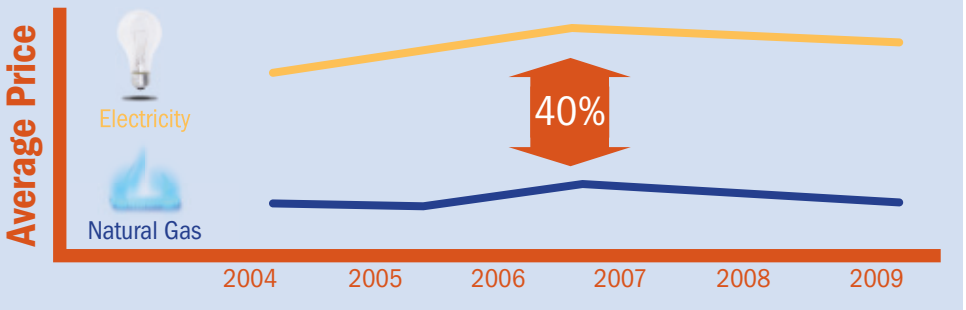


Natural Gas Prices



Long-term trends show natural gas is the most economical energy choice



Natural gas is the most economical energy choice for heating your home and water.

- During the last five years, natural gas has been on average about 40 per cent cheaper than electricity.*
- Reliable, safe and efficient natural gas is the most popular choice for home and water heating in Ontario.

Enbridge Gas Distribution, a regulated utility, does not make a profit on the price of natural gas.

- About 60 per cent of our customers buy their natural gas supply from Enbridge Gas Distribution.
- The Gas Supply Charge, the price for natural gas fuel, makes up the biggest part 62 per cent of a customer's gas bill.*
- The utility's gas price is based on a forecast of North American market prices.
- Factors that impact the market price are: supply and demand, volume of gas in storage, availability and capacity of pipelines, and the cost of other energy sources.
- Enbridge Gas Distribution buys gas on behalf of these customers from producers.

- Customers who purchase natural gas directly from Enbridge Gas Distribution pay the same as the utility's cost to purchase natural gas.
- The utility establishes a price for its natural gas supply based on a forecast of market prices for the next 12 months. The forecast price is reviewed every three months and, if necessary, adjusted accordingly to reflect market changes.
- If our forecasts are over or under our actual costs, we reimburse or collect from customers through Gas Cost Adjustments.

The Gas Cost Adjustment refund is a result of our actual gas costs being lower than previously forecast.

- A new Gas Cost Adjustment refund will be in place from January 1, 2009 to December 31, 2009. The refund makes up about 2 per cent of the bill.*
- The refund will only apply to customers who buy their gas supply from the utility.

Natural Gas Prices



The Customer Charge is a fixed monthly charge.

- This \$14 monthly charge makes up about 11 per cent of a customer's annual bill.*
- It helps cover costs for emergency response, meter reading, maintenance of equipment and customer services.

The Delivery Charge is approved by the Ontario Energy Board.

- The Delivery Charge makes up about 29 per cent of a customer's bill.*
- The Delivery Charge is regulated by the Ontario Energy Board. This charge includes a regulated rate of return (income) on the capital that Enbridge Gas Distribution invests in the distribution system.
- It also includes costs to transport natural gas from the source of supply to the distribution system in Ontario and for the safe, reliable and efficient distribution of natural gas through the utility's pipes to customers.

Customers can choose to buy their gas supply from Enbridge Gas Distribution or from a natural gas marketer.

- About 40 per cent of our customers buy their natural gas from a natural gas marketer.
- They pay an agreed upon price for the Gas Supply Charge for a contracted period.
- When the contract is up, customers can renew, go to another marketer or return to the utility for their gas supply.
- If you already have an existing gas supply contract with a marketer and are considering a new offer from another marketer, check your existing contract or contact your current marketer to find out what, if any, cancellation penalties apply. Most contracts do include a fee to terminate early.
- A list of marketers is available from the Ontario Energy Board at www.oeb.gov.on.ca.

CG.014.616 Jan/09

For more **information** about **Enbridge Gas Distribution**, visit www.enbridgegas.com

*Based on a typical annual bill for a residential customer who buys gas from Enbridge Gas Distribution and uses 3,064 cubic metres of natural gas for home and water heating annually. Updated based on our annualized rates for January 1, 2009.

