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Ontario

October 16, 2009 **BY E-MAIL ONLY**

Mr. Jack Howley
Natural Resources Gas Limited
General Manager
39 Beech Street East
Aylmer ON N5H 2SI

Re: Compliance with Gas Reporting and Record Keeping Requirements (RRR) Rule and Decision and Order EB-2008-0273

Thank you for the response provided by your counsel, Ogilvy Renault, to the Board's letter regarding RRR reporting dated September 28, 2009. Your counsel provided the required information identified for certain reporting requirements and information regarding the other matters in their letter of October 9, 2009. This letter summarizes the situation and the matters remaining in the categories specified in the appendix to the Board's September 28, 2009 letter.

Category 1 – Customer Count Information, RRR 2.1.3. Attached to its October 9, 2009 letter, NRG provided all the necessary reporting information to bring this element up to date. Please update the RRR system to include this information using the Board's password protected system to ensure it is reflected in the prescribed form.

Category 2 – Service Quality Requirements, RRR 2.1.9. Utilities must report their Service Quality Requirements (SQR) performance measures as described in GDAR and as a part of their RRR filing requirements. You stated that Mr. Babaie, Manager, Regulatory Audit and Accounting, and his team are carrying out an audit review of NRG's SQR and supporting processes and systems. The audit review is independent of NRG's obligation to meet the Reporting and Record Keeping Requirements (RRR). You advised that NRG has committed to working with the Regulatory Audit and Accounting team to ensure future compliance with the SQR. Until a report is received from Mr. Babaie, the Board will not take further action on this particular matter.

Categories 3 and 4 – Affiliate Relationships, RRR 2.2.2. Your counsel states that the Board knows, or should have known, that NRG does not have any affiliates and that this reporting requirement should therefore not be required. Indeed, NRG has informed the Board of this matter. Unfortunately, the reporting requirement is an annual requirement, not a reporting requirement from which exemption is granted. Utilities with no affiliates are required annually to report that they have no affiliates by indicating on the electronic form. This is necessary in order to ensure the Board is informed of circumstances that sometimes change. The Board considers that NRG reporting on this matter is now up to date, but requires regular annual update in future of all certifications - no exemptions will be granted.

Category 5 – Unaudited Quarterly Statements, OEB Order EB-2009-0273.

The Board acknowledges that NRG has in fact provided the required unaudited quarterly financial statements to Union Gas and to the Board. Those statements have now been located and forwarded to the Board's RRR reporting and monitoring staff. We ask that in the future you copy Ms. Kelli Dobson, Analyst, Conservation and Reporting, on the submission of the unaudited quarterly statements.

We note your references to NRG's September 30th year end and appreciate that you have answered the Board's letter from the perspective of the correct year end date.

In the interest of indicating the stage of completion of matters raised in the Board's letter of September 28, 2009, and posted on the Board's website, the Board is also posting this letter on its website.

Please contact Ms. Kelli Dobson at (416) 440-7624 or kelli.dobson@oeb.gov.on.ca if further information is required.

Yours truly,

Original Signed By

John Pickernell
Assistant Board Secretary

Copy: R. Cowan (NRG Co-Chair)
R. King (Ogilvy Renault)
M. Aldred (OEB, General Counsel)
D. Babaie (OEB, Manager, Regulatory Audit & Accounting)