



NATURAL GAS BUYER'S GUIDE

The Provincial government has approved new rules that now allow Enbridge Gas New Brunswick to provide more comprehensive service to its customers. Effective May 22, 2003, Enbridge Gas New Brunswick can now provide its customers with their natural gas supply.

Now you, the customer, can choose one of two options to purchase your natural gas supply. You can have Enbridge Gas New Brunswick provide it or you can sign a contract for your supply with an independent, licensed Gas Marketer.

The sale of natural gas in New Brunswick by Gas Marketers is an unregulated activity. Therefore, it's the consumer's responsibility to understand the terms and conditions of their gas supply agreement including how their price is determined and what, if any, actions your gas supplier will take to limit your exposure to volatile gas markets.

How you buy your natural gas supply can have a significant effect on your total annual bill. The price you pay can vary by hundreds of dollars compared to what your neighbour pays.

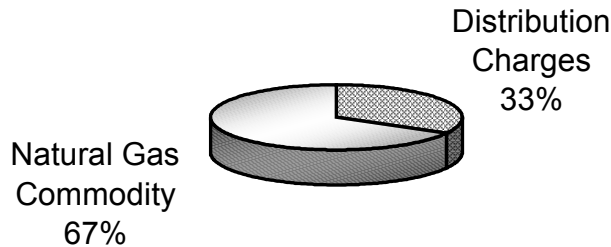
This guide is designed to help you better understand your options and the potential advantages and disadvantages of the various gas supply prices available.

Your Natural Gas Charges

Two separate charges make up the total delivered price of natural gas:

1. The distribution charges from Enbridge Gas New Brunswick. This charge includes both a fixed monthly customer charge and a variable delivery charge based on the amount of gas delivered.
2. The commodity charge from your natural gas supplier for the natural gas you use in your home or business.

The largest component of these two charges is the natural gas commodity charge. About 67% of a typical residential customer's annual charges are the commodity charges for the gas itself. The remaining 33% is for the delivery of the gas.



Natural Gas Commodity makes up the largest component of your annual bill. Taking the time to understand the various options available can save you money in the long run.

Natural Gas Pricing

The price of natural gas in New Brunswick is based on market conditions in North America. The market price of natural gas, like any other commodity, can fluctuate dramatically during the year and from year to year. However, your gas supplier can take steps to stabilize the price you pay to minimize large price spikes throughout the year. The type of contract you enter into with your gas supplier will affect the degree of volatility (price fluctuations) you are likely to experience.

Natural Gas Supply Options

You and other natural gas customers now have two options. You can have Enbridge Gas New Brunswick, the regulated utility, supply your gas or you can sign a contract for gas supply with an independent Gas Marketer licensed by the New Brunswick Board of Commissioners of Public Utilities.

Rest assured that Enbridge Gas New Brunswick will deliver your gas and provide your monthly gas bill whether you buy your gas supply from our utility or from a Gas Marketer. Your bill will show the monthly customer charge, the delivery charge and the amount of gas you are using. If Enbridge Gas New Brunswick is your supplier, the commodity charge for natural gas will also be shown. If you contract with a gas marketer, the marketer may either send you a separate monthly invoice for your supply or the marketer's charge may be shown as an additional charge on your gas bill.

Natural Gas Suppliers

Only licensed *Gas Marketers* and *Enbridge Gas New Brunswick* can sell natural gas in New Brunswick.

Gas Marketers

Gas Marketers are unregulated companies that buy and sell natural gas to make a profit. Gas Marketers must be licensed by the Board of Commissioners of Public Utilities (Board) and can only offer to sell natural gas in the territory specified in their license.

Although Natural Gas Marketers are licensed by the Board of Commissioners of Public Utilities, the Board does not regulate the prices charged or the terms and conditions of the Gas Marketer's contracts. Consumers have the responsibility to understand the terms and conditions of any contract they enter into and find out how the price they pay for natural gas will be determined.

Be aware that you will be bound by the terms and conditions of any contract that is offered. For example, a typical contract has a minimum term of one year or more. Before signing, make sure you understand all of the terms and conditions. Find out how your gas supply will be priced, what protection you have if market prices of natural gas increase or spike, and what benefit you will receive if market prices fall during the term your contract is in effect. Before signing a contract with a term longer than one year, find out what the specific benefits (if any) to you will be.

