011.

In a minimum system analysis a question that must be resolved is how to define the minimum system.

A specific issue in this cost of service analysis is whether to use 2-inch mains or 1¼-inch mains in the calculation of the minimum system. Dr. Overcast proposes to use 2-inch mains in the calculation. His position, based on discussions with EGNB engineers, is that this is the minimum sized main currently being installed. He does acknowledge that 1¼-inch pipe continues to be used to service certain areas like cul-de-sacs but he does not truly consider these to be mains.

The Public Intervenor points out that 20% of the EGNB system consists of 1¼-inch mains.

The Board concludes that a system with 1¼-inch mains better calculates the appropriate minimum system for this study. The Board further concludes that the relevant cost information is available to permit this analysis.

For the purposes of the minimum system study, the Board orders that EGNB use a 1¼-inch main as the minimum.

In the absence of any detailed study of EGNB's own system by either methodology, and having considered all of the evidence on this subject presented at the hearing, the Board

deems the mains costs to be classified as 65 percent customer and 35 percent demand. This classification will remain in effect until a further order of the Board.

Allocation of Mains Costs

The Board must also determine how the mains costs will be allocated among the various classes.

It is well established that the customer portion should be to be divided up among the classes according to the proportion of EGNB's customers in each class. This method of allocation of customer costs was not in dispute and the Board accepts this method.

In principle, the demand portion of the costs should be allocated in a manner reflecting the demand each class puts on the system. EGNB must design its system to meet the peak demand and each class must pay its portion of the costs related to designing for this peak. The Board heard testimony about a number of ways in which proportional contribution to peak demand costs can be calculated.

EGNB proposes to divide the costs in proportion to each class's contribution to the peak design day demand. To accomplish this, EGNB forecasts the demand put on the system by each class on the coldest day the system is designed to accommodate (the peak design day). The demand costs are then apportioned to the class by the percentage of the load on the peak design day. As mentioned above, EGNB proposes to modify this allocation by removing any demand allocation to the SGS class to account for the load carrying capacity of the minimum system.

Mr. Knecht agreed with EGNB's proposal in principle but suggested a modification. He proposed that, where available, contract demand be used as the proxy for a class' contribution to the peak design day demand. Mr. Reed agreed with Mr. Knecht's proposed modification.

The Board accepts EGNB's proposal with the modification as proposed by Mr. Knecht. The Board directs EGNB to use contract demand as the proxy for a class's contribution where available.

Given that EGNB will be developing a minimum system study using a 1¼-inch pipe, EGNB will be required, as part of that study, to re-evaluate the appropriate demand portion the SGS class receives if any.

Until such time as the minimum system and zero-intercept studies are complete and considered by the Board, the Board determines that, as originally proposed by EGNB, the SGS class will not be allocated any portion of the demand costs.

Treatment of the Deferral Account

As part of the establishment of the natural gas local distribution system in New Brunswick, the Public Utilities Board approved a period of time called the Development Period to allow EGNB to develop a distribution system and customer base. Among the features of this Development Period was a method of setting rates based on the cost of competing fuels rather than the more traditional method of cost of service rates. EGNB was instructed to record any losses in a Deferral Account and is allowed an approved rate of return on the value of the Deferral Account.

The Deferral Account is effectively the sum of all losses since the franchise began. It is part of the rate base and EGNB is allowed a reasonable opportunity to recover the Deferral Account through rates.

At the end of 2009 the Deferral Account was estimated at \$155 million dollars and it is expected to be in excess of \$170 million dollars before the end of the Development Period. It is the largest asset on EGNB's balance sheet and its treatment will have a significant impact on the ultimate rates that result from the cost of service study. The treatment of this asset during this hearing was the subject of significant debate.

Mr. Reed, representing AWL and FCL, proposed that direct assignment is the most appropriate method for allocating the Deferral Account. He notes that all parties agree that, in principle, direct allocation is generally the best method for assigning costs. He states (Exhibit AWL/FCL 1 page 5):

"The responsibility for the deferral account is a function of the difference between cost-based rates and actual rates paid in each year; what's missing is knowledge of what a cost-based rate would have been in each of the past years. A separate allocation for the deferral account should be developed by EGNB through a multi-year analysis which calculates each class's contribution to the deferral account.

