

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 July 1, 2009;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2009-0062 Decision and Order dated March 19, 2009 the Board approved a PGCVA reference price of \$0.315331 per m³ and a gas supply charge of \$0.313938 per m³, both effective April 1, 2009.
2. Based on actual and forecast natural gas prices for the July, 2008 through June, 2009 period the PGCVA balance is projected to be a credit of approximately \$2 per residential customer. If unadjusted, the projected PGCVA balance at the end of June, 2010 would be a credit of approximately \$25 per residential customer.
3. The PGTVA balance is projected to have a credit balance of approximately \$7 per residential customer over this period. NRG is not requesting any change to the PGTVA reference price in this proceeding. The actual PGTVA balance at the end of Fiscal 2009 will be disposed of through a separate application.
4. NRG hereby applies to the Board for further orders effective July 1, 2009 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2009-0062 rate order for use in determining the amounts to be recorded in the

Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.012378 per m³ from the Board approved level of \$0.315331 per m³ to \$0.302953 per m³;

- b) an order changing the rates and other charges from those authorized by the Board's EB-2009-0062 rate order to reflect a projected \$0.013208 per m³ change in the gas supply charge from the Board approved level of \$0.313938 m³ to a projected cost of \$0.300730 per m³. This change is the sum of the change in the PGCVA reference price and the change required to prospectively clear the balance of the GPRA.

5. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2005-0544.

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

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Dated at Aylmer, Ontario, this 1st day of June, 2009.

NATURAL RESOURCE GAS LIMITED

Jack Howley
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2009-0062 Decision and Order dated March 19, 2009 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.315331 per m³ and a gas supply charge of \$0.313938 per m³, both effective April 1, 2009.

In EB-2005-0544 (Decision with Reasons dated September 20, 2006), the Board approved a Purchased Gas Transportation Variance Account (“PGTVA”) reference price of \$0.019029 per m³, effective October 1, 2006.

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. In EB-2009-0062, the Board approved a GPRA rate of \$(0.003221) per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective July 1, 2009 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

NRG is not proposing any change to the PGTVA reference price as part of this proceeding.

PGCVA

Updated Forecasts

The purpose of this evidence is to provide the projected PGCVA account balance for the twelve-month period ending June, 2009 and for the twelve-month period ending June, 2010. Based on actual and forecast costs, the PGCVA account balance totals a credit of

June, 2009

1 \$2.02 per residential customer for the twelve month period ending June, 2009 (Schedule
2 2). This credit, in the absence of a change in the PGCVA reference price, would become
3 a credit of \$24.99 per residential customer by the end of June, 2010 (Schedule 5).

4
5 The current forecast reflects the forecast for natural gas prices over the relevant period.
6 These gas prices reflect current market conditions, including alternative energy prices,
7 demand for natural gas, the weather outlook and the impact of current storage levels.

8
9 The PGCVA balance has been calculated using the most recent information available,
10 including actual volumes and costs through April, 2009. The remaining months in the
11 twelve-month period ending June, 2009 are calculated using estimated prices based on
12 the best information available at the time of filing. Forecast prices have been used for the
13 period July, 2009 through June, 2010 period, except where actual contracted prices are
14 available.

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

18
19 Gas Supply Portfolio

20 NRG's gas supply portfolio includes local production, deliveries of Western Canadian
21 gas at the Alberta border and purchases at Parkway on the Union Gas ("Union") system.
22 When required, NRG also purchases additional gas when required. The requirement for
23 these purchases is discussed below. This gas may be Ontario Delivered gas or additional
24 deliveries at Parkway or at the Alberta border.

25
26 NRG is required to balance its total supply with its total demand on the Union Gas
27 system on an annual basis, at the time that the direct purchase contract with Union Gas is
28 renewed. This may entail NRG purchasing gas or shedding excess gas.

NRG is a direct purchase customer on the Union Gas system. Under its bundled transportation contract, NRG is obligated to deliver a fixed amount of gas each day to Union. This amount is determined by Union and is based on the expected annual volume divided by 365.

Additional gas may be purchased in the period leading up to the end of February of each year if required for NRG to meet its forecast banked gas account winter balancing checkpoint on the Union Gas system at the end of February if consumption is greater than forecast. The Board approved this requirement for Bundled-T customers on Union's system in RP-2003-0063 (Decisions with Reasons, dated March 18, 2004). As a result of the colder than normal weather experienced this winter, NRG was required by Union to bring in additional supplies in January and February, 2009.

NRG is currently required to deliver 1,500 GJ/day to Union Gas. Of this amount, NRG had assigned a total of 180 GJ/day to its direct purchase customers, leaving 1,320 GJ/day for system gas customers. The composition of this 1,320 GJ/day was 581 GJ/day at AECO and 739 GJ/day at Parkway. Effective May 1, 2009, 62 GJ/day of capacity assigned to a direct purchase marketer has been returned to NRG. This has increased NRG's deliveries for system gas customers to 1,382 GJ/day, as shown in Schedules 4 and 7. These deliveries are all at AECO, increasing the deliveries at AECO and the associated TCPL capacity used for system gas customers from 581 GJ/day to 643 GJ/day.

The composition of the gas deliveries for direct purchase and system gas customers for the July, 2009 through June, 2010 period is shown in the following table. Please note that these figures do not include the direct purchase deliveries associated with a large ethanol plant served by NRG.

GJ/s per Day

Delivery Point	
Direct Purchase	118
AECO	643
Parkway	739

Dawn	0
Total	1,500

In addition to the obligated deliveries described above, NRG purchases gas from local producers in its franchise area.

As indicated previously, NRG is required to balance its supply with its demand on the Union system to within +/- 4% at the end of the contract year under its bundled transportation contract with Union. The bundled transportation contract year-end corresponds with the end of NRG's fiscal year (September 30). NRG purchases additional balancing gas or sells gas and/or reduces deliveries such that total demand on the Union system is offset by the supply provided to Union Gas to remain within the contract parameters.

The composition of the gas supply portfolio volumes for the July, 2008 through June, 2009 period is shown on the top of Schedule 3. This schedule shows the monthly volume of gas purchased or forecast to be purchased from local producers, obligated deliveries at Parkway and the Alberta border (Western), and balancing gas (Ontario Delivered). Similarly, the composition of the gas supply portfolio volumes for the July, 2009 through June, 2010 period is shown on the top of Schedule 6.

