

**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 October 1, 2009;

**AND IN THE MATTER OF** the Quarterly Rate Adjustment Mechanism.

**APPLICATION**

1. As part of the EB-2009-0131 Decision and Order dated June 19, 2009 the Board approved a PGCVA reference price of \$0.302953 per m<sup>3</sup> and a gas supply charge of \$0.300730 per m<sup>3</sup>, both effective July 1, 2009.
2. Based on actual and forecast natural gas prices for the October, 2008 through September, 2009 period the PGCVA balance is projected to be a credit of approximately \$16 per residential customer. If unadjusted, the projected PGCVA balance at the end of September, 2010 would be a credit of approximately \$58 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.
4. NRG hereby applies to the Board for further orders effective October 1, 2009 as follows:
  - a) an order changing the reference price authorized by the Board's EB-2009-0131 rate order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by

\$0.028740 per m<sup>3</sup> from the Board approved level of \$0.302953 per m<sup>3</sup> to \$0.274213 per m<sup>3</sup>;

b) an order changing the rates and other charges from those authorized by the Board's EB-2009-0131 rate order to reflect a projected \$0.028181 per m<sup>3</sup> change in the gas supply charge from the Board approved level of \$0.300730 m<sup>3</sup> to a projected cost of \$0.272549 per m<sup>3</sup>. 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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Natural Resource Gas Limited  
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And

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And

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Dated at Aylmer, Ontario, this 3<sup>rd</sup> day of September, 2009.

**NATURAL RESOURCE GAS LIMITED**

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Jack Howley  
General Manager



1 a credit of \$16.41 per residential customer for the twelve month period ending  
2 September, 2009 (Schedule 2). This credit, in the absence of a change in the PGCVA  
3 reference price, would become a credit of \$57.89 per residential customer by the end of  
4 September, 2010 (Schedule 5).

5

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

9

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

16

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

19

#### 20 Gas Supply Portfolio

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

26

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

30

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

5  
6 Additional gas may be purchased in the period leading up to the end of February of each  
7 year if required for NRG to meet its forecast banked gas account winter balancing  
8 checkpoint on the Union Gas system if consumption is greater than forecast. The Board  
9 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063  
10 (Decisions with Reasons, dated March 18, 2004).

11  
12 NRG is currently required to deliver 1,500 GJ/day to Union Gas. Of this amount, NRG  
13 had assigned a total of 118 GJ/day to its direct purchase customers, leaving 1,382 GJ/day  
14 for system gas customers. The composition of this 1,382 GJ/day was 643 GJ/day at  
15 AECO and 739 GJ/day at Parkway. For September and October 2009, the amount  
16 assigned to direct purchase customers has been reduced to 85 GJ/day. Effective  
17 November, 2009 the direct purchase customer assignment will increase to 128 GJ/day.  
18 Effective October 1, 2009, the amount of gas that NRG is required to deliver to Union  
19 Gas will increase from 1,500 GJ/day to 1,701 GJ/day. The net result of these changes has  
20 increased NRG's deliveries for system gas customers from 1,382 GJ/day in August, 2009  
21 to 1,415 GJ/day in September 2009, 1,616 GJ/day in October 2009 and to 1,573 GJ/day  
22 in November 2009 and thereafter. The changes in deliveries are all at AECO, increasing  
23 the deliveries at AECO and the associated TCPL capacity used for system gas customers  
24 from 643 GJ/day in August to 676 in September, 877 in October and to 834 GJ/day in  
25 November and thereafter. These changes are shown in Schedules 4 and 7.

26  
27 The composition of the gas deliveries for direct purchase and system gas customers for  
28 the August, 2009 through September, 2010 period is shown in the following table. Please  
29 note that these figures do not include the direct purchase deliveries associated with a  
30 large ethanol plant served by NRG.

1

GJ/s per Day

Delivery Point	Aug 09	Sept 09	Oct 09	Nov09
Direct Purchase	118	85	85	128
AECO	643	676	877	834
Parkway	739	739	739	739
Dawn	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,500	1,500	1,701	1,701

2

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

5

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

13

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

20

21 Gas Costs

22 NRG's actual and forecast gas costs for the October, 2008 through September, 2009  
23 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also  
24 shown in the middle section of Schedule 3 in \$/m<sup>3</sup>. The conversion factor used is based  
25 on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account  
26 balances. The conversion factors used are also shown in Schedule 4. All prices shown

1 are actual prices paid in October, 2008 through July, 2009. Prices for the remaining  
2 months in this period are based on estimated and contracted prices to be paid in these  
3 months.

4  
5 Prices for October, 2009 through September, 2010 are based on prices averaged over 10  
6 days in the period August 12, 2009 through August 26, 2009 (Information for August 20,  
7 2009 is not available). These prices have been utilized in calculating the prices shown in  
8 Schedule 7 in \$/GJ and in the middle section of Schedule 6 in  $\$/m^3$ . Gas prices for each  
9 of the sources of supply are described below. In addition to the above, contracted prices  
10 have been used where purchase decisions have been made.

11  
12 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This  
13 refers to gas that is produced in NRG's franchise area and purchased from a related  
14 company. This gas has been contracted for through September, 2009 at a fixed price of  
15  $\$0.3012/m^3$  (Schedule 3). The forecast price of  $\$5.832/GJ$  shown in Schedule 7 for the  
16 October, 2009 through September, 2010 period is the forecast price for Dawn gas over  
17 this period.

18  
19 The second source of local production is noted as "Local Production (B)" in Schedules 4  
20 and 7. The price paid for this gas is for Dawn delivery. NRG is not forecasting the  
21 purchase of any gas from this source in the October, 2009 through September, 2010  
22 period.

