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For Immediate Release

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OEB Issues Decision in Application by Enbridge Gas Distribution Inc. Regarding Earnings Sharing Calculation

Toronto – Today the Ontario Energy Board issued a Decision disallowing Enbridge Gas Distribution Inc. (Enbridge) from including \$7.1 million of Customer Care Services (“CCS”) costs as a deduction in its 2004 earnings sharing calculation.

Enbridge sought direction from the Board on December 1, 2004 after it was unable to agree with intervenors on the treatment of a portion of its CCS costs in its 2004 earnings sharing calculation.

In December, 2004, the Board issued a rate order which noted that, although the Board was passing through the 2004 earnings sharing total as proposed by Enbridge, the CCS cost issue remained to be determined.

In determining the fair and reasonable treatment of the earnings, the Board indicated that it was guided by previous rates Decisions. In 2003, the Board disallowed the costs in Enbridge’s rates application after finding Enbridge paid the costs to an affiliated company in excess of what the Board found to be fair market value for the services provided. Therefore, the Board’s decision says, it is inconsistent to include the CCS costs in the earnings sharing calculation if these costs had been disallowed in ratemaking.

In its Decision, the Board stated that it expects Enbridge to file a revised earnings sharing calculation within 30 days. The Board further directed Enbridge to include the ratepayer credit arising from its Decision in its next quarterly rate adjustment mechanism (QRAM) application for April 1, 2005.

The Ontario Energy Board regulates the province’s electricity and natural gas sectors in the public interest. It envisions a healthy and efficient energy sector with informed consumers, and works towards this vision through regulatory processes that are effective, fair and transparent.

For more information on the Board, please visit our web site at www.oeb.gov.on.ca or contact the Customer Service Centre at 416-314-2455 or toll-free at 1-877-632-2727.

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