Gas Costs

NRG's actual and forecast gas costs for the July, 2008 through June, 2009 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account balances. The conversion factors used are also shown in Schedule 4. All prices shown are actual prices paid in July, 2008 through April, 2009. Prices for the remaining months in this period are based on estimated and contracted prices to be paid in these months.

1 Prices for July, 2009 through June, 2010 are based on prices averaged over 10 days in the
2 period May 5, 2009 through May 19, 2009. These prices have been utilized in
3 calculating the prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule
4 6 in $\$/\text{m}^3$. Gas prices for each of the sources of supply are described below. In addition
5 to the above, contracted prices have been used where purchase decisions have been made.
6

7 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This
8 refers to gas that is produced in NRG's franchise area and purchased from a related
9 company. This gas has been contracted for through October, 2009 at a fixed price of
10 $\$0.3012/\text{m}^3$ (Schedule 6). The forecast price of $\$4.040/\text{GJ}$ shown in Schedule 7 for the
11 November, 2009 through June, 2010 period is the forecast price for Dawn gas in these
12 months.
13

14 The second source of local production is noted as "Local Production (B)" in Schedules 4
15 and 7. The price paid for this gas is for Dawn delivery. NRG is not forecasting the
16 purchase of any gas from this source in the July, 2009 through June, 2010 period.
17

18 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at
19 these delivery points is discussed below.
20

21 The Empress price over the July, 2009 through June, 2010 period shown in Schedule 7
22 (Western Deliveries) is based on a combination of forecast prices and actual contracted
23 prices. The average Empress delivery rate forecast is $\$6.133/\text{GJ}$ in July, $\$6.162/\text{GJ}$ in
24 August, $\$6.169/\text{GJ}$ in September and October, $\$7.859/\text{GJ}$ in November through March
25 and $\$6.932/\text{GJ}$ in April through June. Fuel costs of 4% are included in these rates.
26

27 The average Empress delivery rate includes fixed price contracts over this period. These
28 fixed price contract include 465 GJ/day at a price of $\$6.60/\text{GJ}$ (plus fuel) in July through
29 October, 465 GJ/day at a price of $\$8.17/\text{GJ}$ in November through March, and 290 GJ/day
30 at a price of $\$7.40/\text{GJ}$ in April through June.

1 The remaining 178 GJ/day of Empress gas is forecast to be purchased over the July
2 through October period at a price of \$4.185/GJ and at a price of \$5.955/GJ in November
3 through March. In April, 2010 through June, 2010, the remaining 353 GJ/day is forecast
4 to be purchased at a price of \$6.062/GJ. These forecast prices are based on the average
5 price forecasts from the May 5, 2009 through May 19, 2009 period.

6
7 The Parkway price over the July, 2009 through June, 2010 period is also based on a
8 combination of actual contracted prices and forecast prices over this period. In particular,
9 NRG has contracted for 590 GJ/day at a price of \$7.680/GJ over the July through October
10 summer period and a price of \$9.970/GJ over the November through March winter
11 period. NRG has contracted for 370 GJ/day over the April, 2010 through June, 2010
12 period at a price of \$8.55/GJ. The remaining Parkway deliveries over the July, 2009
13 through March, 2010 period of 149 GJ/day have not been contracted for at this time. The
14 forecasted price for this period is \$5.147/GJ in the summer months and \$8.516/GJ in the
15 winter months. The remaining Parkway deliveries of 369 GJ/day in the April, 2010
16 through June, 2010 period have a forecasted price of \$7.82/GJ. All of these forecast
17 prices are based on the price information for the May 5, 2009 through May 19, 2009
18 period.

19
20 NRG is not forecasting the purchase or sale of any delivered gas in September, 2009 for
21 balancing purposes.

22 Other Forecast Assumptions

23 A number of other assumptions have been used to calculate the projected balance in the
24 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been
25 forecast at 4.0%. This ratio has been reflected in the forecast prices shown in the
26 schedules for western deliveries.
27
28

1 TCPL tolls have been forecast at a rate of \$1.19000/GJ. This rate came into effect
2 January 1, 2009 and reflect the current tolls approved on an interim basis by the National
3 Energy Board.

4
5 PGCVA Balance

6 The projected June, 2009 balance in the PGCVA is a credit of \$19,610.32, including a
7 debit of \$46,724.40 in accumulated interest, based on the Board approved short term
8 interest rate. This estimate is based on actual and forecasted purchases and the balance
9 brought forward from June, 2008. The PGCVA credit amounts to a rebate of
10 approximately \$2.02 for a typical residential customer consuming approximately 2,056
11 m³ per year. These figures are shown on Schedule 2. The interest rate used is that
12 prescribed by the Board.

13
14 Proposed PGCVA Rate Changes

15 Schedule 5 shows the impact at the end of the twelve-month period beginning July, 2009
16 if no change is made to the reference price. At the end of June, 2010, the balance in the
17 PGCVA is a credit balance of \$230,775.80, including a debit balance of \$44,699.13 in
18 accumulated interest. This represents a rebate of \$24.99 for a residential customer
19 consuming approximately 2,009 m³ per year.

20
21 NRG proposes to adjust the reference price effective July 1, 2009 based on the projected
22 accumulated balance in the PGCVA as of the end of June, 2009 and the forecasted cost of
23 gas over the 12 month period beginning July, 2009 and ending June, 2010. The reference
24 price will be set such that the projected PGCVA balance at the end of June, 2010 would
25 be close to zero.

26
27 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
28 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
29 applications, which were accepted by the Board. In those proceedings, NRG indicated
30 that its customers had made clear their opinion on retroactive adjustments. A large

percentage of NRG's gas sales volumes are agriculturally based and these customers cannot recover any retroactive charges. The proposal contained in this application is designed to minimize, and eliminate where possible, the existence of further retroactive billing adjustments.

NRG proposes to change the reference price by \$0.012378 per m³ effective July 1, 2009, from \$0.315331 per m³ to \$0.302953 per m³. The derivation of this rate is shown in Schedule 8. This is the reference price required to bring the PGCVA balance close to zero on a twelve month forecast basis. This change will also be reflected in the gas commodity charge.