23  
24 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at  
25 these delivery points is discussed below.

26  
27 The Empress price over the October, 2009 through September, 2010 period shown in  
28 Schedule 7 (Western Deliveries) is based on a combination of forecast prices and actual  
29 contracted prices. The average Empress delivery rate forecast is  $\$5.054/GJ$  in October,

1 \$6.527/GJ in November, \$6.913/GJ in January through March and \$6.476/GJ in April  
2 through September. Fuel costs of 4% are included in these rates.

3

4 The average Empress delivery rate includes fixed price contracts over this period. These  
5 fixed price contracts include 465 GJ/day at a price of \$8.17/GJ in November through  
6 March, 290 GJ/day at a price of \$7.40/GJ in April through September and 175 GJ/day at  
7 a price o \$6.94/GJ in April through September. Fuel at 4% is in addition to the prices  
8 quoted.

9

10 The remaining Empress gas (412 GJ/day in October, 369 GJ/day in November through  
11 September) has been forecast at a price of \$2.896/GJ in October, \$3.889/GJ in  
12 November, \$4.727 in December through March and \$4.966/GJ in April through  
13 September. These forecast prices are based on the average price forecasts from the  
14 August 12, 2009 through August 26, 2009 period.

15

16 The Parkway price over the October, 2009 through September, 2010 period is also based  
17 on a combination of actual contracted prices and forecast prices over this period. In  
18 particular, NRG has contracted for 590 GJ/day at a price of \$9.970/GJ over the October  
19 through March period. NRG has also contracted for 370 GJ/day over the April, 2010  
20 through September, 2010 period at a price of \$8.550/GJ and 220 GJ/day at a price of  
21 \$7.980/GJ for the same period. The remaining Parkway deliveries over the October,  
22 2009 through September, 2010 period of 149 GJ/day have not been contracted for at this  
23 time. The forecasted price for this period is \$3.813/GJ in October, \$5.021 in November,  
24 \$6.188/GJ in December through March and \$6.370/GJ in April through September.  
25 These forecast prices are based on the pricing information for the August 12, 2009  
26 through August 26, 2009 period.

27

28

29

30

1 Other Forecast Assumptions

2 A number of other assumptions have been used to calculate the projected balance in the  
3 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been  
4 forecast at 4.0%. This ratio has been reflected in the forecast prices shown in the  
5 schedules for Western deliveries.

6

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

10

11 PGCVA Balance

12 The projected September, 2009 balance in the PGCVA is a credit of \$164,822.71  
13 including a debit of \$46,568.68 in accumulated interest, based on the Board approved  
14 short term interest rate. This estimate is based on actual and forecasted purchases and the  
15 balance brought forward from September, 2008. The PGCVA credit amounts to a rebate  
16 of approximately \$16.41 for a typical residential customer consuming approximately  
17 2,032 m<sup>3</sup> per year. These figures are shown on Schedule 2. The interest rate used is that  
18 prescribed by the Board.

19

20 Proposed PGCVA Rate Changes

21 Schedule 5 shows the impact at the end of the twelve-month period beginning October,  
22 2009 if no change is made to the reference price. At the end of September, 2010, the  
23 balance in the PGCVA is a credit balance of \$583,853.43, including a debit balance of  
24 \$44,425.45 in accumulated interest. This represents a rebate of \$57.89 for a residential  
25 customer consuming approximately 2,009 m<sup>3</sup> per year.

26

27 NRG proposes to adjust the reference price effective October 1, 2009 based on the  
28 projected accumulated balance in the PGCVA as of the end of September, 2009 and the  
29 forecasted cost of gas over the 12 month period beginning October, 2009 and ending

1 September, 2010. The reference price will be set such that the projected PGCVA balance  
2 at the end of September, 2010 would be close to zero.

3  
4 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the  
5 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM  
6 applications, which were accepted by the Board. In those proceedings, NRG indicated  
7 that its customers had made clear their opinion on retroactive adjustments. A large  
8 percentage of NRG's gas sales volumes are agriculturally based and these customers  
9 cannot recover any retroactive charges. The proposal contained in this application is  
10 designed to minimize, and eliminate where possible, the existence of further retroactive  
11 billing adjustments.

12  
13 NRG proposes to change the reference price by \$0.028740 per m<sup>3</sup> effective October 1,  
14 2009, from \$0.302953 per m<sup>3</sup> to \$0.274213 per m<sup>3</sup>. The derivation of this rate is shown  
15 in Schedule 8. This is the reference price required to bring the PGCVA balance close to  
16 zero on a twelve month forecast basis. This change will also be reflected in the gas  
17 commodity charge.

## 18 19 20 **GAS PURCHASE REBALANCING ACCOUNT**

21 The impact on the GPRA of the proposed October 1, 2009 change in the PGCVA  
22 reference price from \$0.302953 per m<sup>3</sup> to \$0.274213 per m<sup>3</sup> is a debit of \$7,221.08, as  
23 shown on Schedule 9. This figure is shown in column (J) of Schedule 9 and on the  
24 September, 2009 line. It is calculated as the change in the PGCVA reference price  
25 between October and September, multiplied by the cumulative inventory balance at the  
26 end of September. This cumulative inventory balance is the sum of the actual monthly  
27 inventory balances for June, 2009 and forecasts for the subsequent months. These  
28 forecasts will be replaced with actual balances for these months in subsequent QRAM  
29 applications as this information becomes available. As well, the monthly inventory  
30 balances are based on a deemed level of unaccounted for gas ("UFG") of the total

1 throughput volume, as shown in column (E) of Schedule 9. The 0.0% is the Board  
2 approved level of UFG from EB-2005-0544.

