

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board Act, 1998, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by Natural Resource Gas Limited for an order or orders approving or fixing just and reasonable rates and other charges for the sale, distribution, transmission and storage of gas as of April 1, 2016;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2015-0345 Decision and Interim Rate Order dated December 22, 2015 the Board approved a PGCVA reference price of \$0.181486 per m³ and a gas supply charge of \$0.187001 per m³, both effective January 1, 2016.
2. Based on actual and forecast natural gas prices for the April, 2015 through March, 2016 period the PGCVA balance is projected to be a rebate of approximately \$16.74 per residential customer.
3. NRG hereby applies to the Board for further orders effective April 1, 2016 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2015-0345 Decision and Interim Rate Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.036366 per m³ from the Board approved level of \$0.181486 per m³ to \$0.145120 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2015-0345 Decision and Interim Rate Order to reflect a

projected \$0.036772 per m³ change in the gas supply charge from the Board approved level of \$0.187001 per m³ to a projected cost of \$0.150229 per m³. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2015-0115.

5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- * Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. five calendar days following the filing of the QRAM application;
- * NRG shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m. three calendar days following receipt of comments;
- * The Board issues its Decision and Order by the 25th of the month for implementation effective April 1, 2016.

6. The address of service for Natural Resource Gas Limited is:

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Dated at London, Ontario, this 10th day of March, 2016.

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2015-0345 Decision and Interim Rate Order dated December 22, 2015 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.181486 per m³ and a gas supply charge of \$0.187001 per m³, both effective January 1, 2016.

In RP-2002-0147/EB-2003-0286 (Accounting Order dated January 30, 2004), the Board approved a Gas Purchase Rebalancing Account (“GPRA”) to record the increase (decrease) in the value of the gas inventory available for sale to sales service customers due to changes in NRG’s PGCVA reference price. This account was maintained in the EB-2010-0018 Rate Order date February 17, 2011. In EB-2015-0345, the Board approved a GPRA rate of \$0.005152 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 1, 2016 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

PGCVA

Updated Forecasts

Based on actual and forecast costs, the PGCVA account balance totals a rebate of \$16.74 per average residential customer for the twelve month period ending March, 2016 (Schedule 2).

The current forecast reflects the forecast for natural gas prices over the relevant period. These gas prices reflect current market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels.

March, 2016

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through January, 2016. The remaining months in the
3 twelve-month period ending March, 2016 are calculated using estimated prices based on
4 the best information available at the time of filing.

5
6 NRG also confirms that the Surplus Sale over Consumer Premium charge applied to the
7 25,496 GJ of natural gas that NRG was short at the time of the Winter Checkpoint in
8 February, 2014 is \$27.276 per GJ, as directed by the Board in the EB-2014-0053
9 Decision and Interim Order dated April 1, 2014, for a total cost of \$695,429.

10
11 Forecast prices have been used for the period April, 2016, through March, 2017 period,
12 except where actual contracted prices are available.

13
14 EB-2014-0053/EB-2014-0361/EB-2015-044 Decision and Order

15 As per the EB-2014-0053/EB-2014-0361/EB-2015-044 Decision and Order dated
16 January 14, 2016, NRG has credited the system gas customers an amount of \$513,897.

17
18 In the EB-2014-0053/EB-2014-0361/EB-2015-044 Decision and Order, the OEB directed
19 NRG to provide sufficient evidence in its next QRAM application to allow the OEB to
20 determine that the credit amount was calculated and allocated appropriately. The Board
21 also directed NRG to provide the bill impact that occurs due to the disposition of this
22 credit as part of its QRAM evidence.

23
24 The credit of \$513,897, which is shown in the January, 2016 column on the Ontario
25 Delivered Gas Line of the Total Gas Cost section of Schedule 3 represents the difference
26 between the amount included based upon the interim order in EB-2014-0053 of \$695,429
27 (as noted above) and the final amount approved for recovery from customers of \$181,531
28 noted in the January 14, 2016 decision.

29

1 As shown in Schedule 3, the total cost of gas purchases in January, 2016, including the
2 above noted credit, was a credit to gas costs of \$142,896. This figure has been reflected
3 in the calculation of the PGVA balance shown in Schedule 2. The overall impact, taking
4 into account the purchases in January, 2016 and interest on the balances in the account, is
5 shown in Schedule 2 through the change from a debit in the PGVA at the end of
6 December, 2015 of \$253,387.74 to a credit in the account at the end of January, 2016 of
7 \$266,367.85.

8
9 The direct impact of the refund of \$513,897 is approximately \$0.020172 per m³
10 (calculated as \$513,897 divided by 25,475,404 m³ as shown in Schedule 2). Based on a
11 forecasted annual average consumption of 2,009 m³, this would result in a reduction of
12 about \$40.53 in the annual cost to a typical residential customer.

13 14 Gas Supply Portfolio

15 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
16 by NRG for system gas purchases.

17
18 NRG's gas supply portfolio includes local production, deliveries of Western Canadian
19 gas at the Alberta border (along with transportation on the TCPL mainline) and purchases
20 at Dawn and Parkway on the Union Gas ("Union") system. NRG also purchases
21 additional gas or sheds excess gas when required. The requirement for these purchases is
22 discussed below. This gas may be Ontario Delivered gas, gas purchased/sold at Dawn or
23 additional deliveries/curtailments at Parkway or at the Alberta border.

24
25 NRG is currently a direct purchase customer on the Union Gas system. Under its
26 bundled transportation contract, NRG is obligated to deliver a fixed amount of gas each
27 day to Union. This amount is determined by Union and is based on the expected annual
28 volume divided by 365 (366 in a leap year).

29

1 NRG is required to balance its total supply with its total demand on the Union Gas
2 system on an annual basis, at the time that the direct purchase contract with Union Gas is
3 renewed. In particular, NRG is required to balance its supply with its demand on the
4 Union system to within +/-4% at the end of the contract year. This may entail NRG
5 purchasing additional gas or shedding excess gas.

6
7 The bundled transportation contract year-end corresponds with the end of NRG's fiscal
8 year (September 30). NRG purchases additional balancing gas or sells gas and/or reduces
9 deliveries such that total demand on the Union system is offset by the supply provided to
10 Union Gas to remain within the contract parameters.

11
12 NRG has informed Union Gas that it intends to return to system gas purchases from
13 Union Gas effective November 1, 2016. As such, the bundled transportation contract will
14 be extended by one month to the end of October, 2016. This is required to accommodate
15 NRG's current gas purchase contracts, some of which extend to the end of October, 2016.

16
17 September, 2015 Balancing Gas

18 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased 88,000 GJ
19 (2,268,667 m³) in April, 2015. This was the amount shown on the March, 2015 Direct
20 Purchase status report from Union Gas as being the projected deficit at the time of
21 contract renewal. The cost of this gas, also shown in Schedule 3, was \$300,080. The
22 price paid for this gas is shown in Schedule 4 on the Ontario Delivered Gas line and was
23 \$3.41/GJ.

24
25 Similarly, NRG purchased 11,637 GJ (300,782 m³) in June, 2015 (Schedule 3). This was
26 the amount shown on the May, 2015 Direct Purchase status report from Union Gas being
27 the projected deficit at the time of contract renewal. The cost of this gas, also shown in
28 Schedule 3, was \$40,730. The price paid for this gas is shown in Schedule 4 on the
29 Ontario Delivered Gas line and was \$3.50/GJ.

