EB-2009-0407

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 January 1, 2010;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2009-0321 Decision and Order dated September 16, 2009 the Board approved a PGCVA reference price of \$0.274213 per m^3 and a gas supply charge of \$0.272549 per m^3, both effective October 1, 2009.

2. Based on actual and forecast natural gas prices for the January, 2009 through December, 2009 period the PGCVA balance is projected to be a credit of approximately \$14 per residential customer.

3. NRG hereby applies to the Board for further orders effective January 1, 2010 as follows:

   a) an order changing the reference price authorized by the Board's EB-2009-0321 rate order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.020702 per m^3 from the Board approved level of \$0.274213 per m^3 to \$0.294915 per m^3;

   b) an order changing the rates and other charges from those authorized by the Board's EB-2009-0321 rate order to reflect a projected \$0.023862 per m^3

change in the gas supply charge from the Board approved level of \$0.272549 m^3 to a projected cost of \$0.296411 per m^3. This change is the sum of the change in the PGCVA reference price and the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act.

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

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

Mr. Jack Howley
Natural Resource Gas Limited
39 Beech Street East
P.O. Box 307
Aylmer, Ontario, N5H 2S1

Telephone: (519) 773-5321
Fax: (519) 773-5335

And

Mrs. Laurie O'Meara
Natural Resource Gas Limited
P.O. Box 3117, Terminal A
London, Ontario, N6A 4J4

Telephone: (519) 433-8126
Fax: (519) 433-6132
E-mail: laurie.omeara@cpirentals.com

And

Mr. Randy Aiken
Aiken & Associates
578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Telephone: (519) 351-8624
Fax: (519) 351-4331

Dated at Aylmer, Ontario, this 4th day of December, 2009.

NATURAL RESOURCE GAS LIMITED

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Jack Howley
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2009-0321 Decision and Order dated September 16, 2009 the Board approved a Purchased Gas Commodity Variance Account ("PGCVA") reference price of \$0.274213 per m^3 and a gas supply charge of \$0.272549 per m^3, both effective October 1, 2009.

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-2009-0321, the Board approved a GPRA rate of \$(0.003492) per m^3.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective January 1, 2010 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

PGCVA

Updated Forecasts

The purpose of this evidence is to provide the projected PGCVA account balance for the twelve-month period ending December, 2009 and for the twelve-month period ending December, 2010. Based on actual and forecast costs, the PGCVA account balance totals a credit of \$14.24 per residential customer for the twelve month period ending December, 2009 (Schedule 2).

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

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

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

<u>Gas Supply Portfolio</u>

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

NRG is required to balance its total supply with its total demand on the Union Gas system on an annual basis, at the time that the direct purchase contract with Union Gas is 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 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 of October 1, 2009, NRG is required to deliver 1,701 GJ/day to Union Gas, an increase from 1,500 GJ/day in September. In October NRG had assigned a total of 85 GJ/day to its direct purchase customers, leaving 1,616 GJ/day for system gas customers. The composition of this 1,616 GJ/day was 676 GJ/day at AECO and 940 GJ/day at Parkway. Effective November 1, 2009 the direct purchase customer assignment increased to 107 GJ/day. This has reduced the deliveries for system gas customers to 1,594 GJ/day in November and thereafter. The changes in deliveries are all at AECO, decreasing the deliveries at AECO and the associated TCPL capacity used for system gas customers from 676 GJ/day in October to 654 in November and thereafter. These levels are shown in Schedules 4 and 7.

The composition of the gas deliveries for direct purchase and system gas customers for the October, 2009 through December, 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	Sept 09	Oct 09	Nov 09-Dec 10
Direct Purchase	85	85	107
AECO	676	676	654
Parkway	739	940	940
Dawn	0	0	0
Total	1,500	1,701	1,701

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 January, 2009 through December, 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 January, 2010 through December, 2010 period is shown on the top of Schedule 6.

<u>Gas Costs</u>

NRG's actual and forecast gas costs for the January, 2009 through December, 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 $\$/m^3$. 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 January, 2009 through October, 2009. Prices for the remaining months in this period are based on estimated and contracted prices to be paid in these months.

Prices for January, 2010 through December, 2010 are based on prices averaged over 10 days in the period November 17, 2009 through December 1, 2009 (November 26 was a holiday in the United States and prices are not available for that day). These prices have been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule 6 in $\$/m^3$. Gas prices for each of the sources of supply are described below. In addition to the above, contracted prices have been used where purchase decisions have been made.

The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This refers to gas that is produced in NRG's franchise area and purchased from a related company. This gas has been forecasted at a price of \$0.3012/m^3 (Schedule 3).