3  
4 NRG proposes to adjust the gas commodity charge effective October 1, 2009 based on  
5 the 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 September, 2010,  
7 would be close to zero. The rate required to achieve this is shown in column (K) on  
8 Schedule 9. Column (P) shows the reduction of the inventory revaluation balance based  
9 on this rate of \$(0.003492) per m<sup>3</sup> over the October, 2009 through September, 2010  
10 period.

11  
12 NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need  
13 for retroactive adjustments. This is consistent with NRG's proposal for the continued  
14 prospective clearance of the PGCVA and is made with the same reasons in mind as  
15 outlined above for the PGCVA. This change will also be reflected in the gas commodity  
16 charge.

### 17 18 19 **GAS COMMODITY CHARGE**

20 The system gas supply cost of \$0.001828 per m<sup>3</sup> will be maintained. This figure  
21 represents the functionalization of additional costs over and above the commodity and  
22 transportation costs that form the PGCVA reference price to the gas supply function.  
23 These additional costs are portions of the wages and benefits, management fee, return on  
24 rate base (working cash) and income taxes. This functionalization is unchanged from that  
25 approved in EB-2005-0544.

26  
27 The change in the gas commodity charge proposed for October 1, 2009 is summarized  
28 below. The change in the gas commodity charge reflects both the change in the PGCVA  
29 reference price and the change in the recovery of the inventory revaluation amount in the  
30 GPRA. The change in the gas commodity charge is as follows:

1  
2  
3  
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7  
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9

	EB-2009-0131	Proposed	
	<u>July 1, 2009</u>	<u>Oct. 1, 2009</u>	<u>Difference</u>
PGCVA Reference Price	\$0.302953	\$0.274213	\$(0.028740)
GPRA Recovery	\$(0.004051)	\$(0.003492)	\$0.000559)
System Gas Supply Cost	<u>\$0.001828</u>	<u>\$0.001828</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.300730	\$0.272549	\$(0.028181)

10 **PGTVA**

11 PGTVA Balance

12 Based on the current reference price of \$0.019029 per m<sup>3</sup>, the projected September, 2009  
13 balance in the PGTVA is a credit of \$204,169.65 including a credit of \$3,393.88 in  
14 accumulated interest, based on the Board approved short term interest rate. This estimate  
15 is based on actual and forecasted costs over this period and reflects the Board’s EB-2009-  
16 0020 Decision (August 10, 2009) not to dispose of any of the September 30, 2008  
17 balances. The PGTVA credit amounts to a rebate of approximately \$7.72 for a typical  
18 residential customer consuming approximately 2,032 m<sup>3</sup> per year. These figures are  
19 shown on Schedule 10.

20

21 Schedule 11 shows the impact at the end of the twelve-month period beginning October,  
22 2009 based on the reference price of \$0.019029 per m<sup>3</sup>. At the end of September, 2010  
23 the balance in the PGTVA is a credit balance of \$188,289.45, including a credit balance  
24 of \$698.77 in accumulated interest. This represents a rebate of \$7.17 for a residential  
25 customer consuming approximately 2,009 m<sup>3</sup> per year. This balance assumes that the  
26 balance in the account at the end of NRG’s fiscal 2009 year would be disposed of through  
27 a separate proceeding or as part of the next main rates proceeding.

28

29 The balance in the PGTVA forms part of the distribution delivery rate charged by NRG  
30 and, as such, is not impacted by changes in gas costs. NRG is not proposing to change  
31 the PGTVA reference price as part of this gas cost proceeding. NRG expects that the  
32 Board will dispose of the actual balance in the PGTVA at the end of September, 2009 as  
33 part of its next main rates proceeding.

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 \$0.302953 by \$0.028740 to  
4     \$0.274213 per m<sup>3</sup> effective October 1, 2009. This change is reflected in Appendix B.

5

6     NRG also proposes to change the gas supply charge from \$0.300730 to \$0.272549 per m<sup>3</sup>  
7     effective October 1, 2009. This change reflects the change of \$0.028740 per m<sup>3</sup> related  
8     to the change in the PGCVA reference price, as described above and the change of  
9     \$0.000559 per m<sup>3</sup> related to the recovery of the GPRA balance, also as described above.

10    These changes apply to all system gas customers served under Rates 1, 2, 3, 4 and 5.

11    There are no other changes to these rate schedules. The proposed rate schedules are  
12    attached as 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 m<sup>3</sup> is a decrease of \$56.63.

18

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - OCTOBER, 2008 TO SEPTEMBER, 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	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)	154.9	1.00%
Actual	May	427,757	1,560,555	0.274106	0.315331	0.041225	64,333.88	7,202.69	(47.61)	(46,729.83)	64,286.27	(39,527.14)	79.4	1.00%
Actual	June	414,719	1,511,904	0.274303	0.315331	0.041028	62,030.38	69,233.07	6.00	(46,723.83)	62,036.38	22,509.24	43.6	1.00%
Actual	July	428,276	1,554,569	0.275495	0.302953	0.027458	42,685.36	111,918.43	31.73	(46,692.10)	42,717.09	65,226.33	40.9	0.55%
Forecast	August	431,315	1,573,686	0.274079	0.302953	0.028874	45,438.61	157,357.04	51.30	(46,640.80)	45,489.91	110,716.24	42.8	0.55%
Forecast	September	<u>419,576</u>	<u>1,563,313</u>	<u>0.268389</u>	0.302953	0.034564	<u>54,034.35</u>	<u>211,391.39</u>	<u>72.12</u>	<u>(46,568.68)</u>	<u>54,106.47</u>	<u>164,822.71</u>	<u>58.5</u>	0.55%
	Total	6,654,792	20,406,627	0.326109			205,382.12	211,391.39	(383.29)	(46,568.68)	204,998.83	164,822.71	2,032.2	