30

1 NRG purchased an additional 3,313 GJ (85,294 m³) in September, 2015 (Schedule 3).
2 This was the amount shown on the August, 2015 Direct Purchase status report from Union
3 Gas being the projected deficit at the time of contract renewal. The cost of this gas, also
4 shown in Schedule 3, was \$13,285. The price paid for this gas is shown in Schedule 4 on
5 the Ontario Delivered Gas line and was \$4.01/GJ.

6

7 February, 2016 Balancing Gas

8 Additional gas may be purchased in the period leading up to the end of February of each
9 year if required for NRG to meet its forecast banked gas account winter balancing
10 checkpoint on the Union Gas system if consumption is greater than forecast. The Board
11 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063
12 (Decisions with Reasons, dated March 18, 2004).

13

14 NRG did not purchase any additional gas in order to meet its forecast banked gas account
15 winter balancing point in 2016. This is because of the significantly warmer than forecast
16 winter to date. The Direct Purchase Status Report received from Union Gas for January,
17 2016 showed that NRG was in a surplus position relative to the projected winter
18 balancing checkpoint and was not required to bring in any additional gas.

19

20 September, 2016 Balancing Gas

21 The January Direct Purchase Status Report from Union Gas indicated that based on
22 forecasts for the remainder of the contract term (to September, 2016), NRG would need
23 to shed more than 90,000 GJ's of gas in order to balance. NRG has taken steps to reduce
24 this imbalance by suspending obligated deliveries of 778 GJ/day for the months of March
25 and April (total reduction of 47,458 GJ). This suspension, which has been approved by
26 Union Gas, is highlighted below.

27

28 Obligated Deliveries

29 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
30 purchase customers has been set at 2,625 GJ/day effective October 1, 2015, an increase

1 from the previous level of 2,380 GJ/day. The increase reflected historical consumption at
2 NRG. This change was the result of discussions with Union Gas.

3
4 The direct purchase customer assignment is forecast to be 192 GJ/day in April, 2016,
5 through March, 2017. This level allows direct purchase customers to bring their supplies
6 in line with their actual and projected consumption. This results in deliveries for system
7 gas customers of 2,433 GJ/day in April, 2016 through October, 2016. As noted earlier,
8 NRG has suspended the delivery of 778 GJ/day in both March and April, in order to
9 reduce the projected imbalance at the end of the current contract year. This reduces the
10 obligated deliveries to 1,655 GJ in both March and April.

11
12 The composition of these obligated system gas deliveries over this period is as follows.
13 Parkway deliveries are 1,001 GJ/day in March and April, 2016 and 1,231 GJ/day in May,
14 2016 through October, 2016. Obligated deliveries for system gas customers at AECO are
15 374 GJ/day over the entire period.

16
17 NRG has shifted a total of 828 GJ/day from Parkway obligated deliveries to Dawn
18 obligated deliveries and is a result of the settlement agreement reached between Union
19 Gas and intervenor groups in EB-2013-0365. NRG has taken advantage of this
20 opportunity to the maximum extent possible. In March and April, 2016 obligated
21 deliveries to Dawn on behalf of system gas customers is 280 GJ day and 828 GJ/day in
22 May, 2016 through October, 2016.

23
24 The composition of the gas purchases for direct purchase and system gas customers for
25 the February, 2016 through March, 2017 period is shown in the following table. This
26 period illustrates the suspensions in March and April, 2016, and the movement to system
27 gas from Union Gas for system gas customers of NRG effective November 1, 2016.
28 Please note that these figures do not include the direct purchase deliveries associated with
29 a large ethanol plant served by NRG.

30

1

GJ/s per Day

Delivery Point	Feb., 2016	Mar.-Apr., 2016	May-Oct., 2016	Nov. 2016-Mar. 2017
Direct Purchase	192	192	192	192
AECO	374	374	374	0
Parkway	1,231	1,001	1,231	0
Dawn	<u>828</u>	<u>280</u>	<u>828</u>	<u>0</u>
Total	2,625	1,847	2,625	192

2

3 As shown in the above table, the suspension of 778 GJ/day of obligated gas purchases in
 4 March and April has been allocated as 230 GJ/day at Parkway and 548 GJ/day at Dawn.
 5 Both of these figures represent volumes that have not been contracted for at these
 6 delivery points.

7

8 The table also reflects the elimination of the obligated deliveries at AECO, Parkway and
 9 Dawn for NRG's system gas customers as of November 1, 2016 when NRG returns to
 10 system gas deliveries from Union Gas. NRG will continue to ensure that the direct
 11 purchase customers continue to balance their supply and demand.

12

13 NRG notes that it may need to further reduce obligated deliveries in order to balance
 14 consumption with purchases before the end of the contract term. This determination will
 15 be made later in the year following the addition of more months of additional
 16 consumption data.

17

18 In addition to the obligated deliveries described above, NRG purchases gas from a local
 19 producer in its franchise area.

20

21 The composition of the gas supply portfolio volumes for the April, 2015 through March,
 22 2016 period is shown on the top of Schedule 3. This schedule shows the monthly volume
 23 of gas purchased or forecast to be purchased from local producers, obligated deliveries at
 24 Parkway, at Dawn and the Alberta border (Western), and balancing gas (Ontario
 25 Delivered Gas). Similarly, the composition of the gas supply portfolio volumes for the
 26 April, 2016 through March, 2017 period is shown on the top of Schedule 6.

1

2 Gas Costs

3 NRG's actual and forecast gas costs for the April, 2015 through March, 2016 period, by
4 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
5 middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat
6 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
7 The conversion factors used are also shown in Schedule 4. All prices shown are actual
8 prices paid in April, 2015 through January, 2016, including the refund to system gas
9 customers of \$513,898 as ordered in EB-2014-0053/EB-2014-0361/EB-2015-044. Prices
10 for the remaining months in this period are based on estimated and contracted prices to be
11 paid in those months.

12

13 Forecast prices for May, 2016 through March, 2017 (no forecast for April, 2016 is
14 required because of the above noted suspensions in that month) are based on prices
15 averaged over 10 days in the period February 11, 2016 through February 29, 2016
16 (information was not available for February 15, 19 and 25). These prices, which have
17 been sourced from the Shell Energy North America report entitled 'Daily Energy Market
18 Update', are for the April, 2016 through March, 2017 period, and have been utilized in
19 calculating the prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule
20 6 in \$/m³. The source of the foreign exchange rates used in the calculations is the daily
21 close exchange rates for the 10-year lookup from the Bank of Canada that are available
22 on their website at www.bankofcanada.ca/rates/exchange.

23

24 Gas prices for each of the sources of supply are described below. In addition to the
25 above, contracted prices have been used where purchase decisions have been made.

26

27 NRG Corp. Pricing

28 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)" and
29 "Local Production (B)". This refers to gas that is produced in NRG's franchise area and
30 purchased from a related company.

1 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012
2 in which the Board indicated that NRG would be permitted to recover from ratepayers a
3 maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486
4 per mcf (or \$0.3012/m³). This price, as set by the Board, can be seen in the line labeled
5 "Local Production (A)" of the price section of Schedule 3.

6
7 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
8 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
9 price for each quarter. The April, 2015 through June, 2015 price is \$0.194138, reflecting
10 the Board's Decision and Order in EB-2015-0035 dated March 23, 2015. The July, 2015
11 through September, 2015 price is \$0.198417, reflecting the Board's Decision and Order in
12 EB-2015-0187 dated June 23, 2015. The October, 2015 through December, 2015 price is
13 \$0.198147, reflecting the Board's Decision and Order in EB-2015-0255 dated September
14 24, 2015. The January, 2016 through March, 2016 price is \$0.180838, reflecting the
15 Board's Decision and Order in EB-2015-0340 dated December 22, 2015. These prices
16 are shown in Schedule 3.

