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SENT BY E-FILING AND COURIER

Toronto, March 30, 2010

Kirsten Walli
Board Secretary
Ontario Energy Board
2300 Yonge Street, Suite 2700
Toronto ON M4P 1E4

Dear Ms. Walli:

**RE: Natural Resource Gas Limited (“NRG”)
Board File No. EB-2010-0024
Application for Exemption from Certain Sections of GDAR**

We are counsel to NRG. In accordance with Procedural Order No. 1 in the above-noted matter, we are filing and serving these comments in reply to the submissions made by: (a) the Town of Aylmer (the “Town”); and (b) IGPC Ethanol Inc. and the Integrated Grain Processors Co-operative Inc. (“IGPC”).

Although the Town states that it “takes no position on the relief sought” in NRG’s application and IGPC does not support or oppose the application¹, both submissions make a number of offhand comments about NRG being obligated to “continue to improve its level of service” that NRG feels compelled to address.

Both the Town and IGPC cite the Board’s decision in EB-2008-0413 (Aylmer Franchise Decision) as the basis for their comments. However, a closer review of the transcript and Board Decision in EB-2008-0413 does not reveal any broad customer service or service quality issues at NRG. Rather, the issues discussed in the EB-2008-0413 proceeding were really limited to: (a) NRG’s security deposit policy; (b) historic issues related to contractual matters with IGPC; and (c) matters of technical non-compliance with GDAR (e.g., having a written customer complaints policy).

¹ IGPC asks for additional information, and requests that any exemption granted be limited to a maximum of two years.

With respect to issues related to security deposits, this issue was addressed via NRG's revised security deposit policy (which was established before the deadline set out in the EB-2008-0413 Decision).

With respect to the historic issues with IGPC, the Board is well aware of these issues and none have anything to do with the quality of service being supplied to IGPC. In EB-2008-0413, counsel for IGPC explicitly acknowledged that fact when questioned by Vice-Chair Kaiser (see Appendix A to this letter for the transcript excerpt). NRG continues to provide IGPC with excellent service, and has heard nothing to the contrary from IGPC.

With respect to the final issue (i.e., non-compliance with the technical requirements of GDAR), NRG has long been of the view that the technical requirements of GDAR, while suitable for the two larger gas utilities (Union and Enbridge), do not always make sense for a smaller utility like NRG. Indeed, that is part of the rationale for this application. This application is the result of a good deal of work by NRG with the Board's Regulatory Audit and Accounting group to establish a plan to comply with certain GDAR provisions and seek exemptions from those that do not make sense for NRG as a smaller utility. To that end, NRG has worked with the Board to: (a) establish a Management Action Plan regarding the Service Quality Requirements in Chapter 7 of GDAR (filed by NRG on January 27, 2010); and (b) file a Quality Assurance Plan and Emergency Procedures Manual (filed by NRG on February 13, 2010). The Management Action Plan prepared by NRG (after working with Board staff) indicated that NRG would file an application for exemption from section 7.3.1.1 and 7.3.1.2 of the GDAR by January 29, 2010.

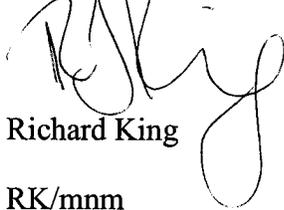
NRG views this application as the last item to be dealt with in order for NRG to come into compliance with GDAR. However, notwithstanding that NRG did not meet all the technical, process-oriented requirements of GDAR, NRG has always been of the view that the substantive gas service provided to its customers has been excellent. Consequently, NRG felt the need to address the overly broad statements of the Town and IGPC about the need for NRG to improve its customer service.

This leaves two remaining matters to be addressed. The first is IGPC's suggestion that NRG should provide additional information about the cost of a telephone answering system that could provide the data required by section 7.3.1 of the GDAR. NRG submits that this information is unnecessary. It is not NRG's position that if the cost of such a system were below a certain level then it would make sense to purchase the system and comply with section 7.3.1 of the GDAR. Rather, it is NRG's position that spending any money on such a system simply does not make sense for NRG. On average, NRG receives about 100 telephone calls each day, only a portion of which are from customers (or potential customers). It does not make sense to have an automated answering system that answers calls, puts them in a queue, and records the percentage that are transferred to a live operator within thirty seconds. NRG has a receptionist that answers the phone. When a customer calls during business hours they get a live person to direct their call to the appropriate person at NRG. There is no need for a queuing process, and the information provided by such a system would be of no value to NRG, its customers or the Board.

The second remaining matter to be addressed is the length of the exemption request. As IGPC notes, NRG did not make any express request about the duration of the exemption being sought. That is because, for the reasons outlined in the paragraph above, NRG is not seeking an exemption for a specific length of time, but rather a permanent exemption. It is difficult to imagine how NRG's circumstances would change to make the factual basis for NRG's exemption request (as outlined in the paragraph above and in the original application) no longer reasonable.

As noted at the beginning of this letter, neither the Town nor IGPC have opposed this application. For this, and all of the above reasons, we request that the Board grant the relief requested in NRG's application of January 28, 2010.

Yours very truly,



Richard King

RK/mmm

Encl.

cc. Jack Howley
John Beauchamp (Ogilvy)
Jim Grey (IGPC)
Scott Stoll (Counsel to IGPC)
Heather Adams (Town of Aylmer)
Phil Tunley (Counsel to Town of Aylmer)

APPENDIX A

Excerpt from Transcript (EB-2008-0413) Page 14 (line 6) to Page 15 (line 13)

MR. BRISTOLL: They weren't ready to receive gas for a month or two later.

Currently, we're providing them with gas with no difficulties whatsoever. And we believe that we have potential for a strong relationship with them.

MR. THACKER: Tell me about the security deposit. There was an issue with the security deposit. What was the issue and what was NRG's reaction in the face of that issue?

MR. BRISTOLL: The security deposit was not delivered when we started to flow gas. At that point, I guess we had the option of not flowing it, but we did anyways.

Initially, we couldn't work out whether or not it would expire properly or not, but that was resolved in the end, and we continued to flow gas.

MR. KAISER: Are there any outstanding issues now, or is this all in the past?

MR. THACKER: It's largely all in the past. We still have yet to do the final cost reconciliation. There are a few pieces

of information that we need to do the final cost reconciliation, but that is it.

MR. KAISER: Is that the case, Mr. Stoll?

MR. STOLL: I'm not sure what information they need. I think we have a significantly different version of some of the history.

MR. KAISER: I don't want to go back in the history. I just want to know, today, are you more or less satisfied with the service?

MR. STOLL: The service, yes. The reconciliation --

MR. KAISER: That's an accounting issue. They will sort that out in due course.

MR. STOLL: Hopefully.

MR. KAISER: Well, if you don't, you can always come here. **But there are no service issues?**

MR. STOLL: No. The gas has been flowing.

MR. KAISER: All right. Thank you.