

Enbridge Gas Distribution



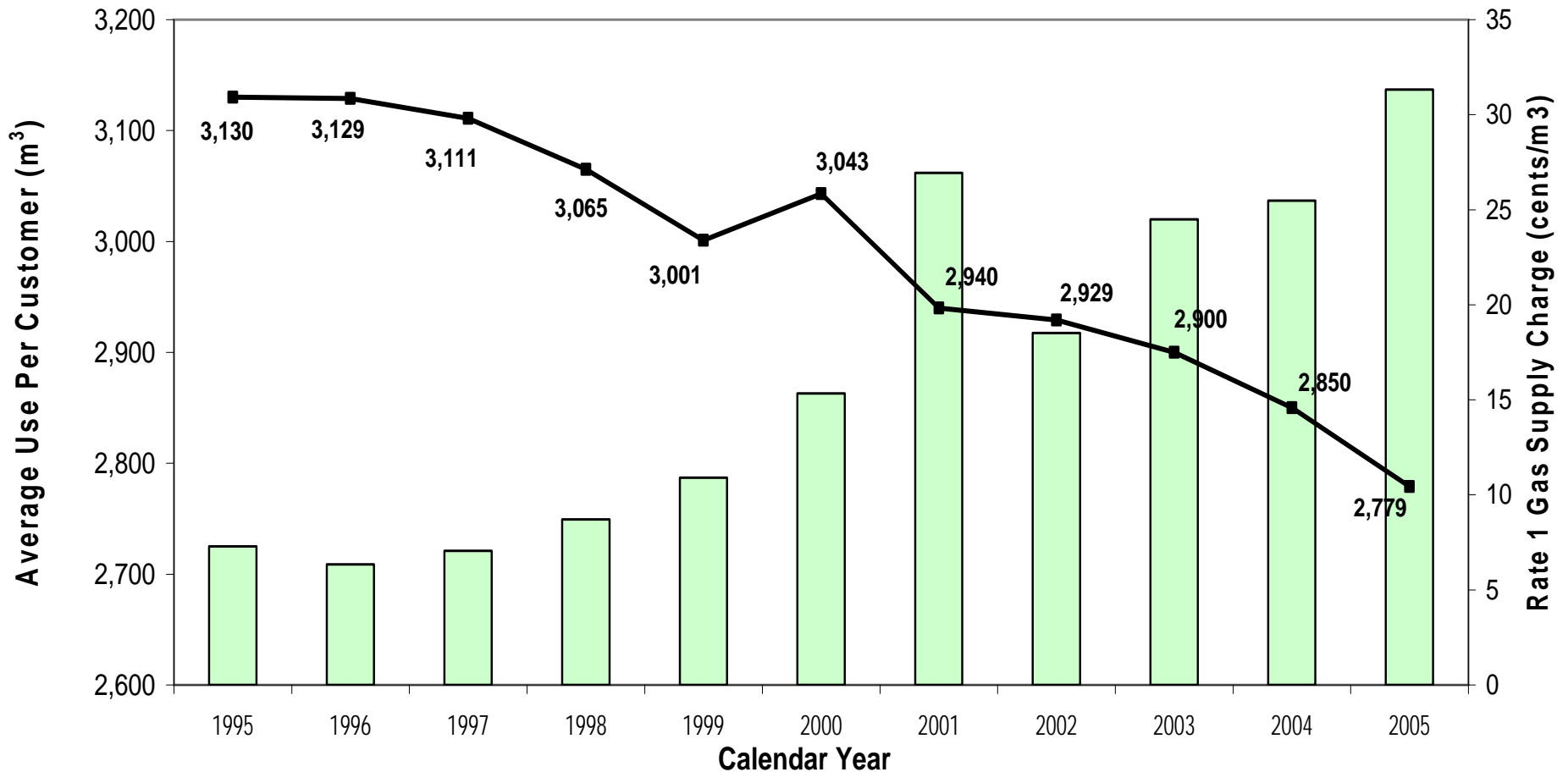
*Decline in Average Use
under Incentive Regulation
November 2006*