17
18 The NRG Corp. prices over the April, 2016 through March, 2017 period shown in
19 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
20 shown on the Local Production (A) line. The remaining gas forecast to be purchased
21 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this
22 gas has been taken from the Union's QRAM application in EB-2016-0040 dated March
23 10, 2016, where the Ontario landed reference price has been forecast as \$0.169949 per
24 m³.

25
26 At the time this application was prepared the Union Gas QRAM price for April 1, 2016
27 rates was not yet approved by the Board. Any differences between the applied for and
28 Board approved Ontario landed reference price for Union will be reflected in NRG's next
29 QRAM application and evidence.

30

1 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at
2 these delivery points is discussed below.

3

4 Empress Pricing

5 The Empress price over the April, 2016 through October, 2016 period shown in Schedule
6 7 (Western Deliveries) is based on a combination of actual contracted prices and forecast
7 prices.

8

9 The average Empress delivery rate is \$3.952/GJ in April, 2016 through October , 2016.
10 Fuel costs of 4% are included in these rates.

11

12 The average Empress delivery price is based on a fixed price contract over the April,
13 2016 through October, 2016 period. The following table shows the current mix of
14 volumes and prices over the forecast period.

<u>Empress Deliveries</u>		
<u>Contracted?</u>	<u>Apr. - Oct.</u>	
	GJ/day	\$/GJ
Yes	374	3.800
No	0	0.000
Total	374	3.800
with Fuel (4%)		3.952

15

16 NRG has not forecast any Empress deliveries that have not been contracted for over the
17 April, 2016 through March, 2016 period. As a result no price forecasts have been
18 provided.

19

20 Parkway Pricing

21 The Parkway price over the April, 2016 through October, 2016 period shown in Schedule
22 7 is based on a combination of actual contracted prices and forecasted prices. The
23 average Parkway delivery rate forecast is \$4.713/GJ in April, 2016, \$4.338/GJ in May,
24 2016 and \$4.359/GJ in June through October, 2016.

25

1 The average Parkway delivery price includes a mix of actual contracted prices and
 2 forecasted prices over this period. The following table shows the current mix of volumes
 3 and prices over the forecast period.

Parkway Deliveries						
<u>Contracted?</u>	<u>Apr.</u>		<u>May</u>		<u>June-Oct.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	970	4.710	970	4.710	970	4.710
Yes	31	4.820	31	4.820	31	4.820
No	<u>0</u>	<u>0.000</u>	<u>230</u>	<u>2.703</u>	<u>230</u>	<u>2.815</u>
Total	1,001	4.713	1,231	4.338	1,231	4.359

4
 5 The actual contract prices include 970 GJ/day at \$4.71/GJ in the April, 2016 through
 6 October, 2016 period. The price for the 31 GJ/day in April, 2016 through October, 2016
 7 reflects a transfer of deliveries from Empress to Parkway. This gas has been purchased
 8 for Empress delivery at \$3.80/GJ (see previous section). This has been increased by a
 9 locked in price to move the gas deliveries from Empress to Parkway of \$1.02/GJ, to
 10 arrive at the forecasted price of \$4.82/GJ.

11
 12 The price shown for the 230 GJ/day that has not been contracted for in May, 2016
 13 through October, 2016 is based on the forecast methodology discussed below. The above
 14 table also reflects the suspension of the 230 GJ/day delivery to Parkway in April noted
 15 earlier.

16
 17 Historically, the calculations used to forecast the Parkway delivery prices were calculated
 18 as follows. The prices used were shown in the Daily Energy Market Report as prices at
 19 Henry Hub along with a Niagara, ON basis. These two prices are added together to
 20 arrive at a proxy for the Parkway price. These prices from the Market Report were in
 21 US\$/MMBtu and as a result need to be converted to Cdn\$/GJ. This was accomplished
 22 through the use of a conversion factor of 1.054615 to convert MMBtu to GJ and through
 23 the use of the foreign exchange rate. The formula used was (Henry Hub Price + Niagara
 24 Basis) / 1.054615 x Foreign Exchange Rate.

25

1 As noted in EB-2015-0191, as of the middle of February, 2015 the Daily Energy Market
 2 Report no longer provided a Niagara, ON basis. As a result NRG is not able to provide a
 3 forecast of the Parkway delivery price based on the methodology described above. As
 4 noted in previous QRAM applications, NRG indicated that it would propose a
 5 methodology to forecast this price based on information available to it at that time.

6
 7 As it did in EB-2015-0345, NRG has forecast the Parkway prices to be equal to the Dawn
 8 prices over the April, 2016 through October, 2016 period, plus \$0.10/GJ. The derivation
 9 of the Dawn forecast prices is detailed in the section below.

10
 11 The only information which is available to NRG to determine a forecast price for
 12 Parkway is the purchase by NRG of gas for the month of January, 2016 at both Parkway
 13 and Dawn. NRG purchased gas for January delivery at Parkway for \$3.30/GJ. At the
 14 same time, NRG purchased gas for January delivery at Dawn for \$3.20/GJ. NRG has
 15 thus forecast the Parkway price to be \$0.10/GJ higher than the Dawn delivery price.

16
 17 Dawn Pricing

18 The Dawn price over the April, 2016 through October, 2016 period shown in Schedule 7
 19 is based on a combination of actual contracted prices and forecasted prices. The average
 20 Dawn delivery rate is \$4.796 in April, 2016, \$3.345/GJ in May, 2016 and \$3.419/GJ in
 21 June, 2016 through October, 2016.

22
 23 The average Dawn delivery price includes a mix of fixed price contracts and a forecast
 24 price for the remainder of the purchases. The following table shows the current mix of
 25 volumes and prices over the forecast period.

26

<u>Contracted?</u>	<u>Dawn Deliveries</u>					
	<u>Apr.</u>		<u>May</u>		<u>June-Oct.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	261	4.800	261	4.800	261	4.800
Yes	19	4.745	19	4.745	19	4.745
No	0	0.000	548	2.603	0	0.000

No	<u>0</u>	<u>0.000</u>	<u>0</u>	<u>0.000</u>	<u>548</u>	<u>2.715</u>
Total	280	4.796	828	3.345	828	3.419

1

2 The price for the 261 GJ/day in April, 2016 through October, 2016 reflects a transfer of
 3 deliveries from Parkway to Dawn. This gas has been purchased for Parkway delivery at
 4 \$4.71/GJ. This has been increased by a locked in price to move the gas deliveries from
 5 Parkway to Dawn of \$0.09/GJ, to arrive at the forecasted price of \$4.80/GJ.

6

7 The price for the 19 GJ/day in April, 2016 through October, 2016 also reflects a transfer
 8 of deliveries from Parkway to Dawn. This gas has also been purchased for Parkway
 9 delivery at \$4.71/GJ. This has been increased by a locked in price to move the gas
 10 deliveries from Parkway to Dawn of \$0.035/GJ, to arrive at the forecasted price of
 11 \$4.745/GJ.

12

13 The prices shown for the 548 GJ/day that has not been contracted for in May, 2016 and in
 14 June, 2016 through October, 2016 period are both based on the average price forecasts
 15 from the February 11, 2016 through February 29, 2016 Daily Energy Market Updates for
 16 the April, 2016 through October, 2016 period. The above table also illustrates the
 17 suspension of the 548/GJ day for April, 2016.

18

19 The calculations used to forecast the Dawn purchase price are shown in the following
 20 table. The relevant prices used are shown in the Daily Energy Market Update as prices at
 21 Henry Hub along with a Dawn, ON basis. These two prices are added together to arrive
 22 at a proxy for the Dawn price. These prices from the Market Update are in US\$/MMBtu
 23 and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of
 24 a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the
 25 foreign exchange rate. The formula used is (Henry Hub Price + Dawn Basis) / 1.054615
 26 x Foreign Exchange Rate.

