

**Participating Parties:** All parties participated in the negotiation and settlement of this issue except Advocates, OAPPA, Superior and TransAlta.

**Approval:** All participating parties accept and agree with the proposed settlement of this issue except DEML, ECNG and Union who take no position.

**Evidence:** The evidence in relation to this issue includes the following:

A4-2-1	Cost of Capital
A4-2-3	Capital Market and Economic Assumption Analysis
I-1-57 and 58	Board Staff Interrogatories 57 and 58
I-3-9 and 10	CME Interrogatories 9 and 10
I-8-36 to 40	Energy Probe Interrogatories 37 to 38
I-11-28 to 30	IGUA Interrogatories 28 to 30
I-18-24	School Energy Interrogatory 24
I-25-37	VECC Interrogatory 37

## 7.2 Determination of calendar ROE for the 2006 Test Year using the Board's Guidelines

(Complete Settlement)

There is an agreement to settle this issue (as part of the package) as follows:

The parties agree that the Board's guidelines for determining Enbridge's ROE for the 2006 Test Year should be applied as follows:

- \* ROE for the 2005 Test Year is 9.57%
- \* The 30 year long Canada forecast used for the 2005 Test Year is 5.81%
- \* The long Canada forecast for the 2006 Test Year based on the most recent Company forecast is 5.616% (This placeholder will be replaced with the 2006 long Canada forecast contained in the October issue of the *Consensus Forecasts* (being the most recent forecast that can be incorporated for rate-making purposes as at December 31, 2005) as prescribed by the Board's ROE guidelines
- \* The difference between the two long Canada forecasts is a line difference of -19.4 basis points
- \* The adjustment factor is 75% of the difference, which is -0.145%