GAS PURCHASE REBALANCING ACCOUNT

The impact on the GPRA of the proposed July 1, 2009 change in the PGCVA reference price from \$0.315331 per m³ to \$0.302953 per m³ is a credit of \$39,432.40, as shown on Schedule 9. This figure is shown in column (J) of Schedule 9 and on the June, 2009 line. It is calculated as the change in the PGCVA reference price between July and June, multiplied by the cumulative inventory balance at the end of June. This cumulative inventory balance is the sum of the actual monthly inventory balances for March, 2009 and forecasts for the subsequent months. These forecasts will be replaced with actual balances for these months in subsequent QRAM applications as this information becomes available. As well, the monthly inventory balances are based on a deemed level of unaccounted for gas ("UFG") of the total throughput volume, as shown in column (E) of Schedule 9. The 0.0% is the Board approved level of UFG from EB-2005-0544.

NRG proposes to adjust the gas commodity charge effective July 1, 2009 based on the projected accumulated balance in the GPRA. The adjustment to the gas commodity charge will be set such that the projected GPRA balance at the end of June, 2010, would be close to zero. The rate required to achieve this is shown in column (K) on Schedule 9.

Column (P) shows the reduction of the inventory revaluation debit based on this rate of \$(0.004051) per m³ over the July, 2009 through June, 2010 period.

NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need for retroactive adjustments. This is consistent with NRG's proposal for the continued prospective clearance of the PGCVA and is made with the same reasons in mind as outlined above for the PGCVA. This change will also be reflected in the gas commodity charge.

GAS COMMODITY CHARGE

The system gas supply cost of \$0.001828 per m³ will be maintained. This figure represents the functionalization of additional costs over and above the commodity and transportation costs that form the PGCVA reference price to the gas supply function. These additional costs are portions of the wages and benefits, management fee, return on rate base (working cash) and income taxes. This functionalization is unchanged from that approved in EB-2005-0544.

The change in the gas commodity charge proposed for July 1, 2009 is summarized below. The change in the gas commodity charge reflects both the change in the PGCVA reference price and the change in the recovery of the inventory revaluation amount in the GPRA. The change in the gas commodity charge is as follows:

	EB-2008-0377 Jan. 1, 2008	Proposed April 1, 2009	Difference
PGCVA Reference Price	\$0.315331	\$0.302953	\$(0.012378)
GPRA Recovery	\$(0.003221)	\$(0.004051)	\$(0.000830)
System Gas Supply Cost	<u>\$0.001828</u>	<u>\$0.001828</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.313938	\$0.300730	\$(0.013208)

PGTVA

PGTVA Balance

Based on the current reference price of \$0.019029 per m³, the projected June, 2009 balance in the PGTVA is a credit of \$205,990.17 including a credit of \$1,431.75 in accumulated interest, based on the Board approved short term interest rate. This estimate is based on actual and forecasted costs over this period and assumes disposition of the balance at the end of September, 2008 through a separate proceeding (EB-2009-0020) which will be filed at a later date. The PGTVA credit amounts to a rebate of approximately \$9.14 for a typical residential customer consuming approximately 2.056 m³ per year. These figures are shown on Schedule 10.

Schedule 11 shows the impact at the end of the twelve-month period beginning July, 2009 based on the reference price of \$0.019029 per m³. At the end of June, 2010 the balance in the PGTVA is a credit balance of \$184,027.49, including a credit balance of \$768.03 in accumulated interest. This represents a rebate of \$7.02 for a residential customer consuming approximately 2,009 m³ per year. This balance also assumes that the balance in the account at the end of NRG's fiscal 2009 year would be disposed of through a separate proceeding.

The balance in the PGTVA forms part of the distribution delivery rate charged by NRG and, as such, is not impacted by changes in gas costs. NRG is not proposing to change the PGTVA reference price as part of this gas cost proceeding. NRG plans to dispose of the actual balance in the PGTVA at the end of September, 2008 based on final fiscal year delivery volumes by way of a one-time rebate to customers based on their actual consumption in fiscal 2008. The same approach would be taken related to the fiscal 2009 balance in this account. This is the same approach as approved by the Board in EB-2008-0051 for the actual balance in the PGTVA at the end of September, 2007. NRG expects to file a separate application to clear this balance when the fiscal 2008 figures have been finalized.

1 **SUMMARY**

2 In summary, NRG proposes to change the reference price for amounts to be recorded in
3 the Purchased Gas Commodity Variance Account from \$0.315331 by \$0.012378 to
4 \$0.302953 per m³ effective July 1, 2009. This change is shown in Appendix B.

5
6 NRG also proposes to change the gas supply charge from \$0.313938 to \$0.300730 per m³
7 effective July 1, 2009. This change reflects the change of \$0.012378 per m³ related to the
8 change in the PGCVA reference price, as described above and the change of \$0.000830
9 per m³ related to the recovery of the GPRA balance, also as described above. These
10 changes apply to all system gas customers served under Rates 1, 2, 3, 4 and 5. There are
11 no other changes to these rate schedules. The proposed rate schedules are attached as
12 Appendix A. The proposed customer notices are attached as Appendix C.

13
14 Schedule 12 provides a residential bill comparison showing the impact of the proposed
15 changes on a year over year basis for the appropriate quarter as well as the annual bill
16 impact of the most recent quarterly change. The annual bill impact on a customer
17 consuming approximately 2,009 m³ is a decrease of \$26.54.