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

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

The Empress price over the January, 2010 through December, 2010 period shown in Schedule 7 (Western Deliveries) is based on a combination of forecast prices and actual contracted prices. The average Empress delivery rate forecast is \$7.550/GJ in January through March, \$6.853/GJ in April through October and \$7.951/GJ in November through December. Fuel costs of 4% are included in these rates.

The average Empress delivery price includes a mix of fixed price contracts. There are no amounts that are not contracted for over this period. The following table shows the current mix of volumes and prices over the forecast period (prices do not include fuel costs).

Empress Deliveries

Contracted?	**Jan-Mar**		**Apr-Oct**		**Nov-Dec**	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	189	5.02	189	5.02	189	6.04
Yes	465	8.17	290	7.40	290	8.38
Yes	0	0.00	175	6.94	175	8.16
Total	654	7.260	654	6.589	654	7.645

The Parkway price over the January, 2010 through December, 2010 period shown in Schedule 7 is based on a combination of forecast prices and actual contracted prices. The average Parkway delivery rate forecast is $8.433/GJ in January through March, $7.412/GJ in April through October and $8.566/GJ in November through December.

The average Parkway delivery price includes a mix of fixed price contracts and amounts currently not contracted for over this period. The following table shows the current mix of volumes and prices over the forecast period.

Parkway Deliveries

Contracted?	**Jan-Mar**		**Apr-Oct**		**Nov-Dec**	
	GJ/day	$/GJ	GJ/day	$/GJ	GJ/day	$/GJ
Yes	280	5.91	280	5.91	280	6.83
Yes	590	9.97	370	8.55	370	9.70
Yes	0	0.00	220	7.98	220	9.46
No	70	5.57	70	5.62	70	6.71
Total	940	8.433	940	7.412	940	8.566

The prices shown for the 70 GJ/day that has not been contracted are based on the average price forecasts for the November 17, 2009 through December 1, 2009 period.

NRG is also forecasting the purchase of Ontario Delivered Gas in September, 2010. This gas is required for NRG to balance its supply and demand on the Union Gas system as explained above. The price forecast for this gas is $5.807/GJ, as shown on Schedule 7 and is based on the pricing at Dawn based on the November 17, 2009 through December 1, 2009 average price forecasts for September purchases.

Other Forecast Assumptions

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

TCPL tolls have been forecast at a rate of $1.19/GJ. This rate came into effect January 1, 2009 and reflects the current tolls approved by the National Energy Board.

<u>PGCVA Balance</u>

The projected December, 2009 balance in the PGCVA is a credit of $146,084.70 including a debit of $46,163.80 in accumulated interest, based on the Board's prescribed interest rate. This estimate is based on actual and forecasted purchases and the balance brought forward from December, 2008. The PGCVA credit amounts to a rebate of approximately $14.24 for a typical residential customer consuming approximately 1,997 m^3 per year. These figures are shown on Schedule 2.

<u>Proposed PGCVA Rate Changes</u>

NRG proposes to adjust the reference price effective January 1, 2010 based on the projected accumulated balance in the PGCVA as of the end of December, 2009 and the forecasted cost of gas over the 12 month period beginning January, 2010 and ending December, 2010. The reference price is set such that the projected PGCVA balance at the end of October, 2010 is close to zero.

NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM applications, which were accepted by the Board. In those proceedings, NRG indicated 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 $0.020702 per m^3 effective January 1, 2010, from $0.274213 per m^3 to $0.294915 per m^3. The derivation of this rate is shown in Schedule 5. 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 January 1, 2010 PGCVA reference price from \$0.274213 per m^3 to \$0.294915 per m^3 is a debit of \$30,953.85, as shown on Schedule 8. This figure is shown in column (J) of Schedule 8 and on the December, 2009 line. It is calculated as the change in the PGCVA reference price between January and December, multiplied by the cumulative inventory balance at the end of December. This cumulative inventory balance is the sum of the actual monthly inventory balances for September, 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 8. The 0.0% is the Board approved level of UFG from EB-2005-0544.

NRG proposes to adjust the gas commodity charge effective January 1, 2010 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 December, 2010, will be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based on this rate of \$(0.000332) per m^3 over the January, 2010 through December, 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 m^3 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 January 1, 2010 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-2009-0321 Oct. 1, 2009	Proposed Jan. 1, 2010	Difference
PGCVA Reference Price	$0.274213	$0.294915	$0.020702
GPRA Recovery	$(0.003492)	$(0.000332)	$0.003160
System Gas Supply Cost	$0.001828	$0.001828	$0.000000
Gas Commodity Charge	$0.272549	$0.296411	$0.023862

SUMMARY

In summary, NRG proposes to change the reference price for amounts to be recorded in the Purchased Gas Commodity Variance Account from $0.274213 by $0.020702 to $0.294915 per m^3 effective January 1, 2010. This change is reflected in Appendix B.