Residential Normalized Average Use Vs Gas Supply Charge



1995-2005, average use decline 35 m³ or 1.2% per year

2001-2005, average use decline 53 m³ or 1.8% per year

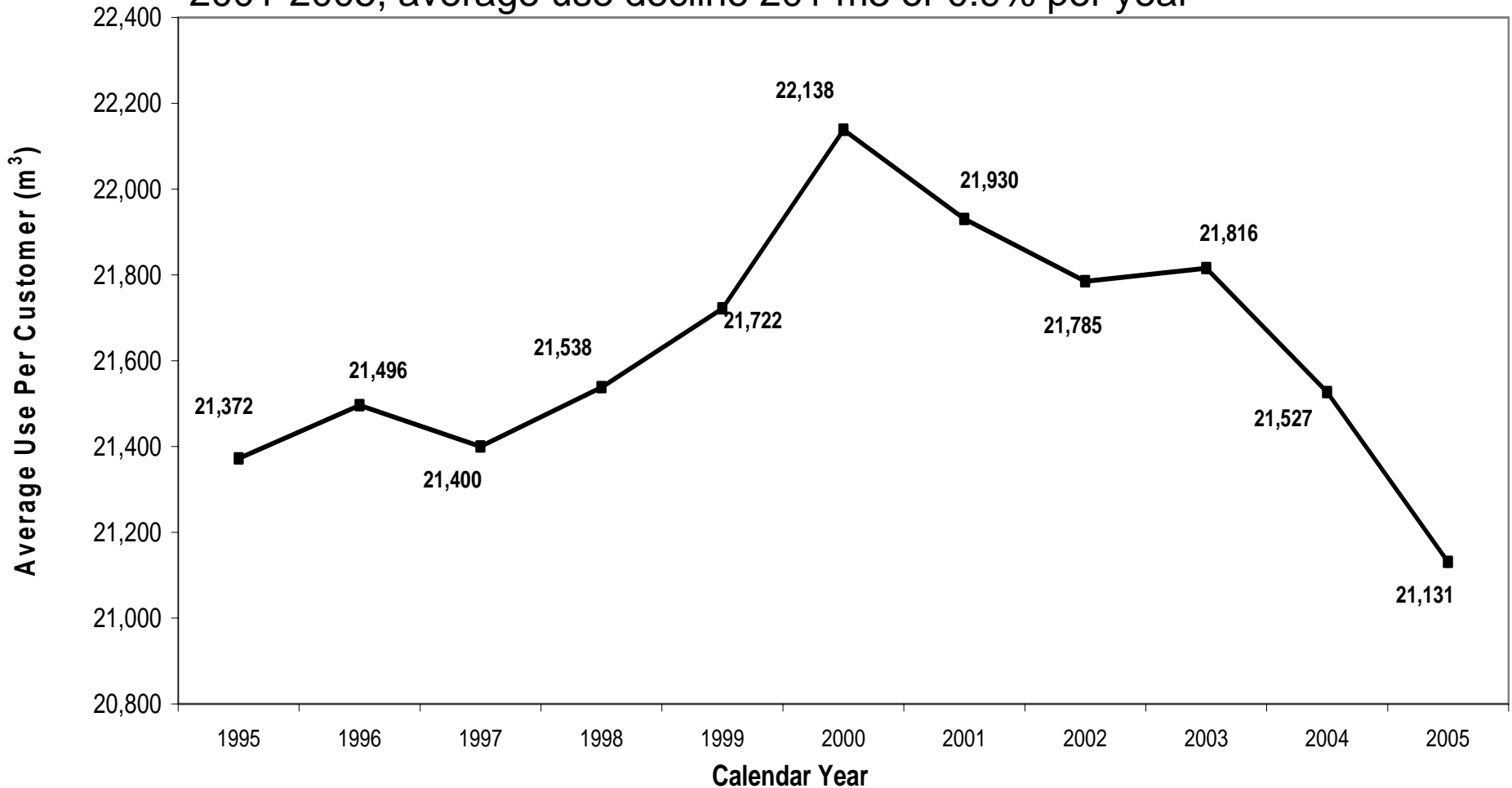


Rate 6 Normalized Average Use

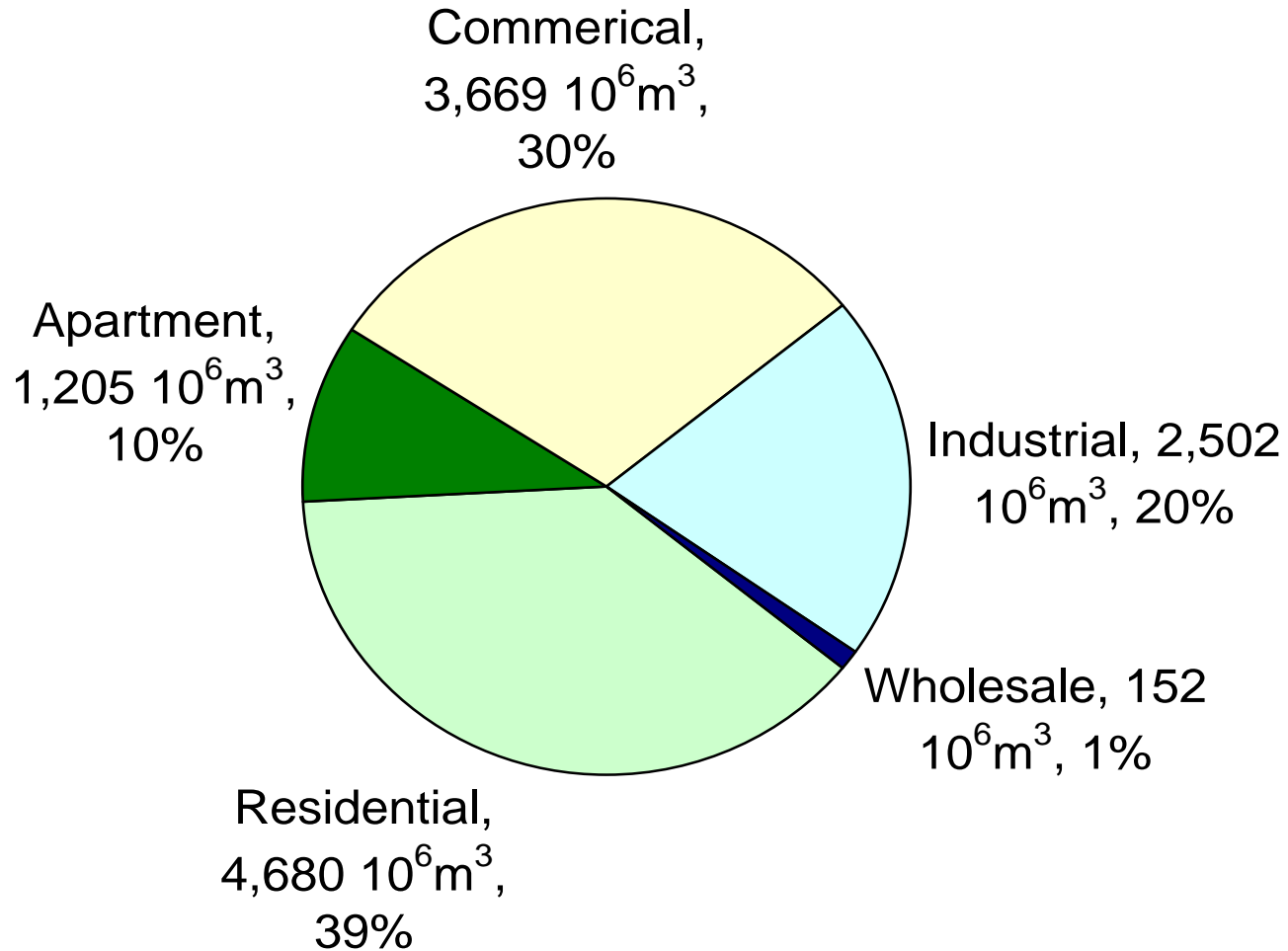


1995-2005, average use decline 24 m³ or 0.11% per year