Specifically, Mr. Reed proposed that EGNB be required to allocate its operating costs for each year of operation. Then each class's allocation of the Deferral Account would be determined by the difference between its revenue and allocated costs.

Mr. Reed's estimates suggest that in 2009 and 2010, the customers currently in LFO, CGS and GS classes should not be allocated any share of the Deferral Account.

EGNB argues that the Deferral Account was incurred as a result of developing the system that benefits all customers and that all customers must be allocated a fair share of the cost. EGNB submits that Mr. Reed's proposal unfairly burdens early customers because in early years the revenue requirement was very high but there were only a few customers on the system. Those customers would be responsible for all of the early costs. EGNB also submits that this would be a significant change from the direction given by Board, which at the

beginning of the franchise, indicated that cost of service studies in the initial years would be of limited value. As a result, EGNB did not track its costs on a class by class basis.

EGNB contends that Mr. Reed's proposal presents practical issues as well. Such an analysis, EGNB states, would require a significant number of assumptions that would make the results from earlier years questionable.

EGNB further argues that the growth in the Deferral Account is primarily driven by the development of the distribution system as a whole. Accordingly, EGNB proposes to classify the deferral in the same proportion as its total distribution plant. The costs associated with the account would then be allocated to customer classes in the same manner as all of the other distribution assets.

Mr. Knecht does not believe that the Deferral Account should be classified and allocated at all. He argues that the Deferral Account was incurred as EGNB expanded in anticipation of customers that have not yet materialized. In that sense, he contends, the Deferral Account was not caused by any current customers or customer classes and cannot be reasonably assigned to any current customers.

He testified further that classifying and allocating this cost would be arbitrary and imply accuracy to the cost allocation that is not warranted. Mr. Knecht told the Board that the Deferral Account is akin to a stranded asset and the Board should not allocate this amount at all. He suggested the payment of the Deferral Account should be done through rate design – that is - as a surcharge to other costs, determined by the Board, upon consideration of the circumstances at the time the rates are set.

The Board is not convinced that dealing with this matter in rate design serves the public interest. Allocating this asset will send a clear message to consumers about costs and allow for efficient investment decisions by both customers and EGNB. The Board rejects Mr. Knecht's proposal and will order the allocation of the Deferral Account in the cost allocation process.

The Board accepts that, in large measure, the Deferral Account grew due to the costs of developing the distribution system as a whole. Particularly in the early years, these costs were not caused by the then existing customers or classes. Accordingly, it would not be just or reasonable to directly assign those costs to particular customers or classes. The Board rejects the proposal to directly assign the costs put forward by Mr. Reed.

As to the question of how to classify and allocate the Deferral Account, the Board was presented with two options.

The first option was EGNB's proposal to classify and allocate the Deferral Account in accordance with total distribution of assets.

The second option recommended to the Board by Mr. Knecht was that, if the Board chooses to allocate the Deferral Account, it should be done on a combination of a volumetric charge and percent of cost charge. In this method consumers would get a set mark-up for each gigajoule of gas delivered as well as a percentage of cost mark up. Mr. Knecht admits this approach is arbitrary but suggests it is no less arbitrary than other methods.

The Board considers that the Deferral Account was largely caused by the development of the distribution plant. This causal connection makes EGNB's proposal a less arbitrary method than the one proposed by Mr. Knecht. The Board therefore finds that it is appropriate to classify and allocate the Deferral Account on the same basis as the distribution assets.

Development Operation and Maintenance

EGNB has capitalized some of its operation and maintenance (O&M) expenses related to development of the distribution system. These expenses were incurred to develop the distribution system and, therefore, they were treated as capital expenditures rather than as ordinary expense items. These capitalized amounts form part of the rate base. The outstanding amount in this Development O&M account currently exceeds \$99 million.

In its proposal, EGNB allocates the Development O&M on the same basis as the Deferral Account. EGNB submits that, like the Deferral Account, this Development O&M account was incurred as part of developing the system as a whole.

EGNB supports this position by stating that these costs arose in support of growing the customer base and developing the requisite distribution system to serve these customers.

A significant portion of these costs were incentives paid to customers to attract them to the natural gas system. This represents \$45 million of the \$99.6 million which is to be assigned.