Enbridge Gas New Brunswick

Enbridge Gas New Brunswick is a public utility regulated by the Board of Commissioners of Public Utilities. Unlike Gas Marketers, Enbridge Gas New Brunswick does not make a profit from the sale of natural gas to customers. The customer pays the same price as the utility, without a mark-up or premium, for the purchase of gas.

The Board does not regulate the actual monthly price charged to customers for gas. However, Enbridge Gas New Brunswick must file an annual financial

report with the Board to satisfy the Board, among other things, that the prices charged by Enbridge Gas New Brunswick to customers for gas and customer services are reasonable and sufficiently competitive to protect the interests of its customers.

Types of Natural Gas Supply Contracts From Gas Marketers

Gas marketers offer consumers several types of price options to choose from when purchasing natural gas. The three most common types of products offered are:

1. Fixed Price Gas – the price is fixed at one price for a specified period of time.
2. Variable Price – the price varies on a monthly basis like fuel oil and propane.
3. Balanced or Managed Price – a blend of fixed price and variable price.

Fixed Price natural gas agreements provide customers with the ability to lock in their future natural gas price for a fixed time period. The benefit of the fixed price is that you are assured that your price will not rise if natural gas prices rise during the contract term. However, a customer who selects a fixed price will remain at the fixed price even if market prices decline. Natural gas prices tend to decline when the market has an oversupply, which may occur during warm winters or during times of weak economic demand. Fixed price protection can provide peace of mind and budget control.



Fixed Prices usually contain a premium in exchange for price stability. Customers who opt for fixed price protection may also pay a premium if natural gas prices decline. Some fixed price contracts may only fix the price for the first few months of the contract term, leaving you exposed to market prices for the remainder of the contract. When buying fixed price gas, the price should be guaranteed for the entire contract term.

Variable Prices are set each month based on the market price of that month. Like fuel oil and propane, the price will change each month based on market supply and demand conditions. Higher gas prices usually occur during the winter months with lower prices in the spring and summer.



Price fluctuations can increase with variable prices since the prices for natural gas can vary significantly based on the North American supply and demand situation at the time. Your price may appear low at first, but this could change significantly over the term of the contract. Variable prices will typically be lower than both Fixed and Balanced prices in the summer months but higher in the winter months when most of your natural gas is consumed. There is usually no benefit in entering into a variable price contract with a term greater than one year. Be aware that entering into a variable price contract can be a bit like signing a blank cheque, so know your terms and conditions.

Balanced or Managed Price natural gas agreements provide a choice for consumers who remain uncertain about locking into a fixed price or purchasing gas on a variable price basis. With balanced pricing, your gas supplier may purchase part of your gas requirements at a fixed price and part on a variable monthly basis. Your gas supplier may try to anticipate the direction of pricing in the market to lock in some of your requirements at a fixed price when future prices are anticipated to be higher. The Marketer may balance your load requirements with variable price gas to reduce the chance of locking in at a high price prior to a reduction in the market price of gas. Balanced pricing does not provide certainty on the price of future purchases, but it should work to strike a balance between the variable and fixed price purchase plans. A well managed Balanced product should minimize price increases during times of high demand and allow you to benefit from price decreases if gas prices are going down. The latter does not happen if you are purchasing a fixed price.



Balanced pricing includes some variable priced gas, so your cost will fluctuate monthly. Similar to the Variable Priced gas supplies, you need to understand what the Marketer will do to manage the price. Are they able to show you how a managed price has performed over the last year as compared to a fixed or variable price?

Buying Gas from Enbridge Gas New Brunswick

Enbridge Utility Gas

Enbridge Gas New Brunswick now offers customers natural gas supply (called Enbridge Utility Gas) with the goal of providing stable and competitive pricing. There are several key differences between buying your gas supply from the utility or from a Gas Marketer.

First, our utility does not make a profit on the sale of gas. Customers are charged only the utility's true costs of gas with no mark-up or premium.

Second, all customers in the same rate class pay the same price. You have the comfort of knowing that you are not paying more than neighbours who are being supplied by the utility.

Third, Enbridge Gas New Brunswick's goal is to provide customers with price stability, without locking them into a fixed price contract if market prices decline at a future time. Our utility is taking steps to remove the wide spread between winter and summer rates, and to protect customers from sudden price spikes or price volatility.