Dawn Delivery Price Forecast

Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
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<u>May, 2016</u>						
11-Feb-16	2.130	0.01	1.054615	1.3921	2.82	
12-Feb-16	2.100	0.01	1.054615	1.3861	2.77	
16-Feb-16	2.040	0.01	1.054615	1.3881	2.70	
17-Feb-16	2.080	0.02	1.054615	1.3705	2.73	
18-Feb-16	1.950	0.05	1.054615	1.3749	2.61	
22-Feb-16	1.930	0.04	1.054615	1.3712	2.56	
23-Feb-16	1.900	0.05	1.054615	1.3768	2.55	
24-Feb-16	1.910	0.03	1.054615	1.3687	2.52	
26-Feb-16	1.870	0.03	1.054615	1.3514	2.43	
29-Feb-16	1.810	0.01	1.054615	1.3531	2.34	
10 Day Average					<u>2.603</u>	

<u>April-2016 - October-2016</u>						
11-Feb-16	2.220	0.00	1.054615	1.3921	2.93	
12-Feb-16	2.200	0.00	1.054615	1.3861	2.89	
16-Feb-16	2.140	0.00	1.054615	1.3881	2.82	
17-Feb-16	2.180	0.00	1.054615	1.3705	2.83	
18-Feb-16	2.060	0.02	1.054615	1.3749	2.71	
22-Feb-16	2.040	0.01	1.054615	1.3712	2.67	
23-Feb-16	2.010	0.01	1.054615	1.3768	2.64	
24-Feb-16	2.020	0.00	1.054615	1.3687	2.62	
26-Feb-16	1.990	0.00	1.054615	1.3514	2.55	
29-Feb-16	1.940	0.00	1.054615	1.3531	2.49	
10 Day Average					<u>2.715</u>	

1

2 The April through October strip shown in the above table has been used as the forecast
 3 for June through October purchases, as this is the only period in the Shell report that
 4 includes the June through October period. The May figures in the above table have been
 5 used as the forecast for May as this period is a separate period provided in the Shell
 6 report.

7

8 Union Gas System Gas Pricing

9 As noted earlier, NRG will be returning to system gas purchases on the Union Gas
 10 system in November, 2016.

11

1 The price forecast for this gas has been taken from the Union's QRAM application in EB-
2 2016-0040 dated March 10, 2016, where the gas supply commodity charge has been
3 forecast as \$0.131678 per m³ and is shown in the Union Gas line on Schedules 6 and 7.

4
5 At the time this application was prepared the Union gas supply commodity charge for
6 April 1, 2016 rates was not yet approved by the Board. Any differences between the
7 applied for and Board approved gas supply commodity charge Union will be reflected in
8 NRG's next QRAM application and evidence.

9
10 Other Forecast Assumptions

11 A number of other assumptions have been used to calculate the projected balance in the
12 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been
13 forecast at 4.0% through October, 2016. This ratio has been reflected in the forecast
14 prices shown in the schedules for Western deliveries. It is not required beyond October,
15 2016 when NRG returns to system gas on the Union gas system.

16
17 TCPL tolls have been forecast at a rate of \$1.9485/GJ through October, 2016. This rate
18 reflects the tolls currently being charged as a result of the TCPL settlement agreement in
19 RH-001-2014. It is not required beyond October, 2016 when NRG returns to system gas
20 on the Union gas system.

21
22 The heat value used to convert GJ to m³ is 38.55 GJ/10³ m³. This is consistent with the
23 figure used by Union Gas in their calculation of NRG's Banked Gas Account balances.

24
25 PGCVA Balance

26 The projected March, 2016 balance in the PGCVA is a credit of \$244,650.61 including a
27 debit of \$69,304.20 in accumulated interest, based on the Board's prescribed interest rate.
28 This estimate is based on actual and forecasted purchases and the balance brought
29 forward from March, 2015. The PGCVA credit amounts to a rebate of approximately

1 \$16.74 for a typical residential customer consuming approximately 1,742.7 m³ per year.

2 These figures are shown on Schedule 2.

3

4 Proposed PGCVA Rate Changes

5 NRG proposes to adjust the reference price effective April 1, 2016 based on the projected
6 accumulated balance in the PGCVA as of the end of March, 2016 and the forecasted cost
7 of gas over the 12 month period beginning April, 2016 and ending March, 2017. The
8 reference price is set such that the projected PGCVA balance at the end of March, 2017 is
9 close to zero.

10

11 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
12 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
13 applications, which have been accepted by the Board.

14

15 NRG proposes to change the reference price by \$0.036366 per m³ effective April 1, 2016,
16 from \$0.181486 per m³ to \$0.145120 per m³. The derivation of this rate is shown in
17 Schedule 5. This is the reference price required to bring the PGCVA balance close to
18 zero on a twelve month forecast basis. This change will also be reflected in the gas
19 commodity charge.

20

21 **GAS PURCHASE REBALANCING ACCOUNT**

22 The impact on the GPRA of the proposed April 1, 2016 PGCVA reference price change
23 from \$0.181486 per m³ to \$0.145120 per m³ is a credit of \$8,407.89, as shown on
24 Schedule 8. This figure is shown in column (J) of Schedule 8 on the March, 2016 line. It
25 is calculated as the change in the PGCVA reference price between March and April,
26 multiplied by the cumulative inventory balance at the end of March. This cumulative
27 inventory balance is the sum of the actual monthly inventory balances for January, 2016
28 and forecasts for the subsequent months. These forecasts will be replaced with actual
29 balances for these months in subsequent QRAM applications as this information becomes
30 available. As well, the monthly inventory balances are based on a deemed level of

1 unaccounted for gas (“UFG”) of the total throughput volume, as shown in column (E) of
2 Schedule 8. The 0.0% is the Board approved level of UFG from EB-2010-0018.

3
4 NRG proposes to adjust the gas commodity charge effective April 1, 2016 based on the
5 projected accumulated balance in the GPRA. The adjustment to the gas commodity
6 charge will be set such that the projected GPRA balance at the end of March, 2017 will
7 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
8 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
9 \$0.004746 per m³ over the April, 2016 through March, 2017 period.

10
11 NRG’s proposal will clear the GPRA balance on a prospective basis, eliminating the need
12 for retroactive adjustments. This is consistent with NRG’s proposal for the continued
13 prospective clearance of the PGCVA. This change will also be reflected in the gas
14 commodity charge.

15 16 **GAS COMMODITY CHARGE**

17 The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved
18 in EB-2010-0018. This figure represents the incremental costs over and above the
19 commodity and transportation costs that form the PGCVA reference price to the gas
20 supply function. These incremental costs are portions administrative and general
21 expenses, regulatory and consulting fees associated with the QRAM applications, return
22 on rate base (working cash allowance related to gas commodity) and income taxes. This
23 functionalization is unchanged from that approved in EB-2010-0018.

24
25 The change in the gas commodity charge proposed for April 1, 2016 is summarized
26 below. The change in the gas commodity charge reflects both the change in the PGCVA
27 reference price and the change in the recovery of the inventory revaluation amount in the
28 GPRA. The change in the gas commodity charge is as follows:

29
30

	EB-2015-0345	Proposed	
	<u>Jan. 1, 2016</u>	<u>Apr. 1, 2016</u>	<u>Difference</u>
PGCVA Reference Price	\$0.181486	\$0.145120	\$(0.036366)
GPRA Recovery	\$0.005152	\$0.004746	\$(0.000406)
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.187001	\$0.150229	\$(0.036772)

7

8 SUMMARY

9 In summary, NRG proposes to change the reference price for amounts to be recorded in
10 the Purchased Gas Commodity Variance Account from \$0.181486 by \$0.036366 to
11 \$0.145120 per m³ effective April 1, 2016. Appendix B contains the accounting entries
12 related to the PGCVA.