18

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - JULY, 2008 TO JUNE, 2009

Act/Fcst	Month	Purchase Cost (\$'s)	M*3	Actual/ 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
Actual	July	609,587	1,451,773	0.419891	0.438512	0.018621	27,033.47	(126,808.26)	(429.47)	(45,652.67)	26,604.00	(172,460.93)	34.4	3.35%
Actual	August	533,978	1,360,898	0.392372	0.438512	0.046140	62,791.83	(64,016.43)	(354.01)	(46,006.68)	62,437.82	(110,023.11)	36.6	3.35%
Actual	September	517,030	1,338,744	0.386205	0.438512	0.052307	70,025.70	6,009.27	(178.71)	(46,185.39)	69,846.99	(40,176.12)	43.6	3.35%
Actual	October	569,459	1,544,566	0.368685	0.373181	0.004496	6,944.37	12,953.64	16.78	(46,168.61)	6,961.15	(33,214.97)	108.9	3.35%
Actual	November	645,525	1,638,596	0.393950	0.373181	(0.020769)	(34,032.00)	(21,078.36)	36.16	(46,132.45)	(33,995.84)	(67,210.81)	218.4	3.35%
Actual	December	615,049	1,532,894	0.401233	0.373181	(0.028052)	(43,000.76)	(64,079.12)	(58.84)	(46,191.29)	(43,059.60)	(110,270.41)	335.2	3.35%
Actual	January	728,826	1,991,241	0.366016	0.347919	(0.018097)	(36,035.49)	(100,114.61)	(130.83)	(46,322.12)	(36,166.32)	(146,436.73)	376.6	2.45%
Actual	February	947,194	2,910,653	0.325423	0.347919	0.022496	65,478.05	(34,636.56)	(204.40)	(46,526.52)	65,273.65	(81,163.08)	308.7	2.45%
Actual	March	610,073	1,559,942	0.391087	0.347919	(0.043168)	(67,339.58)	(101,976.14)	(70.72)	(46,597.24)	(67,410.30)	(148,573.38)	264.3	2.45%
Actual	April	417,022	1,464,707	0.284714	0.315331	0.030617	44,844.95	(57,131.19)	(84.98)	(46,682.22)	44,759.97	(103,813.41)	186.6	1.00%
Forecast	May	453,114	1,638,809	0.276490	0.315331	0.038841	63,652.99	6,521.80	(47.61)	(46,729.83)	63,605.38	(40,208.03)	89.7	1.00%
Forecast	June	<u>420,144</u>	<u>1,522,073</u>	<u>0.276034</u>	0.315331	0.039297	<u>59,812.92</u>	<u>66,334.72</u>	<u>5.43</u>	<u>(46,724.40)</u>	<u>59,818.35</u>	<u>19,610.32</u>	<u>53.1</u>	1.00%
	Total	7,067,002	19,954,898	0.354149			220,176.45	66,334.72	(1,501.20)	(46,724.40)	218,675.25	19,610.32	2,056.1	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.000983
Forecast Average Residential Consumption per Customer 2,056.1 M*3
Estimated Impact on Average Residential Customer \$2.02 Customer Rebate

(1) Includes balance of (153,841.73) as of June, 2008
(2) Includes balance of (45,223.20) as of June, 2008

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

TWELVE MONTH PERIOD - JULY, 2008 TO JUNE, 2009

	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	361,419	442,207	436,609	465,284	435,328	436,359	402,672	361,080	429,154	416,742	500,000	420,000	5,106,855
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	610,433	439,983	438,294	604,234	650,763	600,696	602,336	2,098,779	607,605	586,702	608,958	589,314	8,438,097
Western Delivery	479,921	478,708	463,841	475,048	552,505	495,839	497,192	450,794	501,541	461,264	529,851	512,759	5,899,262
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>489,041</u>	<u>0</u>	<u>21,642</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>510,684</u>
Total	1,451,773	1,360,898	1,338,744	1,544,566	1,638,596	1,532,894	1,991,241	2,910,653	1,559,942	1,464,707	1,638,809	1,522,073	19,954,898

Price (\$/m3)

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)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.460999	0.438667	0.432148	0.392771	0.424278	0.437236	0.431961	0.306209	0.425621	0.274437	0.264205	0.264431	
Western Delivery	0.404449	0.381368	0.370200	0.351069	0.387142	0.394797	0.392240	0.391340	0.385144	0.237923	0.222522	0.223989	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.267675	0.000000	0.351362	0.000000	0.000000	0.000000	

Total Gas Cost (\$)

Local Production (A)	108,859	133,193	131,507	140,144	131,121	131,431	121,285	108,757	129,261	125,523	150,600	126,504	1,538,185
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	281,409	193,006	189,408	237,325	276,105	262,646	260,185	642,664	258,609	161,013	160,890	155,833	3,079,094
Western Delivery	194,103	182,564	171,714	166,774	213,898	195,756	195,019	176,414	193,165	109,745	117,904	114,852	2,031,908
Ontario Delivered Gas	0	0	0	0	0	0	130,904	0	7,604	0	0	0	138,508
TCPL Transportation	<u>25,215</u>	<u>25,215</u>	<u>24,402</u>	<u>25,215</u>	<u>24,402</u>	<u>25,215</u>	<u>21,433</u>	<u>19,359</u>	<u>21,433</u>	<u>20,742</u>	<u>23,720</u>	<u>22,955</u>	<u>279,307</u>
Total	609,587	533,978	517,030	569,459	645,525	615,049	728,826	947,194	610,073	417,022	453,114	420,144	7,067,002

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

TWELVE MONTH PERIOD - JULY, 2008 TO JUNE, 2009

	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Apr-09</u>	<u>May-09</u>	<u>Jun-09</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	8.026	8.005	8.015	7.944	7.913	7.898	7.919	7.950	7.989	7.971	8.006	8.006
Local Production (B) (\$/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
<u>Dawn</u> (\$/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
<u>Parkway</u> (\$/GJ)	12.284	11.659	11.500	10.359	11.147	11.465	11.357	8.082	11.289	7.263	7.023	7.029
<u>Western Deliveries</u> (\$/GJ)	10.777	10.136	9.852	9.260	10.171	10.352	10.313	10.329	10.215	6.296	5.915	5.954
Fuel Ratio (%)	3.96%	3.96%	4.48%	4.48%	3.97%	4.43%	4.59%	4.75%	3.61%	3.27%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.399990	1.399990	1.399990	1.399990	1.399990	1.399990	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000
GJ/day (TCPL)	581	581	581	581	581	581	581	581	581	581	643	643
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)	1,320	1,115	1,130	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,382	1,382
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	7.038	0.000	9.319	0.000	0.000	0.000
Heat Value (GJ/103m3)	37.53	37.62	37.58	37.91	38.06	38.14	38.03	37.89	37.70	37.79	37.62	37.62