Both Mr. Knecht and Mr. Reed propose that the incentives, unlike other Development O&M costs, could – and should – be directly allocated. That is, the customer or class that received the incentive should bear the responsibility of paying for that incentive over time.

As is the case with the Deferral Account, costs incurred for the development of the system as a whole present particular challenges in analyzing cost causation issues. Mr. Charleson testified that all customers benefited in some way from incentives (transcript page 380-381):

...really the incentives have been paid to help to develop the system as a whole. So the fact that a customer in the CGS class may have been paid an incentive to join the system, it may have led us to expand the pipe past a number of vacant lots that were subsequently developed as small commercial properties where no incentive was paid but they benefited from the incentive that was paid to the CGS customer.

So, you know, could we go back and pull all the paper records and try to delve through that and come up with something, probably, but what – but we really don't see that as being a relevant analysis.

Because what you are going to be doing is really causing certain classes of customers to be paying for the incentive costs that other customer classes benefitted from. And really – and that's why the allocation that we have proposed tying it more to the plant system on the – for the historic incentive payments is because we see those as having supported the overall development of the system.

Mr. Charleson added a practical issue to be considered, namely, EGNB did not track these incentives in a manner that easily allows for their allocation. The applicant can allocate about 75% of the \$45 million but not the remaining amounts without significant effort and returning to original invoices. Mr. Reed proposes that EGNB could resolve this matter simply by allocating the unknown 25% of incentives in the same proportion as the known 75%.

The lack of clear record keeping regarding the incentives is regrettable but does not affect the Board's decision in this matter.

As a matter of principle, the Board does not accept the position of Mr. Reed and Mr. Knecht - that the only beneficiary of an incentive was the recipient of the incentive - or its class of customers. This is true of the Development O&M costs as a whole. The Board accepts EGNB's position that these costs were incurred for the purpose of developing the system as a whole and benefit all customers.

The Board concludes that it is just and reasonable to treat all of the Development O&M costs in the same manner as the Deferral Account.

Rate Classes

The next step in this process is to develop rate classes. Typically in a cost of service system customers are grouped together based on similar usage profiles.

The current rate classes are based on the fuel that the customer would use if natural gas was not available to them. This distinction is not particularly useful in a cost of service model. These current rate classes, however, will stay in effect until further order of the Board. The purpose of setting out new rate classes in this decision is to make the cost of service information useful by placing it in the context of cost of service rate classes. These rate classes will no doubt be subject to further review and possible adjustment by the Board before they are implemented.

These cost of service rate classes are necessary for the development of prototype cost of service rates, which will be helpful in informing customers and the utility about the costs related to serving customers. They will also be helpful for those parties who wish to propose alternative forms of rate making in the coming months.

EGNB proposes that under its cost of service model its 10 current rate classes would be replaced with six rate classes: Small General Service, Mid-general Service, Large General Service, Contract General Service, Industrial Contract General Service and Off-peak Service. These proposed rate classes are not based on an alternative fuel; nor do they separate small residential and small commercial customers. The proposed classes would be defined by the maximum monthly load rather than the annual load as is used for the current rate classes.

Mr. Reed takes issue with one aspect of the EGNB proposal for rate classes. He proposes that the Industrial Contract General Service (ICGS), which will serve the largest of the systems customers, be divided into two classes. The first class would contain customers who were formerly in the Light Fuel Oil class. The second class would contain those customers who were in the Heavy Fuel Oil class. Mr. Reed supports this proposal with two arguments.

The first argument relates to grouping customers with similar usage and load profiles. According to his calculations, the current LFO customers in the proposed class have an average throughput of 376,000 GJs, while the current HFO customers, on average, use 164,000 GJs annually. Additionally, according to Mr. Reed, former LFO customers have a higher load factor than former HFO customers (64% to 33% respectively).

The Board does not find these arguments persuasive because, particularly within the LFO class, there is a wide range of throughput and a variety of load factors. Accordingly, separating out the current LFO customers from the current HFO customers based on averages would not be appropriate.

Variations in throughput and load factor can cause intra-class subsidization. The issue of intra-class subsidy in large industrial classes is common in utilities. EGNB submits this issue can be dealt with by the judicious use of demand charges, customer charges and declining blocks. The Board accepts EGNB's position.