PGCVA Balance per M\*3 Purchased (\$/M\*3) \$0.008077  
Forecast Average Residential Consumption per Customer 2,032.2 M\*3  
Estimated Impact on Average Residential Customer \$16.41 Customer Rebate

(1) Includes balance of 6,009.27 as of September, 2008  
(2) Includes balance of (46,185.39) as of September, 2008

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

TWELVE MONTH PERIOD - OCTOBER, 2008 TO SEPTEMBER, 2009

	<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>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	465,284	435,328	436,359	402,672	361,080	429,154	416,742	422,844	412,813	421,962	440,000	440,000	5,084,238
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	604,234	650,763	600,696	602,336	2,098,779	607,605	586,702	608,371	587,719	605,642	606,219	586,663	8,745,729
Western Delivery	475,048	552,505	495,839	497,192	450,794	501,541	461,264	529,340	511,371	526,966	527,468	536,650	6,065,977
Ontario Delivered Gas	<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>0</u>	<u>0</u>	<u>0</u>	<u>510,684</u>
<b>Total</b>	<b>1,544,566</b>	<b>1,638,596</b>	<b>1,532,894</b>	<b>1,991,241</b>	<b>2,910,653</b>	<b>1,559,942</b>	<b>1,464,707</b>	<b>1,560,555</b>	<b>1,511,904</b>	<b>1,554,569</b>	<b>1,573,686</b>	<b>1,563,313</b>	<b>20,406,627</b>
<b><u>Price (\$/m3)</u></b>													
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	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	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	0.000000
Parkway Delivery	0.392771	0.424278	0.437236	0.431961	0.306209	0.425621	0.274437	0.264449	0.265139	0.265793	0.261356	0.256783	
Western Delivery	0.351069	0.387142	0.394797	0.392240	0.391340	0.385144	0.237923	0.218750	0.218232	0.221050	0.221109	0.209205	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.267675	0.000000	0.351362	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	140,144	131,121	131,431	121,285	108,757	129,261	125,523	127,361	124,339	127,095	132,528	132,528	1,531,372
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	237,325	276,105	262,646	260,185	642,664	258,609	161,013	160,883	155,828	160,976	158,439	150,645	2,885,319
Western Delivery	166,774	213,898	195,756	195,019	176,414	193,165	109,745	115,793	111,597	116,486	116,628	112,270	1,823,545
Ontario Delivered Gas	0	0	0	130,904	0	7,604	0	0	0	0	0	0	138,508
TCPL Transportation	<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>23,720</u>	<u>23,720</u>	<u>24,133</u>	<u>276,048</u>
<b>Total</b>	<b>569,459</b>	<b>645,525</b>	<b>615,049</b>	<b>728,826</b>	<b>947,194</b>	<b>610,073</b>	<b>417,022</b>	<b>427,757</b>	<b>414,719</b>	<b>428,276</b>	<b>431,315</b>	<b>419,576</b>	<b>6,654,792</b>

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

TWELVE MONTH PERIOD - OCTOBER, 2008 TO SEPTEMBER, 2009

	<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>Jul-09</u>	<u>Aug-09</u>	<u>Sep-09</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.944	7.913	7.898	7.919	7.950	7.989	7.971	7.999	7.985	7.963	7.970	7.970
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)	10.359	11.147	11.465	11.357	8.082	11.289	7.263	7.023	7.029	7.027	6.916	6.795
<u>Western Deliveries</u> (\$/GJ)	9.260	10.171	10.352	10.313	10.329	10.215	6.296	5.809	5.785	5.844	5.851	5.536
Fuel Ratio (%)	4.48%	3.97%	4.43%	4.59%	4.75%	3.61%	3.27%	3.42%	1.87%	3.89%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.399990	1.399990	1.399990	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000
GJ/day (TCPL)	581	581	581	581	581	581	581	643	643	643	643	676
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	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,382	1,382	1,382	1,415
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	7.038	0.000	9.319	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	37.91	38.06	38.14	38.03	37.89	37.70	37.79	37.66	37.72	37.83	37.79	37.79

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2009 TO SEPTEMBER, 2010  
(NO CHANGE IN REFERENCE PRICE)

<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>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>
October	423,166	1,711,891	0.247192	0.302953	0.055761	95,456.74	306,848.13	96.89	(46,471.79)	95,553.63	260,376.34	118.7	0.55%
November	486,932	1,680,568	0.289743	0.302953	0.013210	22,200.30	329,048.43	140.64	(46,331.15)	22,340.94	282,717.28	202.7	0.55%
December	515,306	1,722,087	0.299233	0.302953	0.003720	6,406.16	335,454.59	150.81	(46,180.34)	6,556.97	289,274.25	321.8	0.55%
January	515,306	1,722,087	0.299233	0.302953	0.003720	6,406.16	341,860.75	153.75	(46,026.59)	6,559.91	295,834.16	355.2	0.55%
February	458,186	1,522,530	0.300937	0.302953	0.002016	3,069.42	344,930.17	156.69	(45,869.90)	3,226.11	299,060.27	293.2	0.55%
March	514,204	1,717,087	0.299463	0.302953	0.003490	5,992.63	350,922.80	158.09	(45,711.81)	6,150.72	305,210.99	246.2	0.55%
April	461,703	1,675,568	0.275550	0.302953	0.027403	45,915.58	396,838.38	160.84	(45,550.97)	46,076.42	351,287.41	186.6	0.55%
May	489,362	1,787,087	0.273832	0.302953	0.029121	52,041.75	448,880.13	181.88	(45,369.09)	52,223.63	403,511.04	89.7	0.55%
June	459,499	1,665,568	0.275882	0.302953	0.027071	45,088.58	493,968.71	205.74	(45,163.35)	45,294.32	448,805.36	53.1	0.55%
July	458,507	1,647,087	0.278375	0.302953	0.024578	40,482.09	534,450.80	226.40	(44,936.95)	40,708.49	489,513.85	40.9	0.55%
August	476,138	1,727,087	0.275689	0.302953	0.027264	47,087.29	581,538.09	244.96	(44,691.99)	47,332.25	536,846.10	42.8	0.55%
September	<u>463,907</u>	<u>1,685,568</u>	<u>0.275223</u>	0.302953	0.027730	<u>46,740.79</u>	<u>628,278.88</u>	<u>266.54</u>	<u>(44,425.45)</u>	<u>47,007.33</u>	<u>583,853.43</u>	<u>58.5</u>	0.55%
Total	5,722,218	20,264,210	0.282380			416,887.49	628,278.88	2,143.23	(44,425.45)	419,030.72	583,853.43	2,009.4	