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2009 TO JUNE, 2010
(NO 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
July	418,727	1,498,809	0.279373	0.315331	0.018621	53,894.18	120,228.90	55.28	(46,669.12)	53,949.46	73,559.78	40.9	1.00%
August	443,310	1,578,809	0.280788	0.315331	0.046140	54,536.80	174,765.70	100.19	(46,568.93)	54,636.99	128,196.77	42.8	1.00%
September	433,420	1,542,073	0.281063	0.315331	0.052307	52,843.77	227,609.47	145.64	(46,423.29)	52,989.41	181,186.18	58.5	1.00%
October	450,980	1,603,809	0.281193	0.315331	0.034138	54,750.84	282,360.31	189.67	(46,233.62)	54,940.51	236,126.69	118.7	1.00%
November	504,302	1,537,073	0.328093	0.315331	(0.012762)	(19,616.13)	262,744.18	235.30	(45,998.32)	(19,380.83)	216,745.86	202.7	1.00%
December	517,272	1,573,809	0.328675	0.315331	(0.013344)	(21,000.91)	241,743.27	218.95	(45,779.37)	(20,781.96)	195,963.90	321.8	1.00%
January	517,272	1,573,809	0.328675	0.315331	(0.013344)	(21,000.91)	220,742.36	201.45	(45,577.92)	(20,799.46)	175,164.44	355.2	1.00%
February	458,499	1,388,602	0.330188	0.315331	(0.014857)	(20,630.46)	200,111.90	183.95	(45,393.97)	(20,446.51)	154,717.93	293.2	1.00%
March	515,948	1,568,809	0.328879	0.315331	(0.013548)	(21,254.23)	178,857.67	166.76	(45,227.21)	(21,087.47)	133,630.46	246.2	1.00%
April	452,018	1,532,073	0.295037	0.315331	0.020294	31,091.90	209,949.57	149.05	(45,078.16)	31,240.95	164,871.41	186.6	1.00%
May	481,829	1,638,809	0.294012	0.315331	0.021319	34,937.77	244,887.34	174.96	(44,903.20)	35,112.73	199,984.14	89.7	1.00%
June	<u>449,370</u>	<u>1,522,073</u>	<u>0.295235</u>	0.315331	0.020096	<u>30,587.59</u>	<u>275,474.93</u>	<u>204.07</u>	<u>(44,699.13)</u>	<u>30,791.66</u>	<u>230,775.80</u>	<u>53.1</u>	1.00%
Total	5,642,948	18,558,559	0.304062			209,140.21	275,474.93	2,025.27	(44,699.13)	211,165.48	230,775.80	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.012435
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$24.99 Customer Rebate

(1) Includes June, 2009 year-to-date balance of \$66,334.72 (See Schedule 2)
(2) Includes June, 2009 year-to-date balance of (\$46,724.40) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2009 TO JUNE, 2010

	<u>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>	<u>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	360,000	440,000	440,000	465,000	435,000	435,000	435,000	360,000	430,000	430,000	500,000	420,000	5,150,000
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	608,958	608,958	589,314	608,958	589,314	608,958	608,958	550,027	608,958	589,314	608,958	589,314	7,169,989
Western Delivery	529,851	529,851	512,759	529,851	512,759	529,851	529,851	478,575	529,851	512,759	529,851	512,759	6,238,570
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,498,809	1,578,809	1,542,073	1,603,809	1,537,073	1,573,809	1,573,809	1,388,602	1,568,809	1,532,073	1,638,809	1,522,073	18,558,559
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.264845	0.264845	0.264845	0.264845	0.264845	0.264845	0.264845	0.264845	
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.269848	0.269698	0.269698	0.269698	0.364049	0.364049	0.364049	0.364049	0.364049	0.307920	0.307920	0.307920	
Western Delivery	0.230723	0.231814	0.232078	0.232078	0.295656	0.295656	0.295656	0.295656	0.295656	0.260782	0.260782	0.260782	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	108,432	132,528	132,528	140,058	115,208	115,208	115,208	95,344	113,883	113,883	132,423	111,235	1,425,937
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	164,326	164,235	158,937	164,235	214,539	221,691	221,691	200,237	221,691	181,462	187,510	181,462	2,282,014
Western Delivery	122,249	122,827	119,000	122,967	151,600	156,654	156,654	141,494	156,654	133,718	138,176	133,718	1,655,710
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	23,720	23,720	22,955	23,720	22,955	23,720	23,720	21,425	23,720	22,955	23,720	22,955	279,287
Total	418,727	443,310	433,420	450,980	504,302	517,272	517,272	458,499	515,948	452,018	481,829	449,370	5,642,948

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NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2009 TO JUNE, 2010
(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
July	418,727	1,498,809	0.279373	0.302953	0.023580	35,341.92	101,676.64	55.28	(46,669.12)	35,397.20	55,007.52	40.9	1.00%
August	443,310	1,578,809	0.280788	0.302953	0.022165	34,994.30	136,670.94	84.73	(46,584.39)	35,079.03	90,086.55	42.8	1.00%
September	433,420	1,542,073	0.281063	0.302953	0.021890	33,755.99	170,426.93	113.89	(46,470.50)	33,869.88	123,956.43	58.5	1.00%
October	450,980	1,603,809	0.281193	0.302953	0.021760	34,898.89	205,325.82	142.02	(46,328.48)	35,040.91	158,997.34	118.7	1.00%
November	504,302	1,537,073	0.328093	0.302953	(0.025140)	(38,642.02)	166,683.80	171.10	(46,157.38)	(38,470.92)	120,526.42	202.7	1.00%
December	517,272	1,573,809	0.328675	0.302953	(0.025722)	(40,481.52)	126,202.28	138.90	(46,018.48)	(40,342.62)	80,183.80	321.8	1.00%
January	517,272	1,573,809	0.328675	0.302953	(0.025722)	(40,481.52)	85,720.76	105.17	(45,913.31)	(40,376.35)	39,807.45	355.2	1.00%
February	458,499	1,388,602	0.330188	0.302953	(0.027235)	(37,818.57)	47,902.19	71.43	(45,841.88)	(37,747.14)	2,060.31	293.2	1.00%
March	515,948	1,568,809	0.328879	0.302953	(0.025926)	(40,672.95)	7,229.24	39.92	(45,801.96)	(40,633.03)	(38,572.72)	246.2	1.00%
April	452,018	1,532,073	0.295037	0.302953	0.007916	12,127.89	19,357.13	6.02	(45,795.94)	12,133.91	(26,438.81)	186.6	1.00%
May	481,829	1,638,809	0.294012	0.302953	0.008941	14,652.59	34,009.72	16.13	(45,779.81)	14,668.72	(11,770.09)	89.7	1.00%
June	<u>449,370</u>	<u>1,522,073</u>	<u>0.295235</u>	0.302953	0.007718	<u>11,747.36</u>	<u>45,757.08</u>	<u>28.34</u>	<u>(45,751.47)</u>	<u>11,775.70</u>	<u>5.61</u>	<u>53.1</u>	1.00%
Total	5,642,948	18,558,559	0.304062			(20,577.64)	45,757.08	972.93	(45,751.47)	(19,604.71)	5.61	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 June, 2009 year-to-date balance of \$66,334.72 (See Schedule 2)