Mr. Reed's second argument is that the rate history of these two classes requires that they be treated differently. Specifically, he notes that the HFO class until 2010 paid \$0.08/gigajoule while the LFO customers have paid considerably more than that. Mr. Reed went on to state that if the Deferral Account is the result of a shortfall between the revenue requirement and the revenue, then the HFO customers have caused a greater portion of the Deferral Account. Mr. Reed testified that to merge these two customer groups into one class would result in unfair costs being borne by the former LFO customers.

For the reasons set out in the Deferral Account section, the Board will not be allocating the Deferral Account based on the historical contributions which Mr. Reed highlights. For the same reasons, the Board does not find it necessary to separate out the current LFO customers from the current HFO customers in future rate classes.

In general, Mr. Knecht accepted the rate classes as proposed by EGNB. He is concerned, however, about the lack of maximum consumption for the Large General Service (LGS) class. Mr. Knecht's suggests there a possibility that some large customers may join the LGS class to avoid a contract that is required for the proposed Contract General Service. This, he told the Board, could result in a misallocation of resources. Specifically EGNB may build infrastructure for a LGS customer without the assurance that it will be able to recover that money.

EGNB acknowledges this risk but believes there is an advantage to have a rate class without a contract requirement. The company also believes that this can appropriately be handled in the rate design when such rates come into effect. The Board accepts this position and will not order a maximum consumption limit on the Large General Service customer class.

The Board, therefore, accepts the EGNB rate class proposal as filed. The proposed rate classes will be used for the prototype rate filing and all cost of service analyses until ordered otherwise.

Conclusion

EGNB's cost of service methodology is approved subject to the directions described above and summarized in the table below.

In a motion heard on April 30, 2010 EGNB was ordered to file prototype rates based on the 2011 test year within three months (March 21, 2011) of the issuing of this decision. The amended cost of service study, supporting the prototype rates, is to be filed at the same time.

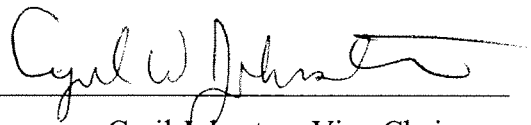
Summary of Board Orders and Directions

1	EGNB is ordered to perform and file both a minimum system study as well as a zero-intercept study prior to December 31, 2011	Page 9
2	EGNB is directed to use 1 ¼ inch mains for its minimum system study re-evaluating the appropriate portion of demand to go to the SGS class.	Page 9
3	EGNB is directed to use deemed values for the classification of Mains costs of 65% customer and 35% demand related until directed otherwise	Page 9
4	EGNB is directed to use contract demand as a proxy for peak demand allocation where appropriate	Page 10
5	Until such time as further classifications studies are complete EGNB is not to allocate any portion of the demand costs to the SGS class	Page 10
6	EGNB is directed to classify and allocate the Deferral Account on the same basis as the distribution assets	Page 12
7	EGNB is directed to classify and allocate the Development O&M on the same basis as the Deferral Account	Page 14
8	EGNB is ordered to use the rate classes proposed to develop and file prototype rates by March 21, 2011.	Page 17

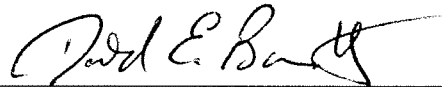
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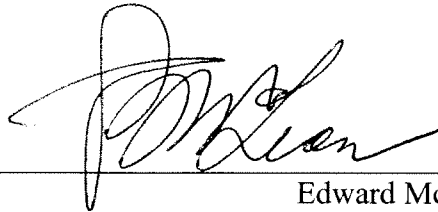
Raymond Gorman, Q.C., Chairman



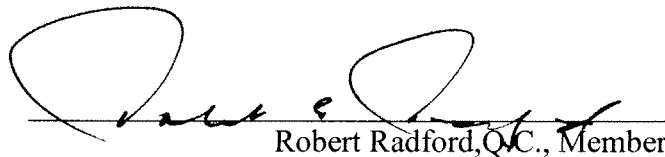
Cyril Johnston, Vice-Chairman



Don Barnett, Member



Edward McLean, Member



Robert Radford, Q.C., Member