



ONTARIO ENERGY BOARD

STAFF SUBMISSION

NATURAL RESOURCE GAS

DISPOSITION OF 2008 DEFERRAL AND VARIANCE ACCOUNT BALANCES

EB-2009-0020

July 23, 2009

INTRODUCTION

Natural Resource Gas Limited (“NRG” or the “Company”) filed an application, dated June 8, 2009, with the Ontario Energy Board (the Board”) seeking approval for an order regarding the balances for the fiscal year ended September 30, 2008 in two non-commodity accounts, namely the Purchase Gas Transportation Variance Account (“PGTVA”) and Regulatory Expense Deferral Account (“REDA”). The PGTVA shows a debit balance of \$20,316 and the REDA shows a debit balance of \$71,831. Debit balances are recoverable from customers.

These submissions reflect observations arising from Board staff’s review of the pre-filed evidence and interrogatory responses from NRG.

With respect to the PGTVA, NRG seeks the disposition of only that portion of the balance attributable to all customers except for the Integrated Grain Processors Cooperative (“IGPC”). This would result in returning a total credit of \$30,593 to customers, other than IGPC. An average residential customer would see a one-time rebate of \$2.82, if the partial balance is cleared.

NRG is not proposing to recover the \$50,909 debit balance from IGPC in the current proceeding. NRG proposed that the PGTVA continue in fiscal 2009. In evidence, NRG anticipated that the debit balance attributable to IGPC would turn into a credit balance by the end of NRG’s 2009 fiscal year.

PGTVA

In response to Board staff interrogatory #1, NRG provided a summary table which indicated that the PGTVA debit balance of more than \$50,000 has already become a credit of more than \$90,000, as of May 2009. On this basis, NRG indicated that it is highly unlikely that a debit balance will occur in this account, if the balance is carried forward for disposition in a later proceeding.

Board staff agrees with NRG that it appears reasonable to carry forward the debit balance attributable to IGPC, while clearing the credit portion of the PGTVA to its other customers. Doing so will reduce the size of the credit to IGPC at the next opportunity to clear the account, while providing its other customers with a rebate.

All of which is respectfully submitted