



## NATURAL GAS

# So right for so many reasons



### It pays to make the natural choice

Clean, affordable natural gas provides great value and is a good choice for space heating, hot water and cooking. It's safe and reliable too—all good reasons to make the natural choice. And, by using it efficiently you can make its great value even better.

### Natural gas provides great value

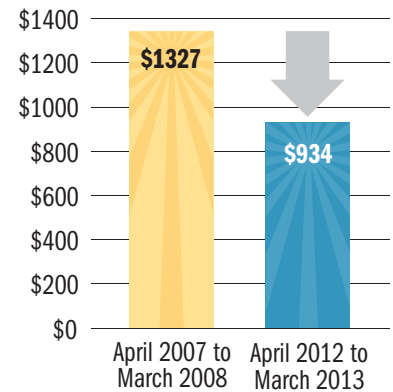
The annual bill for a typical residential customer purchasing their gas from Enbridge Gas Distribution is about \$400 less now than it was five years ago.\*

### Compared to electricity, natural gas has been about 59 per cent less expensive\*\*

In Ontario, customers continue to switch to natural gas from other energy choices because of the cost savings and reliability.

Natural gas is the popular choice for both space heating and water heating. Even compared to oil, natural gas is about 61 per cent less expensive. These comparisons are based on a five-year rolling average from February 2008 to January 2013.

### Total annual bill decrease (\$)\*



### How natural gas gets to you

#### Gas Supply

Oil and gas exploration companies drill and build natural gas wells throughout North America. New technologies have uncovered new sources of gas production. The gas is sold on the open market where Enbridge makes its purchases.

#### Transportation to Enbridge

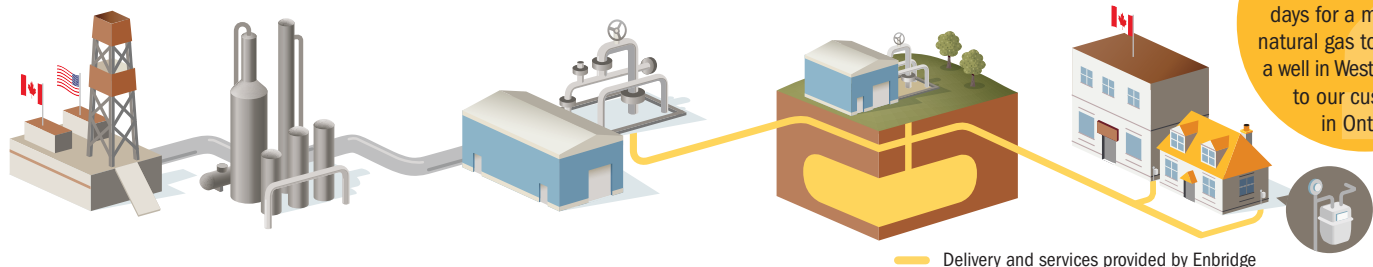
From the well, the gas is processed to remove liquids and other impurities so that it is mostly methane. It is then transported through a series of large high-pressure transmission pipelines to Ontario.

#### Delivery by Enbridge

When gas enters Enbridge's Ontario delivery system, we reduce the pressure so it can be safely delivered to customers, or placed in storage to help meet peak demand. We also conduct ongoing maintenance and add an odourant to the gas that smells like rotten eggs to help make leaks easier to detect.

#### Our Customers

Across Ontario, Enbridge provides safe and reliable natural gas delivery to over 1.9 million customers. We provide our customers with services such as a call centre, emergency response and meter reading.



**Did you know?**  
On average, it takes three days for a molecule of natural gas to travel from a well in Western Canada to our customers in Ontario.

## Customers pay market price with no mark-up

### Gas Supply Charge and Transportation to Enbridge

For customers who purchase their natural gas from Enbridge Gas Distribution, the prices they pay for the gas they use and the transportation of the gas to Ontario, are the same as the prices we pay. Our prices are regulated by the Ontario Energy Board (OEB) and are based on North American market prices and established transportation prices.