13

14 NRG also proposes to change the gas supply charge from \$0.187001 to \$0.150229 per m³
15 effective April 1, 2016. This change reflects the change in the PGCVA reference price,
16 as described above, the change related to the recovery of the GPRA balance, also as
17 described above, and the continuation of the system gas supply cost. These changes
18 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

19

20 The proposed rate schedules are attached as Appendix A. The proposed customer notices
21 are attached as Appendix C.

22

23 Schedule 9 provides a bill comparison showing the impact of the proposed changes on a
24 year over year basis for the appropriate quarter as well as the annual bill impact of the
25 most recent quarterly change for an average residential customer. The annual bill impact
26 related to the change in the commodity charges on a customer consuming approximately
27 2,009 m³ is a decrease of \$73.89.

28

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2015 TO MARCH, 2016

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u> (1)	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u> (2)	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
Actual	April	646,127	4,127,421	0.156545	0.208718	0.052173	215,339.93	-411,633.93	-574.73	-67,700.79	214,765.20	-479,334.72	170.5	1.10%
Actual	May	348,585	1,872,374	0.186173	0.208718	0.022545	42,212.67	-369,421.26	-377.33	-68,078.12	41,835.34	-437,499.38	83.0	1.10%
Actual	June	383,522	2,146,678	0.178658	0.208718	0.030060	64,529.14	-304,892.12	-338.64	-68,416.76	64,190.50	-373,308.88	42.8	1.10%
Actual	July	354,680	1,909,461	0.185749	0.201173	0.015424	29,451.53	-275,440.59	-279.48	-68,696.24	29,172.05	-344,136.83	34.4	1.10%
Actual	August	354,247	1,909,176	0.185550	0.201173	0.015623	29,827.05	-245,613.54	-252.49	-68,948.73	29,574.56	-314,562.27	35.4	1.10%
Actual	September	340,933	1,819,252	0.187403	0.201173	0.013770	25,051.11	-220,562.43	-225.15	-69,173.88	24,825.96	-289,736.31	41.3	1.10%
Actual	October	367,660	1,974,108	0.186241	0.192687	0.006446	12,725.10	-207,837.33	-202.18	-69,376.06	12,522.92	-277,213.39	90.2	1.10%
Actual	November	379,997	1,985,610	0.191376	0.192687	0.001311	2,603.13	-205,234.20	-190.52	-69,566.58	2,412.61	-274,800.78	153.2	1.10%
Actual	December	381,641	2,092,731	0.182365	0.192687	0.010322	21,601.17	-183,633.03	-188.13	-69,754.71	21,413.04	-253,387.74	238.7	1.10%
Actual	January	(142,896)	2,077,452	(0.068784)	0.181486	0.250270	519,923.92	336,290.89	-168.33	-69,923.04	519,755.59	266,367.85	313.8	1.10%
Forecast	February	365,955	2,030,272	0.180249	0.181486	0.001237	2,511.45	338,802.34	308.27	-69,614.77	2,819.72	269,187.57	293.2	1.10%
Forecast	March	<u>302,679</u>	<u>1,530,869</u>	<u>0.197717</u>	0.181486	(0.016231)	<u>-24,847.53</u>	<u>313,954.81</u>	<u>310.57</u>	<u>-69,304.20</u>	<u>-24,536.96</u>	<u>244,650.61</u>	<u>246.2</u>	1.10%
	Total	4,083,130	25,475,404	0.160277			940,928.67	313,954.81	-2,178.14	-69,304.20	938,750.53	244,650.61	1,742.7	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.009603
Forecast Average Residential Consumption per Customer 1,742.7 M*3
Estimated Impact on Average Residential Customer \$16.74 Customer Rebate

(1) Includes balance of -626,973.86 as of March, 2015
(2) Includes balance of -67,126.06 as of March, 2015

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2015 TO MARCH, 2016

	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,931	82,192	84,931	84,931	82,192	84,931	82,192	84,931	84,931	76,708	84,932	999,993
Local Production (B)	88,210	75,188	68,653	75,789	68,007	64,567	68,087	71,522	73,227	64,540	123,292	115,068	956,149
Dawn Delivery	640,383	624,536	642,041	662,378	665,217	540,652	554,969	603,232	658,375	656,132	622,879	225,162	7,095,955
Parkway Delivery	764,902	793,915	766,883	791,173	794,565	763,864	975,952	942,359	978,816	975,481	926,044	804,955	10,278,907
Western Delivery	283,068	293,805	286,127	295,190	296,455	282,684	290,169	286,306	297,382	296,369	281,349	300,752	3,489,655
Ontario Delivered Gas	<u>2,268,667</u>	<u>0</u>	<u>300,782</u>	<u>0</u>	<u>0</u>	<u>85,294</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2,654,744</u>
Total	4,127,421	1,872,374	2,146,678	1,909,461	1,909,176	1,819,252	1,974,108	1,985,610	2,092,731	2,077,452	2,030,272	1,530,869	25,475,404
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.194138	0.194138	0.194138	0.198417	0.198417	0.198417	0.198147	0.198147	0.198147	0.180838	0.180838	0.180838	
Dawn Delivery	0.166568	0.166859	0.166257	0.165746	0.166470	0.171511	0.173094	0.177011	0.154576	0.146302	0.153352	0.184886	
Parkway Delivery	0.176103	0.175323	0.175649	0.175931	0.175180	0.176343	0.172139	0.179197	0.175651	0.174059	0.173899	0.181686	
Western Delivery	0.145604	0.145352	0.145055	0.145347	0.145263	0.146321	0.146564	0.152528	0.152575	0.153293	0.152350	0.152350	
Ontario Delivered Gas	0.132272	0.000000	0.135412	0.000000	0.000000	0.155756	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	24,756	25,581	24,756	25,581	25,581	24,756	25,581	24,756	25,581	25,581	23,104	25,582	301,198
Local Production (B)	17,125	14,597	13,328	15,038	13,494	12,811	13,491	14,172	14,510	11,671	22,296	20,809	183,341
Dawn Delivery	106,667	104,209	106,744	109,786	110,739	92,728	96,062	106,779	101,769	95,993	95,520	41,629	1,168,625
Parkway Delivery	134,702	139,192	134,702	139,192	139,192	134,702	168,000	168,868	171,930	169,791	161,038	146,249	1,807,556
Western Delivery	41,216	42,705	41,504	42,905	43,064	41,362	42,528	43,670	45,373	45,431	42,864	45,820	518,442
Ontario Delivered Gas	300,080	0	40,730	0	0	13,285	0	0	0	(513,898)	0	0	(159,803)
TCPL Transportation	<u>21,581</u>	<u>22,301</u>	<u>21,758</u>	<u>22,178</u>	<u>22,178</u>	<u>21,288</u>	<u>21,998</u>	<u>21,753</u>	<u>22,478</u>	<u>22,534</u>	<u>21,133</u>	<u>22,591</u>	<u>263,772</u>
Total	646,127	348,585	383,522	354,680	354,247	340,933	367,660	379,997	381,641	-142,896	365,955	302,679	4,083,130

