

Board Staff Interrogatories
to
Natural Resource Gas Limited
2014 IRM Rates Application (EB-2014-0274)
Date: December 10, 2014

1. Ref: Exhibit A, Tab 1, Schedule 2, Page 2

Natural Resource Gas Limited (“NRG”) requested a deferral account to record costs associated with NRG implementing a new Demand Side Management (“DSM”) program commencing January 1, 2015.

Does NRG intend to file a DSM plan with the Ontario Energy Board? If yes, please provide estimated timelines.

2. Ref: NRG 2014 IRM Application, Page 5, November 25, 2014

NRG has requested continuation of NRG’s current transportation rates and the continuation of NRG’s current Rules and Regulations and Schedule of Service Charges.

Has NRG proposed any changes to its transportation rate schedule, Rules and Regulations or the Schedule of Service Charges? If “Yes”, please provide details and the appropriate references.

3. Ref: NRG 2014 IRM Application, Page 5, November 25, 2014

NRG’s Incentive Rate Mechanism (“IRM”) for the three year period beginning October 1, 2011 was based on the Board’s 3rd Generation IRM plan for electricity distributors. In this Application, NRG requested continuation of NRG’s current IRM plan for the next two fiscal years beginning October 1, 2014.

Please confirm that NRG is seeking an extension of its current IRM based on the November 11, 2011 Settlement Agreement, but is using the Board’s 4th Generation IRM parameters to adjust rates.

4. Ref: NRG 2014 IRM Application, Page 13, November 25, 2014

NRG has prepared its application on the basis that NRG's new rates would be effective October 1, 2014 and implemented January 1, 2015. Accordingly, NRG has calculated a "Foregone Distribution Revenue" rate rider to recover the incremental revenue for the period October 1, 2014 to December 31, 2014. NRG proposes to recover the Foregone Distribution Revenue over a period of three months.

- a) Please recalculate the Foregone Distribution Revenue rate rider assuming an implementation date of April 1, 2015.
- b) Please provide a proposal to recover the Foregone Distribution Revenue if the implementation date is April 1, 2015.

5. Ref: NRG 2014 IRM Application, Page 13, November 25, 2014

The Bill Impact Summary shows the rate adjustments to each of the rate classes. The rate impact of all rate classes with the exception of Rate 2 fall within the price cap adjustment of 1.2%.

Please explain the reasons for the rate impact on Rate 2 customers that is estimated to be double of the price cap adjustment.