PGCVA Balance per M\*3 Purchased (\$/M\*3) \$0.028812  
Forecast Average Residential Consumption per Customer 2,009.4 M\*3  
Estimated Impact on Average Residential Customer \$57.89 Customer Rebate

(1) Includes Sept., 2009 year-to-date balance of \$211,391.39 (See Schedule 2)  
(2) Includes Sept., 2009 year-to-date balance of (\$46,568.68) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2009 TO SEPTEMBER, 2010

	<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>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	465,000	435,000	435,000	435,000	360,000	430,000	430,000	500,000	420,000	360,000	440,000	440,000	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	719,423	586,663	606,219	606,219	547,552	606,219	586,663	606,219	586,663	606,219	606,219	586,663	7,250,939
Western Delivery	527,468	658,904	680,868	680,868	614,978	680,868	658,904	680,868	658,904	680,868	680,868	658,904	7,863,271
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>1,711,891</b>	<b>1,680,568</b>	<b>1,722,087</b>	<b>1,722,087</b>	<b>1,522,530</b>	<b>1,717,087</b>	<b>1,675,568</b>	<b>1,787,087</b>	<b>1,665,568</b>	<b>1,647,087</b>	<b>1,727,087</b>	<b>1,685,568</b>	<b>20,264,210</b>
<b><u>Price (\$/m3)</u></b>													
Local Production (A)	0.220391	0.220391	0.220391	0.220391	0.220391	0.220391	0.220391	0.220391	0.220391	0.220391	0.220391	0.220391	0.220391
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	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	0.000000
Parkway Delivery	0.260751	0.339052	0.347970	0.347970	0.347970	0.347970	0.300090	0.300090	0.300090	0.300090	0.300090	0.300090	0.300090
Western Delivery	0.190991	0.246655	0.261242	0.261242	0.261242	0.261242	0.244728	0.244728	0.244728	0.244728	0.244728	0.244728	0.244728
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	0.000000
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	102,482	95,870	95,870	95,870	79,341	94,768	94,768	110,196	92,564	79,341	96,972	96,972	1,135,014
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	187,590	198,909	210,946	210,946	190,532	210,946	176,052	181,920	176,052	181,920	181,920	176,052	2,283,785
Western Delivery	100,742	162,522	177,871	177,871	160,658	177,871	161,252	166,627	161,252	166,627	166,627	161,252	1,941,175
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>32,353</u>	<u>29,631</u>	<u>30,619</u>	<u>30,619</u>	<u>27,656</u>	<u>30,619</u>	<u>29,631</u>	<u>30,619</u>	<u>29,631</u>	<u>30,619</u>	<u>30,619</u>	<u>29,631</u>	<u>362,244</u>
<b>Total</b>	<b>423,166</b>	<b>486,932</b>	<b>515,306</b>	<b>515,306</b>	<b>458,186</b>	<b>514,204</b>	<b>461,703</b>	<b>489,362</b>	<b>459,499</b>	<b>458,507</b>	<b>476,138</b>	<b>463,907</b>	<b>5,722,218</b>



NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2009 TO SEPTEMBER, 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
October	423,166	1,711,891	0.247192	0.274213	0.027021	46,257.00	257,648.39	96.89	(46,471.79)	46,353.89	211,176.60	118.7	0.55%
November	486,932	1,680,568	0.289743	0.274213	(0.015530)	(26,099.21)	231,549.18	118.09	(46,353.70)	(25,981.12)	185,195.48	202.7	0.55%
December	515,306	1,722,087	0.299233	0.274213	(0.025020)	(43,086.61)	188,462.57	106.13	(46,247.57)	(42,980.48)	142,215.00	321.8	0.55%
January	515,306	1,722,087	0.299233	0.274213	(0.025020)	(43,086.61)	145,375.96	86.38	(46,161.19)	(43,000.23)	99,214.77	355.2	0.55%
February	458,186	1,522,530	0.300937	0.274213	(0.026724)	(40,688.09)	104,687.87	66.63	(46,094.56)	(40,621.46)	58,593.31	293.2	0.55%
March	514,204	1,717,087	0.299463	0.274213	(0.025250)	(43,356.43)	61,331.44	47.98	(46,046.58)	(43,308.45)	15,284.86	246.2	0.55%
April	461,703	1,675,568	0.275550	0.274213	(0.001337)	(2,240.23)	59,091.21	28.11	(46,018.47)	(2,212.12)	13,072.74	186.6	0.55%
May	489,362	1,787,087	0.273832	0.274213	0.000381	680.88	59,772.09	27.08	(45,991.39)	707.96	13,780.70	89.7	0.55%
June	459,499	1,665,568	0.275882	0.274213	(0.001669)	(2,779.83)	56,992.26	27.40	(45,963.99)	(2,752.43)	11,028.27	53.1	0.55%
July	458,507	1,647,087	0.278375	0.274213	(0.004162)	(6,855.17)	50,137.09	26.12	(45,937.87)	(6,829.05)	4,199.22	40.9	0.55%
August	476,138	1,727,087	0.275689	0.274213	(0.001476)	(2,549.18)	47,587.91	22.98	(45,914.89)	(2,526.20)	1,673.02	42.8	0.55%
September	<u>463,907</u>	<u>1,685,568</u>	<u>0.275223</u>	0.274213	(0.001010)	<u>(1,702.42)</u>	<u>45,885.49</u>	<u>21.81</u>	<u>(45,893.08)</u>	<u>(1,680.61)</u>	<u>(7.59)</u>	<u>58.5</u>	0.55%
Total	5,722,218	20,264,210	0.282380			(165,505.90)	45,885.49	675.60	(45,893.08)	(164,830.30)	(7.59)	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 Charge