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2015 TO MARCH, 2016

	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Jan-16</u>	<u>Feb-16</u>	<u>Mar-16</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.765	7.800	7.785	7.773	7.806	7.754	7.703	7.686	7.726	7.699	7.813	7.813
Local Production (B) (\$/GJ)	5.005	5.027	5.018	5.120	5.142	5.108	5.068	5.056	5.082	4.623	4.691	4.691
<u>Dawn</u> (\$/GJ)	4.294	4.321	4.297	4.277	4.314	4.416	4.427	4.517	3.965	3.740	3.978	4.796
<u>Parkway</u> (\$/GJ)	4.540	4.540	4.540	4.540	4.540	4.540	4.402	4.573	4.505	4.449	4.511	4.713
<u>Western Deliveries</u> (\$/GJ)	3.754	3.764	3.749	3.751	3.765	3.767	3.748	3.892	3.913	3.919	3.952	3.952
Fuel Ratio (%)	4.20%	4.20%	4.17%	3.79%	4.07%	4.10%	3.83%	3.74%	5.08%	5.08%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.9655	1.9655	1.9655	1.9388	1.9388	1.9388	1.9388	1.9388	1.9388	1.9436	1.9485	1.9485
GJ/day (TCPL)	366	366	369	369	369	366	366	374	374	374	374	374
Delivery Commitment Credit (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GJ/day (Obligated)	2,183	2,133	2,186	2,186	2,186	2,058	2,297	2,393	2,433	2,433	2,433	1,655
<u>Ontario Delivered Gas</u> (\$/GJ)	3.410	0.000	3.500	0.000	0.000	4.010	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	38.79	38.62	38.69	38.75	38.59	38.84	39.10	39.19	38.99	39.12	38.55	38.55

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2016 TO MARCH, 2017
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
April	292,799	1,487,938	0.196782	0.145120	(0.051662)	-76,869.84	237,084.97	287.79	-69,016.41	-76,582.05	168,068.56	186.6	1.10%
May	364,950	2,156,498	0.169233	0.145120	(0.024113)	-51,999.64	185,085.33	217.33	-68,799.08	-51,782.31	116,286.25	89.7	1.10%
June	356,419	2,093,385	0.170260	0.145120	(0.025140)	-52,627.70	132,457.63	169.66	-68,629.42	-52,458.04	63,828.21	53.1	1.10%
July	367,650	2,156,498	0.170485	0.145120	(0.025365)	-54,699.57	77,758.06	121.42	-68,508.00	-54,578.15	9,250.06	40.9	1.10%
August	367,650	2,156,498	0.170485	0.145120	(0.025365)	-54,699.57	23,058.49	71.28	-68,436.72	-54,628.29	-45,378.23	42.8	1.10%
September	356,886	2,093,385	0.170483	0.145120	(0.025363)	-53,094.53	-30,036.04	21.14	-68,415.58	-53,073.39	-98,451.62	58.5	1.10%
October	367,650	2,156,498	0.170485	0.145120	(0.025365)	-54,699.57	-84,735.61	-27.53	-68,443.11	-54,727.10	-153,178.72	118.7	1.10%
November	573,259	4,213,441	0.136055	0.145120	0.009065	38,194.84	-46,540.77	-77.67	-68,520.78	38,117.17	-115,061.55	202.7	1.10%
December	485,608	3,545,062	0.136982	0.145120	0.008138	28,849.71	-17,691.06	-42.66	-68,563.44	28,807.05	-86,254.50	321.8	1.10%
January	555,947	4,079,235	0.136287	0.145120	0.008833	36,031.88	18,340.82	-16.22	-68,579.66	36,015.66	-50,238.84	355.2	1.10%
February	551,087	4,050,527	0.136053	0.145120	0.009067	36,726.13	55,066.95	16.81	-68,562.85	36,742.94	-13,495.90	293.2	1.10%
March	<u>334,696</u>	<u>2,398,995</u>	<u>0.139515</u>	0.145120	0.005605	<u>13,446.37</u>	<u>68,513.32</u>	<u>50.48</u>	<u>-68,512.37</u>	<u>13,496.85</u>	<u>0.95</u>	<u>246.2</u>	1.10%
Total	4,974,602	32,587,960	0.152652			-245,441.49	68,513.32	791.83	-68,512.37	-244,649.66	0.95	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.000000
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$0.00 Customer Rebate

(1) Includes March, 2016 year-to-date balance of \$313,954.81 (See Schedule 2)
(2) Includes March, 2016 year-to-date balance of (\$69,304.20) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2016 TO MARCH, 2017

	<u>Apr-16</u>	<u>May-16</u>	<u>Jun-16</u>	<u>Jul-16</u>	<u>Aug-16</u>	<u>Sep-16</u>	<u>Oct-16</u>	<u>Nov-16</u>	<u>Dec-16</u>	<u>Jan-17</u>	<u>Feb-17</u>	<u>Mar-17</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,932	82,192	84,932	84,932	82,192	84,932	82,192	84,932	84,932	76,708	84,932	1,000,000
Local Production (B)	117,808	115,068	117,808	115,068	115,068	117,808	115,068	117,808	115,068	115,068	123,292	115,068	1,400,000
Dawn Delivery	217,899	665,837	644,358	665,837	665,837	644,358	665,837	0	0	0	0	0	4,169,961
Parkway Delivery	778,988	989,909	957,977	989,909	989,909	957,977	989,909	0	0	0	0	0	6,654,578
Western Delivery	291,051	300,752	291,051	300,752	300,752	291,051	300,752	0	0	0	0	0	2,076,161
Union Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4,013,441</u>	<u>3,345,062</u>	<u>3,879,235</u>	<u>3,850,527</u>	<u>2,198,995</u>	<u>17,287,260</u>
Total	1,487,938	2,156,498	2,093,385	2,156,498	2,156,498	2,093,385	2,156,498	4,213,441	3,545,062	4,079,235	4,050,527	2,398,995	32,587,960
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.169949	0.169949	0.169949	0.169949	0.169949	0.169949	0.169949	0.169949	0.169949	0.169949	0.169949	0.169949	
Dawn Delivery	0.184886	0.128950	0.131802	0.131802	0.131802	0.131802	0.131802	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.181686	0.167230	0.168039	0.168039	0.168039	0.168039	0.168039	0.000000	0.000000	0.000000	0.000000	0.000000	
Western Delivery	0.152350	0.152350	0.152350	0.152350	0.152350	0.152350	0.152350	0.000000	0.000000	0.000000	0.000000	0.000000	
Union Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.131678	0.131678	0.131678	0.131678	0.131678	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	24,756	25,582	24,756	25,582	25,582	24,756	25,582	24,756	25,582	25,582	23,104	25,582	301,200
Local Production (B)	20,021	19,556	20,021	19,556	19,556	20,021	19,556	20,021	19,556	19,556	20,953	19,556	237,929
Dawn Delivery	40,286	85,860	84,928	87,759	87,759	84,928	87,759	0	0	0	0	0	559,277
Parkway Delivery	141,531	165,543	160,977	166,343	166,343	160,977	166,343	0	0	0	0	0	1,128,059
Western Delivery	44,342	45,820	44,342	45,820	45,820	44,342	45,820	0	0	0	0	0	316,303
Union Gas	0	0	0	0	0	0	0	528,482	440,471	510,810	507,030	289,559	2,276,352
TCPL Transportation	<u>21,862</u>	<u>22,591</u>	<u>21,395</u>	<u>22,591</u>	<u>22,591</u>	<u>21,862</u>	<u>22,591</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>155,483</u>
Total	292,799	364,950	356,419	367,650	367,650	356,886	367,650	573,259	485,608	555,947	551,087	334,696	4,974,602

