

**Enbridge Gas New Brunswick Inc.**  
**Enbridge Gaz Nouveau-Brunswick Inc.**  
440 Wilsey Road Suite 101  
Fredericton, NB E3B 7G5

**Shelley Black, CGA**  
Manager, Regulatory & Gas Supply  
Tel 506-457-7751  
Fax 506-452-2868  
Email [shelley.black@enbridge.com](mailto:shelley.black@enbridge.com)

January 16, 2006

**BY EMAIL AND COURIER**

Ms. Lorraine R. Légère  
Secretary of the Board of Commissioners of Public Utilities  
P.O. Box 5001  
15 Market Square, Suite 1400  
Saint John, NB E2L 1E8

Dear Ms. Légère:

**Enbridge Gas New Brunswick – Partial Rate Reinstatement**

On December 16, 2005, EGNB requested Board approval for reductions in the delivery rates (“Rate Riders”) for the Small General Service (“SGS”), General Service (“GS”), Contract General Service (“CGS”) and Contract Large General Service LFO (“CLGS-LFO”) delivery charges effective January 1, 2006. These changes were requested to deal with a temporary situation which was negatively impacting the competitiveness of natural gas at the wholesale level. On December 21, 2005, the New Brunswick Board of Commissioners of Public Utilities (“Board”) approved the Rate Riders as requested.

In response to a significant correction in the market over the past month, specifically the decrease of forward natural gas pricing and the continued increase of forward oil pricing, EGNB is filing a request for revised Rate Riders which partially reinstate rates in the SGS, GS, CGS and CLGS-LFO classes as follows:

<b><u>Rate Class</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	3.6912	1.7524	5.4436
General Service	2.7220	2.4539	5.1759
Contract General Service	1.5719	2.3750	3.9469
Contract Large General Service LFO	0.4910	0.4863	0.9773

The forward price of wholesale natural gas has decreased nearly 40%, reaching a six month low from the time of the Rate Rider request. As a result, EGNB currently anticipates the February price of Enbridge Utility Gas to decrease approximately \$2.26 per GJ from the current January price of \$14.26 per GJ.

The forward price of wholesale oil has increased approximately 10% over the same period to a three month high. As a result, EGNB anticipates retail oil prices in New Brunswick to range from \$0.72 to \$0.58 per litre in residential and commercial market segments, respectively, an increase of approximately \$0.02 per litre or \$0.52 per GJ.

As a result of the significant shift in the market, EGNB is requesting the Board approve the proposed Rate Riders, as outlined in Schedule "A", to replace those currently in effect as of February 1, 2006.

### **Customer Communication**

Customer communication is important to EGNB and the following communication is proposed to be included on the February bill statement to inform customers of the delivery rate adjustments:

"Your bill includes an increase to EGNB's distribution rates. For further information on your delivery charge increases, please visit our website at [www.amazingenergy.ca](http://www.amazingenergy.ca) or call toll-free 1-800-994-2762."

Given that the "on-bill" communication is limited to 200 characters, EGNB is proposing a notification also be placed on its website which will outline the delivery rates adjustments for each rate class. EGNB will reiterate that its distribution rates are market based and subject to change based on market conditions and outline the recent developments in the market that led to the current adjustments. The proposed website notification is attached as Schedule "B". For those customers without internet access or who choose to call the 1-800 number, EGNB will offer to mail or facsimile the information posted on the website in addition to verbally providing the information.

The website notification and 1-800 operators will also provide customers the opportunity to provide EGNB their email address if they wish to request future notifications of rate changes by email. In future instances of rate changes EGNB will send an email notification to these customers.

If you have any questions or require additional information, please call me.

Yours truly,

Shelley Black  
Manager, Regulatory & Gas Supply

Cc Irving Energy Services Limited  
Park Fuels Ltd.  
Competitive Energy Services, LLC  
Energestics Group Inc.  
Superior Propane Inc.  
ECNG Limited Partnership

Enclosures

Schedule "A"

REVENUE ADJUSTMENT RIDER

The following adjustments shall be applicable to all bills issued on and after February 1, 2006:

<u>Rate Class</u>	<u>Approved Delivery Rate (\$/GJ)</u>	<u>Rate Reduction (\$/GJ)</u>	<u>Reduced Delivery Rate (\$/GJ)</u>
Small General Service (SGS)	7.6212	2.1776	5.4436
General Service (GS)	7.1820	2.0061	5.1759
Contract General Service (CGS)	5.8919	1.9450	3.9469
Contract Large General Service LFO (CLGS-LFO) (for the first 33,000 GJs delivered per month)	2.3910	1.4137	0.9773



**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 February 1, 2006.** EGNB has received approval from the Board of Commissioners of Public Utilities of New Brunswick 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. Based on recent changes in the marketplace, the supply charge per unit (GJ) should be decreasing.<sup>1</sup>

EGNB delivers natural gas to customers at rates which are based on local market conditions targeted to provide savings against heating oil. Over the past month, **natural gas commodity pricing has decreased and oil pricing has increased.** Based on these changes in the market place, EGNB has received approval to increase delivery charges in the SGS, GS, CGS and CLGS-LFO rate classes.

**Natural Gas Distribution Charges as of February 1, 2006**

<b>RATE CLASS</b>	<b>2006 Customer or Demand Charge</b>	<b>January 2006 Reduced Delivery Charge (\$/GJ)</b>	<b>February 2006 Adjusted Delivery Charge (\$/GJ)</b>
<b>Small General Service (SGS)</b>	\$16.00/month	3.6912	<b>5.4436</b>
<b>General Service (GS)</b>	\$16.00/month	2.7220	<b>5.1759</b>
<b>Contract General Service (CGS)</b>	\$5.20/GJ	1.5719	<b>3.9469</b>
<b>Contract Large General Service LFO (CLGS-LFO) Block 1</b>	\$5.20/GJ	0.4910	<b>0.9773</b>

EGNB provides safe, reliable distribution of natural gas. The price that EGNB charges for the distribution of natural gas is regulated by the Board of Commissioners of Public Utilities of New Brunswick and can only change with their approval.<sup>2</sup> The price is based on market conditions and may change significantly over time. If you wish to receive notification of distribution 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.amazingenergy.ca](http://www.amazingenergy.ca).

<sup>1</sup> This may not apply to fixed or managed pricing programs and the price may vary amongst natural gas suppliers. There are three natural gas suppliers in New Brunswick, Enbridge Utility Gas, Irving Energy Services and Park Fuels. Contact information for each supplier is posted at [www.amazingenergy.ca](http://www.amazingenergy.ca).

<sup>2</sup> This applies only to the customer or demand charge and delivery charge, which together constitute the distribution charge.