(1) Includes Sept., 2009 year-to-date balance of \$211,391.39 (See Schedule 2)  
(2) Includes Sept., 2009 year-to-date balance of (\$46,568.68) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

OCTOBER, 2008 THROUGH SEPTEMBER, 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 (\$'s) J	Inventory Rate (\$/M*3) K	Inventory Recovery (\$'s) L=KxH	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
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)	(1,224,364)	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	67,575.08	0.014435	43,066.82	(175,783.56)	(799.60)	4,916.68	(170,866.88)	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	(145,697.10)	(358.89)	4,557.79	(141,139.31)	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	(119,467.09)	(297.46)	4,260.33	(115,206.76)	2.45%
March	1,559,942	5,376,380	2,942,176	2,434,204	0	2,434,204	(874,262)	(4,606,752)	0.347919	150,124.82	0.009450	23,003.23	53,660.96	(243.91)	4,016.42	57,677.38	2.45%
April	1,464,707	4,102,246	2,658,250	1,443,996	0	1,443,996	20,711	(4,586,040)	0.315331	0.00	(0.003221)	(4,651.11)	49,009.85	44.72	4,061.14	53,070.99	1.00%
May	1,560,555	3,496,815	2,785,041	711,774	0	711,774	848,781	(3,737,259)	0.315331	0.00	(0.003221)	(2,292.62)	46,717.23	40.84	4,101.98	50,819.21	1.00%
June	1,511,904	3,105,929	2,631,453	474,476	0	474,476	1,037,428	(2,699,831)	0.315331	33,418.51	(0.003221)	(1,528.29)	78,607.45	38.93	4,140.91	82,748.36	1.00%
July	1,554,569	3,048,184	2,587,141	461,043	0	461,043	1,093,526	(1,606,305)	0.302953	0.00	(0.004051)	(1,867.68)	76,739.77	36.03	4,176.94	80,916.71	0.55%
August	1,573,686	3,273,761	2,693,370	580,391	0	580,391	993,295	(613,010)	0.302953	0.00	(0.004051)	(2,351.16)	74,388.61	35.17	4,212.11	78,600.72	0.55%
September	1,563,313	3,346,283	2,647,235	699,048	0	699,048	864,265	251,255	0.302953	(7,221.08)	(0.004051)	(2,831.84)	64,335.70	34.09	4,246.20	68,581.90	0.55%
October	1,711,891	4,491,012	2,887,663	1,603,349	0	1,603,349	108,542	359,797	0.274213	0.00	(0.003492)	(5,598.89)	58,736.81	29.49	4,275.69	63,012.50	0.55%
November	1,680,568	5,163,076	2,814,168	2,348,908	0	2,348,908	(668,340)	(308,543)	0.274213	0.00	(0.003492)	(8,202.39)	50,534.42	26.92	4,302.61	54,837.03	0.55%
December	1,722,087	5,731,877	2,870,639	2,861,238	0	2,861,238	(1,139,151)	(1,447,695)	0.274213	0.00	(0.003492)	(9,991.44)	40,542.98	23.16	4,325.77	44,868.75	0.55%
January	1,722,087	6,155,640	2,823,454	3,332,186	0	3,332,186	(1,610,099)	(3,057,794)	0.274213	0.00	(0.003492)	(11,635.99)	28,906.99	18.58	4,344.35	33,251.34	0.55%
February	1,522,530	5,515,253	2,741,120	2,774,133	0	2,774,133	(1,251,603)	(4,309,398)	0.274213	0.00	(0.003492)	(9,687.27)	19,219.72	13.25	4,357.60	23,577.32	0.55%
March	1,717,087	5,352,096	2,945,462	2,406,634	0	2,406,634	(689,547)	(4,998,945)	0.274213	0.00	(0.003492)	(8,403.97)	10,815.75	8.81	4,366.41	15,182.16	0.55%
April	1,675,568	4,240,479	2,674,549	1,565,930	0	1,565,930	109,638	(4,889,307)	0.274213	0.00	(0.003492)	(5,468.23)	5,347.52	4.96	4,371.37	9,718.89	0.55%
May	1,787,087	3,517,486	2,737,189	780,297	0	780,297	1,006,790	(3,882,518)	0.274213	0.00	(0.003492)	(2,724.80)	2,622.72	2.45	4,373.82	6,996.54	0.55%
June	1,665,568	3,125,671	2,652,111	473,560	0	473,560	1,192,008	(2,690,510)	0.274213	0.00	(0.003492)	(1,653.67)	969.05	1.20	4,375.02	5,344.07	0.55%
July	1,647,087	2,985,710	2,607,737	377,973	0	377,973	1,269,114	(1,421,397)	0.274213	0.00	(0.003492)	(1,319.88)	(350.83)	0.44	4,375.46	4,024.63	0.55%
August	1,727,087	3,165,761	2,693,370	472,391	0	472,391	1,254,696	(166,701)	0.274213	0.00	(0.003492)	(1,649.59)	(2,000.42)	(0.16)	4,375.30	2,374.88	0.55%
September	1,685,568	3,349,283	2,667,235	682,048	0	682,048	1,003,520	836,818	0.274213	0.00	(0.003492)	(2,381.71)	(4,382.13)	(0.92)	4,374.38	(7.75)	0.55%

