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ONTARIO ENERGY BOARD

September 29, 2006

Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, Ontario
M4P 1E4

Attention: Kirsten Walli
Board Secretary

Re: Enbridge Application of August 25, 2006

Dear Board Members,

I find it difficult to understand why Enbridge would be asking for an $85.00 increase in delivery rates for natural gas. The price of natural gas is falling as per the two enclosed articles. Enbridge will easily make up the requested amounts through profit gleaned from paying lower prices for natural gas.

I encourage the Board to, for once, to think of the consumer and deny this increase.

Thank you,

David Collins
32 Oriole Lane
St.Thomas, Ontario
N5R 6K8

Crude oil rebounds after dip

Associated Press

WASHINGTON — Crude oil futures dipped below US$60 a barrel yesterday, then jumped almost $1 in a sign that the recent free-fall may be nearing an end.

Natural gas futures continued to sink amid record U.S. supplies, settling at a three-year low.

The average retail price of gasoline U.S.-wide is now $2.38 a gallon — the lowest level since March — and analysts believe pump prices could soon decline to within pennies of $2 a gallon.

While that would no doubt be a relief for U.S. motorists after a summer with prices above $3 a gallon, gasoline is still about 70 per cent more expensive than it was at the start of fall a few years ago.

Oil prices have fallen by more than 20 per cent since the July peak above $78 a barrel, due to rising global inventories, slackening demand growth and a perception among traders geopolitical and weather-related supply threats have eased.

The downtrend was halted. Light sweet crude for November delivery on the New York Mercantile Exchange briefly fell as low as $59.52 a barrel, then bounced up to a settlement of $61.45.

Gas futures hot news for winter

BY BRAD FOSS
Associated Press

WASHINGTON — Oil prices jumped almost US$2 yesterday after briefly dropping to nearly $60 a barrel, while natural gas futures plunged to their lowest level since December 2002.

The seven-per-cent decline in natural gas futures reflects that "storage is at a record, and there's no demand," said Fimat USA broker Mike Fitzpatrick.

U.S. domestic inventories of natural gas are high due to last year's mild winter, and prices are under additional pressure because of receding fears about possible hurricane-related supply disruptions in the Gulf of Mexico.

Industry officials have said in recent weeks that homeowners who depend on natural gas for heat should see lower bills this winter, assuming normal temperatures.

A surge in U.S. gasoline supplies briefly sent crude-oil futures lower yesterday. But on the heels of a 20-per-cent decline in oil prices since mid-July, Fitzpatrick said there is technical resistance around the $60-a-barrel level.

Another reason for the near-term floor underneath oil prices is that traders expect winter demand for home heating fuel to kick in before long.

Traders are also cautious because some OPEC members have raised the prospect of trimming the cartel's output.

It already appears the recent plunge in retail gasoline prices has prompted some U.S. refiners to cut back on their production of motor fuels, and some analysts believe Saudi Arabia and Kuwait are contemplating unofficial cuts to their production.

In its weekly petroleum report, the Energy Department's Energy Information Administration said domestic inventories of gasoline increased by 6.3 million barrels last week to 213.9 million barrels, or nine per cent above year-ago levels.

After falling as low as $60.10 a barrel, light sweet crude for November delivery rebounded to settle at $62.96 on the New York Mercantile Exchange, a gain of $1.95 for the day.

In London, November Brent crude on London's ICE futures exchange rose $2.09 to settle at $62.21 a barrel.

Nymex natural gas futures fell 32.5 cents to settle at $4.201 per 1,000 cubic feet, the lowest close since Dec. 3, 2002.

Nymex oil futures are down 20 per cent since hitting $78.40 a barrel on July 14. Analysts attribute the decline to multiple factors, including:

- ▶ Weakening economic growth in the U.S.
- ▶ Rising worldwide inventories of crude oil.
- ▶ The lack of any hurricanes threatening Gulf of Mexico oil facilities.
- ▶ Easing geopolitical jitters.

The diplomatic standoff between Iran and the United Nations has been marked recently by a more conciliatory tone from both sides.

The Bush administration said yesterday it was willing to defer seeking UN sanctions against Iran for a few weeks if there is a chance for a diplomatic resolution of a long-running dispute over Iran's nuclear programs.

The summer spike in prices was fuelled in part by concerns that Iran, which defied the UN's Aug. 31 deadline to stop enriching uranium, might disrupt oil supplies if sanctions are imposed.

In other Nymex trading, gasoline futures rose 4.81 cents to settle at $1.5399 a gallon, while heating oil futures climbed 5.63 cents to settle at $1.7141 a gallon.