We pass those costs on to customers with no mark-up.

These charges are shown on the bill as the Gas Supply Charge and the Transportation to Enbridge Charge. Gas Supply makes up the biggest part, about 40 per cent, of a customer's gas bill, while Transportation makes up about 17 per cent of the bill.\*

### Natural gas trades as a commodity

The price for natural gas reflects the competitive forces of supply and demand on the North American open market. Like other commodities, the price goes up and down based on a variety of market forces including North American levels, the amount of gas being produced and changes in North American weather.

### Fair and reasonable rates

At Enbridge, we work hard to deliver natural gas at fair and reasonable rates. All of our rates are reviewed and approved by the OEB.

### The Customer and Delivery Charges

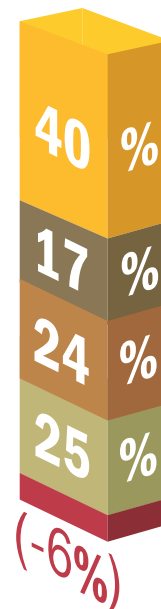
On a typical bill, the customer and delivery charges make up 25 and 24 per cent of the bill. These charges recover fixed costs for infrastructure and customer services such as a call centre, emergency response and meter reading. They also recover the cost of safe and reliable delivery of natural gas, such as system maintenance and inspections, as well as a regulated rate of return.\*

### Rates reviewed quarterly

We review our gas prices quarterly and adjust them based on forecasts. Then we update the Cost Adjustment to compare our actual costs to what customers previously paid. All adjustments are submitted to the OEB who must approve any price changes we make.

## Charges for gas

### Based on Enbridge rates effective January 1, 2013.



#### Gas Supply Charge

Customers pay what we pay with no mark-up for the gas you use.

#### Transportation to Enbridge

Cost of transporting gas to Ontario with no mark-up.

#### Delivery to Customers

Cost to safely deliver gas to customers and a regulated rate of return.

#### Customer Charge

Includes cost to maintain infrastructure and customer services.

#### Cost Adjustment

Actual costs were lower than our estimate. The current adjustment is a refund of about 5% on a customer bill. Cost adjustments can be either a charge or a refund.\*

## Customers have a choice

Approximately 84 per cent of our customers choose to buy their natural gas supply from Enbridge. The other 16 per cent buy through natural gas marketers where they pay an agreed-upon price for the gas for a contracted period.

However, customers who buy their supply from marketers may be customers of Enbridge for transportation, and will definitely be customers for delivery. Everyone receives their bill from Enbridge. The gas supply, and possibly the transportation, is typically shown on the bill as having been purchased through the gas marketer.

When their current contract with the marketer ends, customers have a choice of renewing, going to another marketer or returning to Enbridge for their gas supply.

\* A typical residential customer uses 3,064 cubic metres of natural gas a year for home and water heating. Historical calculations use typical monthly consumption and Enbridge Gas Distribution's residential rates in effect from April 2007 to March 2008 as compared to those in effect April 2012 to March 2013.

\*\* Natural gas rates are based on Enbridge Gas Distribution Inc.'s approved residential rates up to and including those effective January 1, 2013. Electricity rates are based on Toronto Hydro's Ontario Energy Board's approved rates up to and including those effective November 2012 and do not include the Ontario Clean Energy Benefit. Oil prices are based on publicly posted Statistics Canada historical rates up to and including rates available as of October 2012. Costs have been calculated for the equivalent energy consumed by a typical residential customer and include all service, delivery and energy charges. HST is not included.

Learn more about natural gas rates by watching our video at [www.enbridgegas.com/yourgasrate](http://www.enbridgegas.com/yourgasrate)

## Enbridge actively promotes energy efficiency

Enbridge works with its customers to help them attain the best possible value from the natural gas they use. We provide free advice, expert consultation and encourage energy efficiency in homes and businesses.

For more information, visit

[www.enbridgegas.com](http://www.enbridgegas.com)

Customer Service:  
1-877-362-7434

For 24/7 Emergency Calls:  
1-866-763-5427