(1) Includes balance of (204,755) as of September, 2008  
(2) Includes balance of (347,092.46) as of September, 2008  
(3) Includes balance of 7,595.23 as of September, 2008

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - OCTOBER, 2008 TO SEPTEMBER, 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)</u> (1)	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u> (2)	<u>Total PGTVA (\$'s)</u>	<u>Total Y-T-D PGTVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>
Actual	October	66,087	4,107,387	0.016090	0.019029	0.002939	12,071.61	(10,323.65)	(62.52)	2,017.13	12,009.09	(8,306.52)	108.9
Actual	November	75,746	5,863,859	0.012917	0.019029	0.006112	35,839.91	25,516.26	(28.82)	1,988.31	35,811.09	27,504.57	218.4
Actual	December	76,900	6,078,333	0.012652	0.019029	0.006377	38,761.53	64,277.79	71.23	2,059.54	38,832.76	66,337.33	335.2
Actual	January	79,192	6,451,699	0.012275	0.019029	0.006754	43,574.78	107,852.57	131.23	2,190.77	43,706.01	110,043.34	376.6
Actual	February	73,765	5,409,097	0.013637	0.019029	0.005392	29,165.85	137,018.42	220.20	2,410.97	29,386.05	139,429.39	308.7
Actual	March	73,253	5,382,776	0.013609	0.019029	0.005420	29,174.65	166,193.07	279.75	2,690.72	29,454.40	168,883.79	264.3
Actual	April	67,073	4,166,554	0.016098	0.019029	0.002931	12,212.17	178,405.24	138.49	2,829.21	12,350.66	181,234.45	154.9
Actual	May	64,286	3,525,133	0.018236	0.019029	0.000793	2,795.43	181,200.67	148.67	2,977.88	2,944.10	184,178.55	79.4
Actual	June	61,431	3,121,606	0.019679	0.019029	(0.000650)	(2,029.04)	179,171.63	151.00	3,128.88	(1,878.04)	182,300.51	43.6
Actual	July	37,762	3,048,184	0.012388	0.019029	0.006641	20,242.99	199,414.62	82.12	3,211.00	20,325.11	202,625.62	40.9
Forecast	August	62,109	3,273,761	0.018972	0.019029	0.000057	186.60	199,601.22	91.40	3,302.40	278.00	202,903.62	42.8
Forecast	September	<u>62,501</u>	<u>3,346,283</u>	<u>0.018678</u>	0.019029	0.000351	<u>1,174.55</u>	<u>200,775.77</u>	<u>91.48</u>	<u>3,393.88</u>	<u>1,266.03</u>	<u>204,169.65</u>	<u>58.5</u>
	Total	800,105	53,774,670	0.014879			223,171.03	200,775.77	1,314.23	3,393.88	224,485.26	204,169.65	2,032.2

PGTVA Balance per M\*3 Purchased (\$/M\*3) \$0.003797  
 Forecast Average Residential Consumption per Customer 2,032.2 M\*3  
 Estimated Impact on Average Residential Customer \$7.72 Customer Rebate

(1) Includes balance of (22,395.26) as of September, 2008  
 (2) Includes balance of 2,079.65 as of September, 2008

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2009 TO SEPTEMBER, 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)
October	68,384	4,491,012	0.015227	0.019029	0.003802	17,074.83	17,074.83	0.00	0.00	17,074.83	17,074.83	118.7
November	72,156	5,163,076	0.013975	0.019029	0.005054	26,094.19	43,169.02	7.83	7.83	26,102.02	43,176.85	202.7
December	75,212	5,731,877	0.013122	0.019029	0.005907	33,858.20	77,027.22	19.79	27.62	33,877.99	77,054.84	321.8
January	77,489	6,155,640	0.012588	0.019029	0.006441	39,648.48	116,675.70	35.30	62.92	39,683.78	116,738.62	355.2
February	74,452	5,515,253	0.013499	0.019029	0.005530	30,499.35	147,175.05	53.48	116.40	30,552.83	147,291.45	293.2
March	73,199	5,352,096	0.013677	0.019029	0.005352	28,644.42	175,819.47	67.46	183.86	28,711.88	176,003.33	246.2
April	67,226	4,240,479	0.015853	0.019029	0.003176	13,467.76	189,287.23	80.58	264.44	13,548.34	189,551.67	186.6
May	62,965	3,517,486	0.017901	0.019029	0.001128	3,967.72	193,254.95	86.76	351.20	4,054.48	193,606.15	89.7
June	61,290	3,125,671	0.019609	0.019029	(0.000580)	(1,812.89)	191,442.06	88.58	439.78	(1,724.31)	191,881.84	53.1
July	60,860	2,985,710	0.020384	0.019029	(0.001355)	(4,045.64)	187,396.42	87.74	527.52	(3,957.90)	187,923.94	40.9
August	61,398	3,165,761	0.019394	0.019029	(0.000365)	(1,155.50)	186,240.92	85.89	613.41	(1,069.61)	186,854.33	42.8
September	<u>62,384</u>	<u>3,349,283</u>	<u>0.018626</u>	0.019029	0.000403	<u>1,349.76</u>	<u>187,590.68</u>	<u>85.36</u>	<u>698.77</u>	<u>1,435.12</u>	<u>188,289.45</u>	<u>58.5</u>
Total	817,016	52,793,344	0.015476			187,590.68	187,590.68	698.77	698.77	188,289.45	188,289.45	2,009.4