The price you will pay is based on the forecasted cost of gas over a rolling 12-month period. The utility reviews the price each month and makes adjustments up or down with the goal to ensure that prices charged to customers reflect market conditions while remaining as stable as possible. The utility will also take steps to “lock in” a fixed price for some of your supply at appropriate times when future market prices are expected to rise. This has the benefits of the Balanced or Managed Price offered by some Gas Marketers but also provides additional stability.

Customers can easily find out the historical price of gas and the price forecast for the next 12 months by visiting our website www.egnb.enbridge.com or by phoning Enbridge Gas New Brunswick at 1-866-3-Get-Gas.

Enbridge Gas New Brunswick is also targeting average savings of 30% for new customers switching from fuel oil. The cost of Enbridge Utility Gas will be used as a benchmark when setting delivery rates that provide the targeted 30% savings. If you contract with a Gas Marketer whose cost of gas is higher than the Enbridge Utility Gas cost, you may not achieve the same level of savings as customers who are supplied by the utility.

Behind the Enbridge name is a history of over 150 years of supplying and delivering gas efficiently, reliably and at competitive prices to customers in Canada. You can rely on Enbridge Gas New Brunswick to use that expertise to provide the best value to customers and to work diligently to maintain stable, competitive prices that will attract new customers who want to enjoy the benefits of natural gas

Your Choices: Natural Gas Supplier Contact Information

Natural Gas Supplier	Markets Served	Territory Served	Phone Number Web Site
Enbridge Gas New Brunswick	All Markets	All	1-866-343-8427 www.egnb.enbridge.com
Irving Energy Services Ltd.	All Markets	All	1-888-310-1924 www.irvingenergyservices.ca
Park Fuels	All Markets	Saint John Only	1-506-634-7275
WPS Energy Services	Commercial and Industrial	All	1-800-280-1845 www.wpsenergy.com

Note: Enbridge Atlantic Energy Services is a licensed Gas Marketer but is no longer permitted to accept new contracts or renew existing contracts at the end of their term.

ENBRIDGE UTILITY GAS TERMS AND CONDITIONS

Services: Enbridge Gas New Brunswick (EGNB) will sell natural gas to you and arrange for your daily requirements to be transported to your premises.

Term: The initial term of your Enbridge Utility Gas contract will commence on the initial date gas is provided by EGNB and terminate on the first March 31 following its commencement. EGNB will advise you of all available gas supplier options no more than 90 days and no less than 60 days before the expiration of the initial term or any renewal term.

Renewal: In the event that you do not notify EGNB at least 30 days before your contract expires that you do not wish to renew it, your contract will, at EGNB's option, automatically renew for a further one year period on the same terms, including this right of renewal.

Price: The price of gas to be charged to you by EGNB shall be calculated by EGNB forecasting the average price of gas for the following 12 months, which price shall be based upon the cost to EGNB of purchasing gas and of selling gas to customers. The difference between the estimated cost of purchasing and selling gas and the actual cost of purchasing and selling gas for a month shall be included in the forecasted price of gas for the 12 month period that follows the month in which the difference is determined.

Terms of Payment: You shall be responsible for payments to EGNB for gas provided (and all applicable taxes) which shall be itemized separately on your gas bill. Failure to pay your account when due will result in interest on the unpaid portion being charged in the same manner that it is charged by EGNB on overdue accounts for distribution services (which has been approved by the Board of Commissioner of Public Utilities).

No Conflicting Arrangements: You hereby confirm that you are not currently under contract to purchase gas from any other party ("Gas Marketer"), nor is any other Gas Marketer currently appointed as your agent to purchase gas for you. If a Gas Marketer claims, or EGNB's records show, that there is a Gas Marketer appointment in effect, EGNB will notify you and EGNB shall be entitled to terminate this agreement.

Limitation of Liability: In no event shall EGNB be liable to you for any consequential, incidental, special or punitive damages whatsoever, including without limitation any loss of earnings, profits or goodwill, howsoever arising.

Other Provisions: Sections 1.4 and 1.6 of Article I – Interpretation, Article V – Metering at Point of Delivery, Article VII – Payments, Article VIII – Delivery, Possession and Title, Article X – Priority of Service, Article XII – Force Majeure, Article XIII – Reciprocal Indemnification, Article XV – Notices and Article XVI – Miscellaneous from EGNB's Distribution Service Terms and Conditions are incorporated herein and form part hereof.