(2) Includes June, 2009 year-to-date balance of (\$46,724.40) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED
GAS PURCHASE REBALANCING ACCOUNT

JULY, 2008 THROUGH JUNE, 2010

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 (\$) J	Inventory Rate (\$/M*3) K	Inventory Recovery (\$) L=KxH	Y-T-D GPRA Balance (\$) M (2)	Monthly Interest (\$) N	Y-T-D Interest (\$) O (3)	Total Y-T-D GPRA (\$) P=M+O	Monthly Interest Rate
July	1,451,773	419,595	25,027	394,568	0	394,568	1,057,205	(1,540,070)	0.438512	0.00	0.019585	7,727.61	(387,189.71)	(1,102.48)	9,724.75	(377,464.96)	3.35%
August	1,360,898	634,506	43,946	590,560	0	590,560	770,338	(769,732)	0.438512	0.00	0.019585	11,566.12	(375,623.59)	(1,080.90)	8,643.85	(366,979.74)	3.35%
September	1,338,744	1,041,141	267,373	773,768	0	773,768	564,976	(204,755)	0.438512	13,376.88	0.019585	15,154.25	(347,092.46)	(1,048.62)	7,595.23	(339,497.23)	3.35%
October	1,544,566	4,114,361	2,650,710	1,463,651	0	1,463,651	80,915	(123,840)	0.373181	0.00	0.014435	21,127.80	(325,964.66)	(968.97)	6,626.26	(319,338.40)	3.35%
November	1,638,596	5,561,489	2,822,369	2,739,120	0	2,739,120	(1,100,524)	(1,224,365)	0.373181	0.00	0.014435	39,539.20	(286,425.46)	(909.98)	5,716.28	(280,709.18)	3.35%
December	1,532,894	5,872,447	2,888,947	2,983,500	0	2,983,500	(1,450,606)	(2,674,970)	0.373181	67,575.09	0.014435	43,066.82	(175,783.54)	(799.60)	4,916.68	(170,866.86)	3.35%
January	1,991,241	5,988,805	2,805,053	3,183,752	0	3,183,752	(1,192,511)	(3,867,481)	0.347919	0.00	0.009450	30,086.46	(145,697.08)	(358.89)	4,557.79	(141,139.29)	2.45%
February	2,910,653	5,487,279	2,711,617	2,775,662	0	2,775,662	134,991	(3,732,490)	0.347919	0.00	0.009450	26,230.01	(119,467.07)	(297.46)	4,260.33	(115,206.74)	2.45%
March	1,559,942	5,376,753	2,942,176	2,434,577	0	2,434,577	(874,635)	(4,607,125)	0.347919	150,136.99	0.009450	23,006.75	53,676.67	(243.91)	4,016.42	57,693.09	2.45%
April	1,464,707	4,510,234	2,651,823	1,858,411	0	1,858,411	(393,704)	(5,000,829)	0.315331	0.00	(0.003221)	(5,985.94)	47,690.73	44.73	4,061.15	51,751.88	1.00%
May	1,638,809	3,582,043	2,739,703	842,340	0	842,340	796,469	(4,204,359)	0.315331	0.00	(0.003221)	(2,713.18)	44,977.55	39.74	4,100.89	49,078.44	1.00%
June	1,522,073	3,219,838	2,716,440	503,398	0	503,398	1,018,675	(3,185,684)	0.315331	39,432.40	(0.003221)	(1,621.44)	82,788.50	37.48	4,138.37	86,926.87	1.00%
July	1,498,809	3,200,005	2,725,027	474,978	0	474,978	1,023,831	(2,161,853)	0.302953	0.00	(0.004051)	(1,924.14)	80,864.36	68.99	4,207.36	85,071.72	1.00%
August	1,578,809	3,588,804	2,717,609	871,195	0	871,195	707,614	(1,454,239)	0.302953	0.00	(0.004051)	(3,529.21)	77,335.15	67.39	4,274.75	81,609.90	1.00%
September	1,542,073	4,041,025	2,757,952	1,283,073	0	1,283,073	259,000	(1,195,238)	0.302953	0.00	(0.004051)	(5,197.73)	72,137.42	64.45	4,339.20	76,476.62	1.00%
October	1,603,809	4,722,583	2,861,651	1,860,932	0	1,860,932	(257,123)	(1,452,361)	0.302953	0.00	(0.004051)	(7,538.64)	64,598.78	60.11	4,399.31	68,998.09	1.00%
November	1,537,073	5,606,513	2,886,092	2,720,421	0	2,720,421	(1,183,348)	(2,635,709)	0.302953	0.00	(0.004051)	(11,020.43)	53,578.35	53.83	4,453.14	58,031.49	1.00%
December	1,573,809	5,194,215	2,873,762	2,320,453	0	2,320,453	(746,644)	(3,382,353)	0.302953	0.00	(0.004051)	(9,400.16)	44,178.19	44.65	4,497.79	48,675.98	1.00%
January	1,573,809	5,908,819	2,902,814	3,006,005	0	3,006,005	(1,432,196)	(4,814,549)	0.302953	0.00	(0.004051)	(12,177.33)	32,000.86	36.82	4,534.61	36,535.47	1.00%
February	1,388,602	6,194,588	2,885,867	3,308,721	0	3,308,721	(1,920,119)	(6,734,668)	0.302953	0.00	(0.004051)	(13,403.63)	18,597.23	26.67	4,561.28	23,158.51	1.00%
March	1,568,809	5,452,036	2,823,366	2,628,670	0	2,628,670	(1,059,861)	(7,794,529)	0.302953	0.00	(0.004051)	(10,648.74)	7,948.49	15.50	4,576.78	12,525.27	1.00%
April	1,532,073	4,510,234	2,764,070	1,746,164	0	1,746,164	(214,091)	(8,008,619)	0.302953	0.00	(0.004051)	(7,073.71)	874.78	6.62	4,583.40	5,458.18	1.00%
May	1,638,809	3,582,043	2,739,703	842,340	0	842,340	796,469	(7,212,150)	0.302953	0.00	(0.004051)	(3,412.32)	(2,537.54)	0.73	4,584.13	2,046.59	1.00%
June	1,522,073	3,219,838	2,716,440	503,398	0	503,398	1,018,675	(6,193,475)	0.302953	0.00	(0.004051)	(2,039.27)	(4,576.81)	(2.11)	4,582.02	5.21	1.00%

