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BY COURIER AND E-FILING

Toronto, July 9, 2009

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

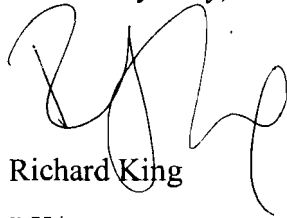
Dear Ms. Walli:

RE: Natural Resource Gas Limited ("NRG") (Board No. EB-2009-0020)
Disposition of Non-Commodity Deferral Account Balances

In accordance with the Notice of Written Hearing and Procedural Order No. 1 issued by the Board on June 24, 2009, please find attached a copy of NRG's responses to interrogatories from Board Staff.

A copy of the attached has been filed on the Board's RESS system, and is being sent to all intervenors of record in the above-noted proceeding via email.

Yours very truly,



Richard King

RK/mnm

Enclosure

cc. J. Howley (NRG)
R. Aiken (NRG Consultant)
P. McMahon (Union Gas Limited)
J. Grey (IGPC)
S. Stoll (Aird & Berlis LLP)

**NATURAL RESOURCE GAS LIMITED
2008 DEFERRAL ACCOUNT DISPOSITION**

**RESPONSE TO
BOARD STAFF INTERROGATORY**

EB-2009-0020

Question 1

Ref: Application, pages 3 and 4

Preamble: NRG indicates that the debit balance in the PGTVA account reflects that the IGPC ethanol plant was in "start-up mode" from July through September 2008. NRG indicates that carrying the debit balance forward with respect to IGPC from 2008 into 2009 will serve to offset the credits that will accrue to IGPC in the PGTVA in future months. The Board's approved reference price for NRG is \$0.019029 per m³. Please answer the following:

- a. NRG indicates in its application that the IGPC plant began full production in late September 2008. Please complete the table below until at least the end of the December 31, 2008 period. For the purposes of this response, NRG may use unaudited volumes delivered where audited figures are unavailable.

Average Cost of Gas for IGPC Ethanol Plant		
Month and Year	Volumes delivered (m³)	Average cost of gas (\$/m³)
July 2008		
August 2008		
September 2008		
October 2008		
November 2008		
December 2008		
...		

- b. Based on the average cost of gas cited in the table above, please indicate the monthly credit that NRG reasonably expects would accrue to IGPC. This may be best expressed as an additional column to the table above.
- c. Is it possible that the balance to be refunded to IGPC at the end of the fiscal 2009 year may not result in a credit to IGPC? Please explain.

Response:

a) Please see the table below. The information for July, 2008 through September, 2008 is taken from Appendix B to the evidence and is based on audited information. Information for October, 2008 through May, 2009 is based on the best information available, but has not been audited. It has been assumed that the Average Cost of Gas column in the table refers to the average cost of the bundled services provided by Union Gas that is recorded in the Purchased Gas Transportation Variance Account (PGTVA).

Average Cost of Gas for IGPC Ethanol Plant

Month & Year	Volumes Delivered (m3)	Average Cost of Gas (\$/m3)	Monthly Balance (2) (\$)	Cumulative Balance (2) (\$)
July 2008	23,638	0.773925	(17,844.23)	(17,844.23)
August 2008 (1)	0	na	(18,166.93)	(36,011.16)
September 2008	250,467	0.077909	(14,747.49)	(50,758.65)
October 2008	2,445,813	0.012835	15,149.36	(35,609.29)
November 2008	2,668,641	0.012215	18,184.12	(17,425.17)
December 2008	2,672,303	0.012205	18,235.80	810.63
January 2009	2,603,869	0.012399	17,263.65	18,074.28
February 2009	2,548,591	0.012550	16,512.32	34,586.60
March 2009	2,828,556	0.011845	20,320.35	54,906.95
April 2009	2,610,659	0.012431	17,225.13	72,132.08
May 2009	2,780,266	0.012133	19,172.71	91,304.79

(1) The total cost in August, 2008 was \$18,166.93 and consisted of only demand charges as no gas was delivered by Union Gas to NRG in this month. The entire balance of the August, 2008 charges is reflected in the Monthly Balance column.

(2) Monthly Balance and Cumulative Balance do not reflect impacts of interest on the monthly or cumulative balances.

b) As shown in the response to (a) above, the cumulative balance associated with IGPC at the end of May, 2009 is a credit to IGPC of \$91,304.79, excluding the impact of interest on the monthly balances. Over the period October, 2008 through May, 2009, the average monthly credit to IGPC is approximately \$18,000 per month. Based on this figure, the projected credit to IGPC at the end of September, 2009 would be approximately \$163,000. This estimate will vary based on actual deliveries that will reflect actual consumption by IGPC and any changes to the rates charged to NRG by Union Gas.

c) It is highly unlikely that the balance in the IGPC portion of the PGTVA account would not result in a credit to IGPC at the end of Fiscal 2009. As shown in the table above in the response to part (a), the debit of more than \$50,000 at the end of fiscal 2008 has already become a credit of more than \$90,000 at the end of May, 2009. With future consumption in the remaining months of fiscal 2009 at historical levels, this credit is expected to grow to approximately \$163,000 as indicated in the response to part (b) above.