PGTVA Balance per M\*3 Purchased (\$/M\*3) \$0.003567  
Forecast Average Residential Consumption per Customer 2,009.4 M\*3  
Estimated Impact on Average Residential Customer \$7.17 Customer Rebate

(1) Assumes Sept., 2009 year-to-date balance of \$200,775.77 (See Schedule 10) is cleared through a separate proceeding.  
(2) Assumes Sept., 2009 year-to-date balance of \$3,393.88 (See Schedule 10) is cleared through a separate proceeding.

**NATURAL RESOURCE GAS LIMITED**

**RESIDENTIAL BILL COMPARISONS**

**QUARTERLY BILL IMPACT**

	Quarter Starting 01-Oct-08 <u>EB-2008-0284</u>	Quarter Starting 01-Oct-09 <u>EB-2009-0321</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption for Quarter	643.2	643.2		
Monthly Charges	\$34.50	\$34.50	\$0.00	0.0%
Delivery Charges	\$98.41	\$98.41	\$0.00	0.0%
Total Commodity Charges	<u>\$250.49</u>	<u>\$175.30</u>	<u>(\$75.19)</u>	<u>-30.0%</u>
Total Customer Charges	\$383.40	\$308.21	(\$75.19)	-19.6%

**ANNUAL BILL IMPACT**

	01-Jul-09 <u>EB-2009-0131</u>	01-Oct-09 <u>EB-2009-0321</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>\$604.29</u>	<u>\$547.66</u>	<u>(\$56.63)</u>	<u>-9.4%</u>
Total Customer Charges	\$1,049.72	\$993.10	(\$56.63)	-5.4%

**RATES USED**

	01-Oct-08 <u>EB-2008-0284</u>	01-Jul-09 <u>EB-2009-0131</u>	01-Oct-09 <u>EB-2009-0321</u>
Monthly charge	11.50	11.50	11.50
Delivery Charge	0.152999	0.152999	0.152999
Total Commodity Charge	0.389444	0.300730	0.272549

**APPENDIX "A" TO  
DECISION AND ORDER  
BOARD FILE No. EB-2009-0321  
DATED SEPTEMBER 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 <sup>3</sup> per month	15.2999 cents per m <sup>3</sup>
	All over 1,000 m <sup>3</sup> per month	10.4073 cents per m <sup>3</sup>
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: October 01, 2009

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

EB-2009-0321

## 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 <sup>3</sup> per month	14.5000 cents per m <sup>3</sup>	18.5648 cents per m <sup>3</sup>
Next 24,000 m <sup>3</sup> per month	10.0431 cents per m <sup>3</sup>	16.6254 cents per m <sup>3</sup>
All over 25,000 m <sup>3</sup> per month	6.5417 cents per m <sup>3</sup>	16.1952 cents per m <sup>3</sup>
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: October 01, 2009

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

EB-2009-0321

## 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 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 113,000 m<sup>3</sup>.

#### 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 m<sup>3</sup> for each m<sup>3</sup> 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 m<sup>3</sup>,

- (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 m<sup>3</sup> and not to be less than 6.0992 per m<sup>3</sup>.

- 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 (ii) 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 m<sup>3</sup> for firm gas and 5.7536 cents per m<sup>3</sup> 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 m<sup>3</sup> 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: October 01, 2009

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

EB-2009-0321

## 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 <sup>3</sup> per month	14.4501 cents per m <sup>3</sup>	18.5648 cents per m <sup>3</sup>
All over 1,000 m <sup>3</sup> per month	10.3477 cents per m <sup>3</sup>	16.6254 cents per m <sup>3</sup>
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: October 01, 2009

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

EB-2009-0321

**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 m<sup>3</sup>; and
- c) a qualifying annual volume of at least 50,000 m<sup>3</sup>.

**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 m<sup>3</sup> and not to be less than 5.7192 per m<sup>3</sup>.

- 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 m<sup>3</sup>. 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 m<sup>3</sup> 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: October 01, 2009

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

EB-2009-0321

**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-2009-0321)	27.4213 cents per m3
GPRA Recovery Rate	(EB-2009-0321)	(0.3492) cents per m3
System Gas Fee	(EB-2005-0544)	<u>0.1828</u> cents per m3
Total Gas Supply Charge		27.2549 cents per m3

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: October 01, 2009

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

EB-2009-0321

**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: October 01, 2009

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

EB-2009-0321

**APPENDIX "B" TO  
DECISION AND ORDER  
BOARD FILE No. EB-2009-0321  
DATED SEPTEMBER 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 \$0.274213 per m<sup>3</sup> approved for rate making purposes effective October 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-2009-0321  
DATED SEPTEMBER XX, 2009**

## **IMPORTANT INFORMATION ABOUT YOUR GAS BILL**

On all bills rendered by NRG on or after October 1, 2009, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.028181 per cubic meter to \$0.272549 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 September, 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 \$57 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.