2001-2005, average use decline 201 m³ or 0.9% per year



Enbridge Gas Distribution - 2005 Actual Consumption



Reasons for the Decline in Average Use

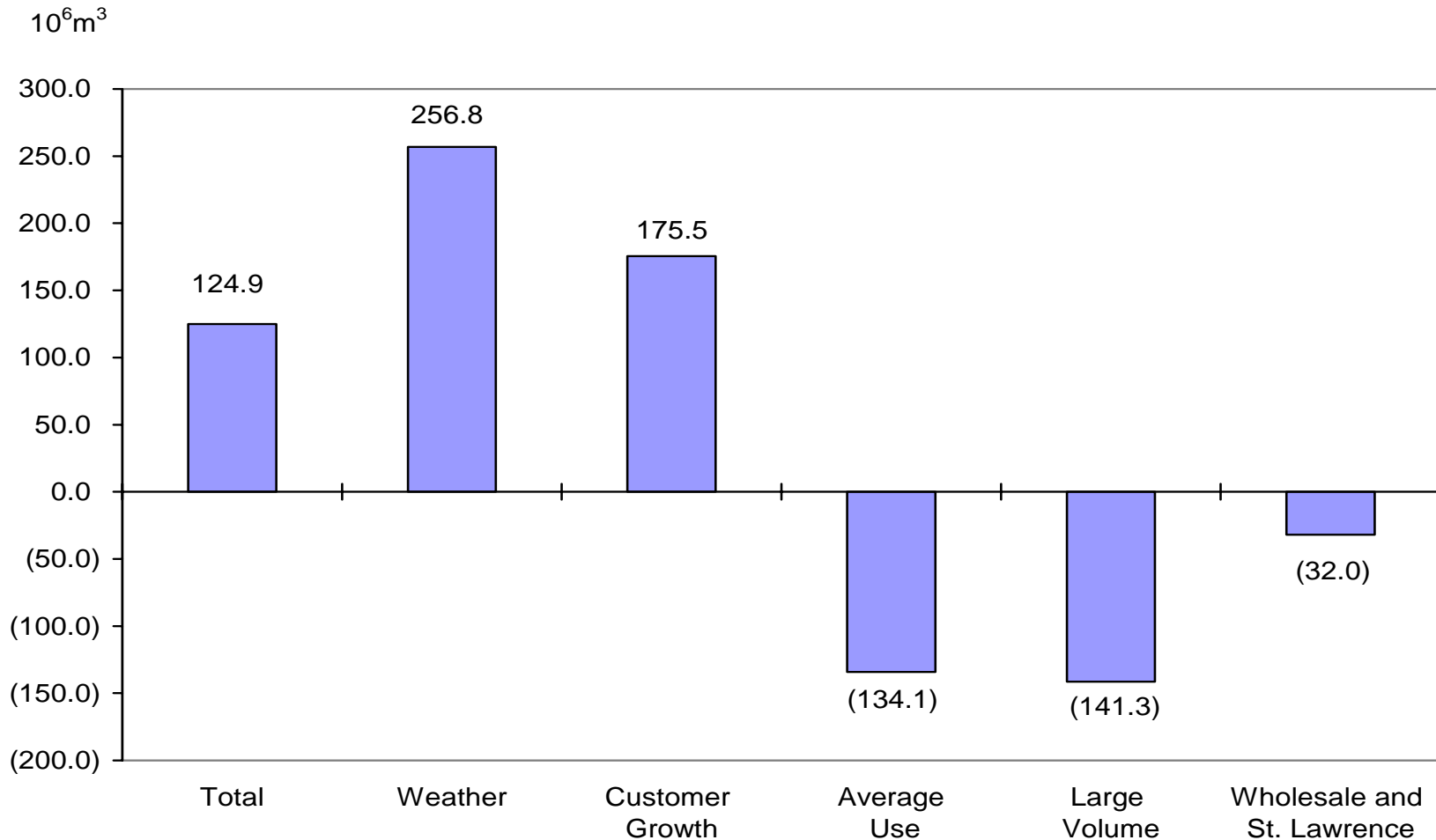


- **More efficient gas appliances**
- **Better home insulation**
- **Customer response to higher natural gas prices**
- **Unlike electricity there are no new uses for natural gas such as gas powered computers, cellphones, MP3 players and iPods**

Change in Billed Volume From 2004 to 2005



2005 Actual vs 2004 Actual - Billed Volumes



OEB Rate Cap Proposal requires Provision for Decline in Average Use



2008 Rates = 2007 Rates (1 + inflation – productivity) + Z factors

2008 Rates = 2007 Rates (1 + inflation + decline in average use –
productivity) + Z factors