FINANCIAL HIGHLIGHTS

This Decision deals with Enbridge Consumers' Application for a Board Order approving or fixing rates for the 2000 fiscal year commencing October 1, 1999. The Decision deals only with those issues where no agreement was reached by the parties through settlement efforts.

Based on rates currently in effect, the Company claimed an overall fiscal year 2000 revenue deficiency for delivery service of $73 million. Changes in the commodity cost of gas have been dealt with in an interim order of the Board, effective October 1, 1999. The claimed revenue deficiency was subsequently adjusted to $71.8 million to reflect the results of the Settlement Proposal.

The Board finds an overall fiscal year 2000 revenue deficiency of $28.1 million. This revenue deficiency reflects a rate of return on common equity of 9.73%, compared to 9.51% last approved by the Board.

The transfer of the Company's Rental Program to its affiliate results in costs to effect the transfer as well as costs that are left behind in the utility. The Board makes certain downward adjustments to the costs claimed by the Company. Also, the Company's proposal to recover $21.2 million in deferred income taxes associated with the Rental Program is not accepted for the 2000 test year.

Other adjustments include a deferral of recovery of costs related to the Company's Y2K program until such time as there is evidence that secure and reliable service has not been affected. For the same reason, the Board authorizes the disposition of only half of the existing balance in the Y2K deferral account.

The Board imputes revenue to the NGV program to bring the profitability of the program to the same level as that of the utility.

With respect to the Company's Customer Information System, which the Company proposes to transfer to an affiliate, the Board accepts "pre-project" costs of $10.4 million rather than $30.3 million proposed by the Company. The $10.4 million amount is to be amortized and recovered over the next three years. Moreover, the proposed net fees to be charged by the affiliate are not accepted by the Board for the purpose of setting rates for the 2000 test year.

The Company is under targeted O&M performance based regulation. This formulistic approach to determine the appropriate amount for O&M expenses for the test year also includes the provision of positive or negative Z factors. The Company proposed an O&M budget for the 2000 test year of $240.4 million which includes an amount of $14.7 million for Z factors. The Board finds a total O&M budget of $232.5 million which includes an amount of $7.6 million, but for a different composition of Z factors.

The new rates are effective October 1, 1999 but will be implemented later in the Company's fiscal year 2000. Rather than a retroactive one-time adjustment, the Board directs the Company to recover the revenue deficiency attributed to the period between the effective date and the implementation date through a rate rider.