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2015 THROUGH MARCH, 2017

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H (1)	Reference Price (\$/M ³) I	Inventory Revaluation (\$s) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$s) L=KxD	Y-T-D GPRA Balance (\$s) M (2)	Monthly Interest (\$s) N	Y-T-D Interest (\$s) O (3)	Total Y-T-D GPRA (\$s) P=M+O	Monthly Interest Rate
April	4,127,421	4,835,304	2,975,883	1,859,421	0	1,859,421	2,268,000	-1,170,892	0.208718	0.00	0.006929	12,883.93	-158,706.85	-157.29	-728.81	-159,435.66	1.10%
May	1,872,374	3,108,577	2,213,447	895,130	0	895,130	977,244	-193,648	0.208718	0.00	0.006929	6,202.36	-152,504.49	-145.48	-874.29	-153,378.78	1.10%
June	2,146,678	3,387,526	2,861,441	526,085	0	526,085	1,620,593	1,426,945	0.208718	-10,766.30	0.006929	3,645.24	-159,625.55	-139.80	-1,014.09	-160,639.64	1.10%
July	1,909,461	3,334,364	2,909,523	424,841	0	424,841	1,484,620	2,911,565	0.201173	0.00	0.006337	2,692.22	-156,933.33	-146.32	-1,160.41	-158,093.74	1.10%
August	1,909,176	3,700,737	2,986,905	713,832	0	713,832	1,195,344	4,106,908	0.201173	0.00	0.006337	4,523.55	-152,409.78	-143.86	-1,304.27	-153,714.05	1.10%
September	1,819,252	4,207,983	3,094,358	1,113,625	0	1,113,625	705,627	4,812,536	0.201173	-40,839.18	0.006337	7,057.04	-186,191.92	-139.71	-1,443.98	-187,635.90	1.10%
October	1,974,108	5,060,019	3,068,720	1,991,299	0	1,991,299	-17,191	4,795,345	0.192687	0.00	0.007028	13,994.85	-172,197.07	-170.68	-1,614.66	-173,811.73	1.10%
November	1,985,610	5,578,844	3,272,950	2,305,894	0	2,305,894	-320,284	4,475,061	0.192687	0.00	0.007028	16,205.82	-155,991.25	-157.85	-1,772.51	-157,763.76	1.10%
December	2,092,731	6,292,126	3,720,573	2,571,553	0	2,571,553	-478,822	3,996,239	0.192687	-44,761.87	0.007028	18,072.87	-182,680.25	-142.99	-1,915.50	-184,595.75	1.10%
January	2,077,452	7,116,213	3,699,701	3,416,512	0	3,416,512	-1,339,060	2,657,179	0.181486	0.00	0.005152	17,601.87	-165,078.38	-167.46	-2,082.96	-167,161.34	1.10%
February	2,030,272	7,698,962	3,648,435	4,050,527	0	4,050,527	-2,020,255	636,924	0.181486	0.00	0.005152	20,868.32	-144,210.06	-151.32	-2,234.28	-146,444.34	1.10%
March	1,530,869	6,317,069	3,918,074	2,398,995	0	2,398,995	-868,126	-231,202	0.181486	8,407.89	0.005152	12,359.62	-123,442.54	-132.19	-2,366.47	-125,809.01	1.10%
April	1,487,938	4,949,806	3,174,991	1,774,815	0	1,774,815	-286,877	-518,079	0.145120	0.00	0.004746	8,423.27	-115,019.27	-113.16	-2,479.63	-117,498.90	1.10%
May	2,156,498	4,337,042	3,564,787	772,255	0	772,255	1,384,243	866,164	0.145120	0.00	0.004746	3,665.12	-111,354.15	-105.43	-2,585.06	-113,939.21	1.10%
June	2,093,385	3,889,961	3,355,714	534,247	0	534,247	1,559,138	2,425,302	0.145120	0.00	0.004746	2,535.54	-108,818.61	-102.07	-2,687.13	-111,505.74	1.10%
July	2,156,498	3,370,949	2,915,172	455,777	0	455,777	1,700,721	4,126,023	0.145120	0.00	0.004746	2,163.12	-106,655.49	-99.75	-2,786.88	-109,442.37	1.10%
August	2,156,498	3,981,486	2,963,453	1,018,033	0	1,018,033	1,138,465	5,264,488	0.145120	0.00	0.004746	4,831.58	-101,823.91	-97.77	-2,884.65	-104,708.56	1.10%
September	2,093,385	4,581,850	3,117,390	1,464,460	0	1,464,460	628,925	5,893,413	0.145120	0.00	0.004746	6,950.33	-94,873.58	-93.34	-2,977.99	-97,851.57	1.10%
October	2,156,498	5,347,058	2,953,074	2,393,984	0	2,393,984	-237,486	5,655,927	0.145120	0.00	0.004746	11,361.85	-83,511.73	-86.97	-3,064.96	-86,576.69	1.10%
November	4,213,441	8,031,699	3,818,258	4,213,441	0	4,213,441	0	5,655,927	0.145120	0.00	0.004746	19,996.99	-63,514.74	-76.55	-3,141.51	-66,656.25	1.10%
December	3,545,062	7,547,799	4,002,737	3,545,062	0	3,545,062	0	5,655,927	0.145120	0.00	0.004746	16,824.86	-46,689.88	-58.22	-3,199.73	-49,889.61	1.10%
January	4,079,235	8,145,577	4,066,342	4,079,235	0	4,079,235	0	5,655,927	0.145120	0.00	0.004746	19,360.05	-27,329.83	-42.80	-3,242.53	-30,572.36	1.10%
February	4,050,527	7,698,962	3,648,435	4,050,527	0	4,050,527	0	5,655,927	0.145120	0.00	0.004746	19,223.80	-8,106.03	-25.05	-3,267.58	-11,373.61	1.10%
March	2,398,995	6,317,069	3,918,074	2,398,995	0	2,398,995	0	5,655,927	0.145120	0.00	0.004746	11,385.63	3,279.60	-7.43	-3,275.01	4.59	1.10%

(1) Includes balance of -3,438,892 as of March, 2015
(2) Includes balance of -171,590.78 as of March, 2015
(3) Includes balance of -571.52 as of March, 2015

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-15 <u>EB-2015-0046</u>	Quarter Starting 01-Apr-16 <u>EB-2016-0049</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	329.4	329.4		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$51.58	\$53.47	\$1.88	3.6%
Total Commodity Charges	<u>\$71.15</u>	<u>\$49.49</u>	<u>(\$21.67)</u>	<u>-30.5%</u>
Total Customer Charges	\$163.24	\$143.45	(\$19.79)	-12.1%

ANNUAL BILL IMPACT

	01-Jan-16 <u>EB-2015-0345</u>	01-Apr-16 <u>EB-2016-0049</u>	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$326.15	\$326.15	\$0.00	0.0%
Total Commodity Charges	<u>\$375.76</u>	<u>\$301.87</u>	<u>(\$73.89)</u>	<u>-19.7%</u>
Total Customer Charges	\$863.91	\$790.02	(\$73.89)	-8.6%

RATES USED

	01-Apr-15 <u>EB-2015-0046</u>	01-Jan-16 <u>EB-2015-0345</u>	01-Apr-16 <u>EB-2016-0049</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.156601	0.162312	0.162312
Total Commodity Charge	0.216010	0.187001	0.150229

**APPENDIX "A" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2016-0049
DATED MARCH XX, 2016**

NATURAL RESOURCE GAS LIMITED

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

All customers.

