



DECISION

**IN THE MATTER OF a Review of Enbridge Gas
New Brunswick Inc. Financial Results at
December 31st, 2006**

September 20, 2007

NEW BRUNSWICK ENERGY AND UTILITIES BOARD

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IN THE MATTER of a Review of Enbridge
Gas New Brunswick's Financial Results as
at December 31, 2006

INTRODUCTION

Financial Review

The New Brunswick Energy and Utilities Board ("the Board") conducted a review of Enbridge Gas New Brunswick's (Enbridge) financial results for the period ending on December 31, 2006.

Enbridge is required, pursuant to section 57 of the Energy and Utilities Board Act and a June 23, 2000 decision by the New Brunswick Public Utilities Board (the "PUB"), to prepare and file its regulatory statements with the Board annually. Those statements must conform to the deemed capital structure and decisions arising from prior financial reviews undertaken by the PUB. Enbridge submitted its financial statements to the Board on June 29, 2007.

Teed Saunders Doyle ("Teed"), the Board's financial consultant, conducted a review of Enbridge's financial information for 2006 in accordance with section 8600 of the CICA Assurance Handbook – Reviews of Compliance with Agreements and Regulations. Teed's review of Enbridge's financial information:

- Confirmed that the statements complied with earlier decisions, and
- Confirmed the accuracy of the results including the regulatory adjusting entries.

Teed filed its report with the Board on June 29, 2007. Teed stated in its report that “Based on our review, nothing has come to our attention that causes us to believe that the company is not in compliance with the Gas Distributors Act, 1999 and subsequent Board orders”.

Gas Purchases and Sales

Enbridge engages in the purchase and sale of natural gas pursuant to the Gas Distributor Marketing Regulation (“GDMR”). That regulation requires Enbridge to file an annual report on its gas purchases and sales activities with the Board. Gas purchasing and sales are conducted by Enbridge Utility Gas (“EUG”), a division of Enbridge. Separate EUG accounts are maintained within Enbridge’s accounting system and reports on EUG’s gas purchasing and sales activities are filed on a confidential basis with the Board.

J.C. Butler Management Ltd. (“Butler”), the Board’s natural gas consultant, conducted a review of Enbridge’s gas purchases and sales activity for 2006. Butler’s review of EUG’s information consisted of:

- An examination of the EUG/Enbridge accounts and activities associated with the purchase and sale of gas during 2006 to ascertain if Enbridge had been in compliance with the GDMR, and

- A determination as to whether to offer the Board any advice and assistance considered appropriate on any areas of responsibility set out in the GDMR.

Butler filed its report on April 30, 2007. Butler concluded in its report that the EUG/Enbridge accounts and activities associated with the purchase and sale of natural gas during 2006 showed that Enbridge was in compliance with the GDMR.

DECISION

The Board has reviewed Enbridge's regulatory financial statements for 2006. The statements indicated that for the fiscal year that Enbridge:

- Incurred a loss for the year in the amount of \$4.333 million;
- Reported an increase to its regulatory deferral account of \$19.197 million, and
- Reported that the balance of its regulatory deferral account was \$102.168 million at year end.

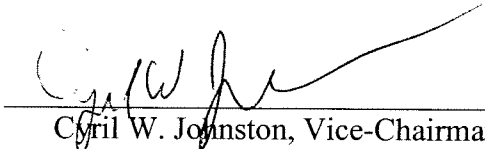
The report filed by Teed confirmed the financial results as reported by Enbridge and identified no areas of disagreement and the Board therefore, accepts and approves Enbridge's regulatory financial statements as at December 31, 2006 as filed.

The Board has reviewed Butler's report on EUG's gas purchasing and sales activity for 2006. Butler had conducted a review of EUG's confidential information regarding its gas purchases and sales and found EUG in compliance with the GDMR. The Board therefore accepts and approves Butler's report on EUG's gas purchases and sales for 2006.

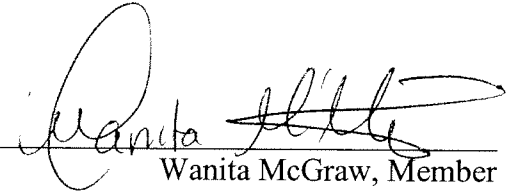
Dated at the City of Saint John, New Brunswick this 20th Day of September, 2007.



Raymond Gorman, Q.C., Chairman



Cyril W. Johnston, Vice-Chairman



Wanita McGraw, Member