(1) Includes balance of (2,597,275) as of June, 2008
(2) Includes balance of (394,917.32) as of June, 2008
(3) Includes balance of 10,827.23 as of June, 2008

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - JULY, 2008 TO JUNE, 2009

<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 PGTVA (\$'s)</u>	<u>Y-T-D PGTVA (\$'s) (1)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s) (2)</u>	<u>Total PGTVA (\$'s)</u>	<u>Total Y-T-D PGTVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>
Actual	July	33,417	436,731	0.076517	0.019029	(0.057488)	(25,106.79)	43,079.54	190.35	1,938.75	(24,916.44)	45,018.29	34.4
Actual	August	47,298	610,230	0.077508	0.019029	(0.058479)	(35,685.65)	7,393.89	120.26	2,059.01	(35,565.39)	9,452.90	36.6
Actual	September	49,662	1,044,317	0.047554	0.019029	(0.028525)	(29,789.15)	(22,395.26)	20.64	2,079.65	(29,768.51)	(20,315.61)	43.6
Actual	October	66,087	4,107,387	0.016090	0.019029	0.002939	12,071.61	12,071.61	0.00	0.00	12,071.61	12,071.61	108.9
Actual	November	75,746	5,863,859	0.012917	0.019029	0.006112	35,839.91	47,911.52	33.70	33.70	35,873.61	47,945.22	218.4
Actual	December	76,900	6,078,333	0.012652	0.019029	0.006377	38,761.53	86,673.05	133.75	167.45	38,895.28	86,840.50	335.2
Actual	January	79,192	6,451,699	0.012275	0.019029	0.006754	43,574.78	130,247.83	176.96	344.41	43,751.74	130,592.24	376.6
Actual	February	73,765	5,409,097	0.013637	0.019029	0.005392	29,165.85	159,413.68	265.92	610.33	29,431.77	160,024.01	308.7
Actual	March	73,253	5,382,776	0.013609	0.019029	0.005420	29,174.65	188,588.33	325.47	935.80	29,500.12	189,524.13	264.3
Actual	April	67,073	4,166,554	0.016098	0.019029	0.002931	12,212.17	200,800.50	157.16	1,092.96	12,369.33	201,893.46	186.6
Forecast	May	63,551	3,600,000	0.017653	0.019029	0.001376	4,953.60	205,754.10	167.33	1,260.29	5,120.93	207,014.39	89.7
Forecast	June	<u>61,709</u>	<u>3,180,000</u>	<u>0.019405</u>	0.019029	(0.000376)	<u>(1,195.68)</u>	<u>204,558.42</u>	<u>171.46</u>	<u>1,431.75</u>	<u>(1,024.22)</u>	<u>205,990.17</u>	<u>53.1</u>
	Total	767,653	46,330,983	0.016569			113,976.83	204,558.42	1,763.00	1,431.75	115,739.83	205,990.17	2,056.1

PGTVA Balance per M*3 Purchased (\$/M*3) \$0.004446
Forecast Average Residential Consumption per Customer 2,056.1 M*3
Estimated Impact on Average Residential Customer \$9.14 Customer Rebate

(1) Includes balance of 68,186.33 as of June, 2008
(2) Includes balance of 1,748.40 as of June, 2008

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2009 TO JUNE, 2010

(NO CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGTVA (\$'s)	Y-T-D PGTVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGTVA (\$'s)	Total Y-T-D PGTVA (\$'s)	Average Residential Consumption (M*3)
July	61,600	3,100,000	0.019871	0.019029	(0.000842)	(2,610.20)	201,948.22	170.47	1,602.22	(2,439.73)	203,550.44	40.9
August	62,240	3,298,000	0.018872	0.019029	0.000157	517.79	202,466.01	168.29	1,770.51	686.08	204,236.52	42.8
September	63,101	3,457,000	0.018253	0.019029	0.000776	2,682.63	205,148.64	168.72	1,939.23	2,851.35	207,087.87	58.5
October	67,886	4,365,000	0.015552	0.019029	0.003477	15,177.11	15,177.11	0.00	0.00	15,177.11	15,177.11	118.7
November	72,222	5,135,000	0.014065	0.019029	0.004964	25,490.14	40,667.25	12.65	12.65	25,502.79	40,679.90	202.7
December	74,931	5,635,000	0.013297	0.019029	0.005732	32,299.82	72,967.07	33.89	46.54	32,333.71	73,013.61	321.8
January	77,641	6,135,000	0.012655	0.019029	0.006374	39,104.49	112,071.56	60.81	107.35	39,165.30	112,178.91	355.2
February	74,931	5,560,000	0.013477	0.019029	0.005552	30,869.12	142,940.68	93.39	200.74	30,962.51	143,141.42	293.2
March	72,764	5,230,000	0.013913	0.019029	0.005116	26,756.68	169,697.36	119.12	319.86	26,875.80	170,017.22	246.2
April	67,345	4,230,000	0.015921	0.019029	0.003108	13,146.84	182,844.20	141.41	461.27	13,288.25	183,305.47	186.6
May	62,546	3,414,459	0.018318	0.019029	0.000711	2,427.68	185,271.88	152.37	613.64	2,580.05	185,885.52	89.7
June	<u>61,384</u>	<u>3,120,026</u>	<u>0.019674</u>	0.019029	(0.000645)	<u>(2,012.42)</u>	<u>183,259.46</u>	<u>154.39</u>	<u>768.03</u>	<u>(1,858.03)</u>	<u>184,027.49</u>	<u>53.1</u>
Total	818,590	52,679,486	0.015539			183,849.68	183,259.46	1,275.51	768.03	185,125.19	184,027.49	2,009.4