Rate

a)	Monthly Fixed Charge	\$13.50
	Rate Rider for Shared Tax Changes - effective until September 30, 2016	\$0.13
b)	Delivery Charge	
	First 1,000 m ³ per month	16.2312 cents per m ³
	All over 1,000 m ³ per month	10.9099 cents per m ³
c)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

NATURAL RESOURCE GAS LIMITED

RATE 2 - Seasonal Service

Rate Availability

The entire service area of the company.

Eligibility

All customers.

Rate

For all gas consumed from:	April 1 through October 31:	November 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
Rate Rider for Shared Tax Changes - effective until September 30, 2016	\$0.24	
b) Delivery Charge		
First 1,000 m ³ per month	15.8212 cents per m ³	19.9424 cents per m ³
Next 24,000 m ³ per month	9.4826 cents per m ³	15.6960 cents per m ³
All over 25,000 m ³ per month	6.1698 cents per m ³	15.2899 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

NATURAL RESOURCE GAS LIMITED

RATE 3 - Special Large Volume Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 113,000 m³.

Rate

1. Bills will be rendered monthly and shall be the total of:

- a) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00 for firm or interruptible customers; or
A Monthly Customer Charge of \$175.00 for combined (firm and interruptible) customers.

Rate Rider for Shared Tax Changes - effective until September 30, 2016 \$10.53

- b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 cents per m³ for each m³ of daily contracted firm demand.

- c) A Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 4.0357 cents per m³,
- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.

- d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

- e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

NATURAL RESOURCE GAS LIMITED

RATE 4 - General Service Peaking

Rate Availability

The entire service area of the company.

Eligibility

All customers whose operations, in the judgment of Natural Resource Gas Limited, can readily accept interruption and restoration of gas service with 24 hours notice.

Rate

For all gas consumed from:	April 1 through December 31:	January 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
Rate Rider for Shared Tax Changes - effective until September 30, 2016	\$0.69	
b) Delivery Charge		
First 1,000 m ³ per month	15.8149 cents per m ³	20.1755 cents per m ³
All over 1,000 m ³ per month	10.5218 cents per m ³	16.9052 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

NATURAL RESOURCE GAS LIMITED

RATE 5 - Interruptible Peaking Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a daily contracted demand for interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 50,000 m³.

Rate

1. Bills will be rendered monthly and shall be the total of:

a) Monthly Fixed Charge \$150.00.

Rate Rider for Shared Tax Changes - effective until September 30, 2016 \$3.81

b) A Monthly Delivery Charge:

A Monthly Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 8.4612 cents per m³ and not to be less than 5.4612 per m³.

c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

d) Overrun Gas Charge:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, the matters to be considered include:

a) The volume of gas for which the customer is willing to contract;

- b) The load factor of the customer's anticipated gas consumption and the pattern of annual use and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 7.1995 cents per m³ for interruptible gas.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

NATURAL RESOURCE GAS LIMITED

RATE 6 – Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility

Rate Availability

Rate 6 is available to the Integrated Grain Processors Co-Operative, Aylmer Ethanol Production Facility only.

Eligibility

Integrated Grain Processors Co-Operative's ("IGPC") ethanol production facility located in the Town of Aylmer

Rate

1. Bills will be rendered monthly and shall be the total of:

a) Monthly Customer Charge of \$150.00 for firm services

Rate Rider for reduction in Aid to Construct - effective until September 30, 2016 \$(41,786.54)

Rate Rider for Shared Tax Changes - effective until September 30, 2016 \$380.13

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.8392 cents per m³ for each m³ of daily contracted firm demand.

c) A Monthly Delivery Charge:

(i) A Monthly Firm Delivery Charge for all firm volumes of 3.8894 cents per m³,

(ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and IGPC not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.

d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, IGPC should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to IGPC on such day, or if, on any day, IGPC fails to comply with any curtailment notice reducing IGPC's take of gas, then,

(i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or

(ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 6 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, IGPC shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which IGPC is willing to contract;
- b) The load factor of IGPC's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which IGPC is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, IGPC shall take delivery from the company, or in any event pay for it if available and not accepted by the IGPC, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the IGPC during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where IGPC elects under this rate schedule to directly purchase its gas from a supplier other than NRG, IGPC or its agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by NRG, IGPC, when delivering gas to NRG under direct purchase arrangements, must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

NATURAL RESOURCE GAS LIMITED

SCHEDULE A – Gas Supply Charges

Rate Availability

Entire service area of the company.

Eligibility

All customers served under Rates 1, 2, 3, 4, 5 and 6.

Rate

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2016-0049)	14.5120 cents per m ³
GPRA Recovery Rate	(EB-2016-0049)	0.4746 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>15.0229</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

NATURAL RESOURCE GAS LIMITED

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

Rate BT1 is available to all customers or their agent, who enter into a Receipt Contract for delivery of gas to NRG. The availability of this option is subject to NRG obtaining a satisfactory agreement or arrangement with Union Gas and NRG's gas supplier for direct purchase volume and DCQ offsets.

Eligibility

All customers electing to purchase gas directly from a supplier other than NRG must enter into a Bundled T-Service Receipt Contract with NRG either directly or through their agent, for delivery of gas to NRG at a mutually acceptable delivery point.

Rate

For gas delivered to NRG at any point other than the Ontario Point of Delivery, NRG will charge a customer or their agent, all approved tolls and charges incurred by NRG to transport the gas to the Ontario Point of Delivery.

Note:

Ontario Point of Delivery means Dawn or Parkway on the Union Gas System as agreed to by NRG and NRG's customer or their agent.

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

NATURAL RESOURCE GAS LIMITED

Transmission Service

Availability

Transmission Service charges shall be applied to Natural Resource Gas Corp.

Eligibility

Only Natural Resource Gas Corp. shall be charged the Transmission Service Rate. Fees and Charges will be applied only in those months that NRG Corp. delivers gas to a delivery point on NRG's system.

Rate

Administrative Charge	\$250/month
Transportation Rate	\$0.95/mcf

Effective: April 01, 2016

Implementation: All bills rendered on or after April 01, 2016

EB-2016-0049

**APPENDIX "B" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2016-0049
DATED MARCH XX, 2016**

NATURAL RESOURCE GAS LIMITED

Accounting Entries for the Purchased Gas Commodity Variance Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the decrease (increase) to reflect the projected changes in gas costs and prospective recovery of the balances of the gas supply deferral accounts approved by the Board for rate making purposes.

Debit/Credit Account No. 179-27 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 623 Cost of Gas

To record as a debit (credit) in Deferral Account No. 179-28, interest on the balance in Deferral Account

Debit/Credit Account No. 179-28 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**APPENDIX "C" TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2016-0049
DATED MARCH XX, 2016**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

Gas Commodity:

On all bills rendered by Natural Resource Gas Limited (“NRG”) on or after April 1, 2016, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.036772 per cubic meter to \$0.150229 per cubic meter. The Ontario Energy Board (“OEB”) has approved this change to reflect the prices that NRG expects that it will be paying to its gas suppliers through to the end of March 2017. On your gas bill this cost is on the line it entitled “Gas Commodity”.

As a regulated utility, NRG is permitted to recover what it pays for the purchase of gas plus any costs reasonably associated with this purchase but with no mark up or ‘profit’. The price the utility charges you is based on the forecasted gas and transportation costs to NRG, which are periodically reviewed by the OEB and reconciled with actual costs. The gas commodity portion gets adjusted regularly throughout the year as the price of the gas commodity changes.

How will the price change impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,009 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$74 per year. For customers who have arranged to have their gas supplied by a gas marketer/broker, the price may or may not change depending on the terms of the contract the customer has with the gas marketer/broker.

If you have any questions about the changes in rates or any other item that appears on your bill, please feel free to call our office at 519-773-5321.

We would like to thank you for choosing to make natural gas your energy of choice.