PGTVA Balance per M*3 Purchased (\$/M*3) \$0.003493
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$7.02 Customer Rebate

(1) Includes June, 2009 year-to-date balance of \$204,558.42 (See Schedule 10)
(2) Includes June, 2009 year-to-date balance of \$1,431.75 (See Schedule 10)

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jul-08 <u>EB-2008-0090</u>	Quarter Starting 01-Jul-09 <u>EB-2009-0131</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption for Quarter	142.2	142.2		
Monthly Charges	\$34.50	\$34.50	\$0.00	0.0%
Delivery Charges	\$21.76	\$21.76	\$0.00	0.0%
Total Commodity Charges	<u>\$65.40</u>	<u>\$42.76</u>	<u>(\$22.64)</u>	<u>-34.6%</u>
Total Customer Charges	\$121.66	\$99.02	(\$22.64)	-18.6%

ANNUAL BILL IMPACT

	01-Apr-09 <u>EB-2009-0062</u>	01-Jul-09 <u>EB-2009-0131</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$138.00	\$138.00	\$0.00	0.0%
Delivery Charges	\$307.44	\$307.44	\$0.00	0.0%
Total Commodity Charges	<u>\$630.83</u>	<u>\$604.29</u>	<u>(\$26.54)</u>	<u>-4.2%</u>
Total Customer Charges	\$1,076.26	\$1,049.72	(\$26.54)	-2.5%

RATES USED

	01-Jul-08 <u>EB-2008-0090</u>	01-Apr-09 <u>EB-2009-0062</u>	01-Jul-09 <u>EB-2009-0131</u>
Monthly charge	11.50	11.50	11.50
Delivery Charge	0.152999	0.152999	0.152999
Total Commodity Charge	0.459925	0.313938	0.300730

**APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2009-0131
DATED JUNE XX, 2009**

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	\$11.50
b)	Delivery Charge	
	First 1,000 m ³ per month	15.2999 cents per m ³
	All over 1,000 m ³ per month	10.4073 cents per m ³
c)	Gas Supply Charge (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: July 01, 2009

Implementation: All bills rendered on or after July 01, 2009

EB-2009-0131

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	\$12.75	\$12.75
b) Delivery Charge		
First 1,000 m ³ per month	14.5000 cents per m ³	18.5648 cents per m ³
Next 24,000 m ³ per month	10.0431 cents per m ³	16.6254 cents per m ³
All over 25,000 m ³ per month	6.5417 cents per m ³	16.1952 cents per m ³
c) Gas Supply Charge (if applicable)	Schedule A	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: July 01, 2009

Implementation: All bills rendered on or after July 01, 2009

EB-2009-0131

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.

- b) A Monthly Demand Charge:

A Monthly Demand Charge of 25.5904 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 3.7310 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 9.2249 cents per m³ and not to be less than 6.0992 per m³.

- d) Gas Supply Charge (if applicable)

See 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 3.3853 cents per m³ for firm gas and 5.7536 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 6.3515 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: July 01, 2009

Implementation: All bills rendered on or after July 01, 2009

EB-2009-0131

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	\$12.75	\$12.75
b) Delivery Charge		
First 1,000 m ³ per month	14.4501 cents per m ³	18.5648 cents per m ³
All over 1,000 m ³ per month	10.3477 cents per m ³	16.6254 cents per m ³
c) Gas Supply Charge (if applicable)	Schedule A	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: July 01, 2009

Implementation: All bills rendered on or after July 01, 2009

EB-2009-0131

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) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00.

- 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 8.8345 cents per m³ and not to be less than 5.7192 per m³.

- c) Gas Supply Charge (if applicable)

See 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 5.9604 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: July 01, 2009

Implementation: All bills rendered on or after July 01, 2009

EB-2009-0131

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 and 5.

Rate

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

PGCVA Reference Price	(EB-2009-0131)	30.2953 cents per m3
GPRA Recovery Rate	(EB-2009-0131)	(0.4051) cents per m3
System Gas Fee	(EB-2005-0544)	<u>0.1828</u> cents per m3
Total Gas Supply Charge		30.0730 cents per m3

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: July 01, 2009

Implementation: All bills rendered on or after July 01, 2009

EB-2009-0131

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: July 01, 2009

Implementation: All bills rendered on or after July 01, 2009

EB-2009-0131

APPENDIX "B" TO
DECISION AND ORDER
BOARD FILE No. EB-2009-0131
DATED JUNE XX, 2009

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.

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

Credit/Debit - Account No. 623
Gas Purchases

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the difference between the unit cost of all gas commodity purchased by NRG each month including local production and NRG's weighted average cost of gas, the latter being \$0.302953 per m³ approved for rate making purposes effective July 01, 2009.

Debit/Credit - Account No. 179-28
Interest on PGCVA

Credit/Debit - Account No. 323
Other Interest Expense

To record monthly as a debit (credit) in Deferral Account No. 179-28 (PGCVA), simple interest on the balance in Account No. 179-27. Such interest shall be computed monthly on the opening balance in the account at the Board approved short-term debt rate and shall not be compounded.

**APPENDIX "C" TO
DECISION AND ORDER
BOARD FILE No. EB-2009-0131
DATED JUNE XX, 2009**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after July 1, 2009, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.013208 per cubic meter to \$0.300730 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 June, 2010. On your gas bill this cost is on the line 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 this 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 \$26 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 this rate change, please do not hesitate to contact us at 519-773-5321. We thank you for continuing to make natural gas your fuel of choice.