NRG also proposes to change the gas supply charge from $0.272549 to $0.296411 per m^3 effective January 1, 2010. This change reflects the change of $0.020702 per m^3 related to the change in the PGCVA reference price, as described above, and the change of $0.003160 per m^3 related to the recovery of the GPRA balance, also as described above. These changes apply to all system gas customers served under Rates 1, 2, 3, 4 and 5.

There are no other changes to these rate schedules. The proposed rate schedules are attached as Appendix A. The proposed customer notices are attached as Appendix C.

Schedule 9 provides a residential bill comparison showing the impact of the proposed changes on a year over year basis for the appropriate quarter as well as the annual bill impact of the most recent quarterly change. The annual bill impact on a customer consuming approximately 2,009 m^3 is an increase of $47.95.

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Schedule 2

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMDOITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2009 TO DECEMBER, 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	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	37.8	0.55%
Actual	August	431,468	1,586,488	0.271964	0.302953	0.030989	49,163.68	161,082.11	51.30	(46,640.80)	49,214.98	114,441.31	35.8	0.55%
Actual	September	455,185	1,946,558	0.233841	0.302953	0.069112	134,530.54	295,612.65	73.83	(46,566.97)	134,604.37	249,045.68	52.7	0.55%
Actual	October	379,007	1,477,587	0.256504	0.274213	0.017709	26,166.60	321,779.25	135.49	(46,431.48)	26,302.09	275,347.77	118.7	0.55%
Forecast	November	454,235	1,439,414	0.315570	0.274213	(0.041357)	(59,529.85)	262,249.40	147.48	(46,284.00)	(59,382.37)	215,965.40	202.7	0.55%
Forecast	December	476,274	1,481,595	0.321460	0.274213	(0.047247)	(70,000.90)	192,248.50	120.20	(46,163.80)	(69,880.70)	146,084.70	321.8	0.55%
	Total	6,170,038	20,485,214	0.301195			256,327.62	192,248.50	27.49	(46,163.80)	256,355.11	146,084.70	1,997.0	

PGCVA Balance per M*3 Purchased ($/M*3)	$0.007131	
Forecast Average Residential Consumption per Customer	1,997.0	M*3
Estimated Impact on Average Residential Customer	$14.24	Customer Rebate

(1) Includes balance of (64,079.12) as of December, 2008
(2) Includes balance of (46,191.29) as of December, 2008

Dec., 2009
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Schedule 3

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2009 TO DECEMBER, 2009

	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Total
Volumes (m3)													
Local Production (A)	402,672	361,080	429,154	416,742	422,844	412,813	421,962	448,532	355,097	150,759	174,000	174,000	4,169,655
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	602,336	2,098,779	607,605	586,702	608,371	587,719	605,642	608,502	588,702	771,794	746,229	771,103	9,183,483
Western Delivery	497,192	450,794	501,541	461,264	529,340	511,371	526,966	529,454	538,515	555,035	519,185	536,491	6,157,148
Ontario Delivered Gas	489,041	0	21,642	0	0	0	0	0	464,244	0	0	0	974,927
Total	1,991,241	2,910,653	1,559,942	1,464,707	1,560,555	1,511,904	1,554,569	1,586,488	1,946,558	1,477,587	1,439,414	1,481,595	20,485,214
Price ($/m3)													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.431961	0.306209	0.425621	0.274437	0.264449	0.265139	0.265793	0.260369	0.255889	0.238863	0.311049	0.319892	
Western Delivery	0.392240	0.391340	0.385144	0.237923	0.218750	0.218232	0.221050	0.215722	0.200352	0.223965	0.281913	0.285315	
Ontario Delivered Gas	0.267675	0.000000	0.351362	0.000000	0.000000	0.000000	0.000000	0.000000	0.141222	0.000000	0.000000	0.000000	
Total Gas Cost ($)													
Local Production (A)	121,285	108,757	129,261	125,523	127,361	124,339	127,095	135,098	106,955	45,409	52,409	52,409	1,255,900
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	260,185	642,664	258,609	161,013	160,883	155,828	160,976	158,435	150,642	184,353	232,114	246,670	2,772,372
Western Delivery	195,019	176,414	193,165	109,745	115,793	111,597	116,486	114,215	107,893	124,309	146,365	153,069	1,664,069
Ontario Delivered Gas	130,904	0	7,604	0	0	0	0	0	65,561	0	0	0	204,070
TCPL Transportation	21,433	19,359	21,433	20,742	23,720	22,955	23,720	23,720	24,133	24,938	23,348	24,126	273,627
Total	728,826	947,194	610,073	417,022	427,757	414,719	428,276	431,468	455,185	379,007	454,235	476,274	6,170,038

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2009 TO DECEMBER, 2009

		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09
Local Production													
Local Production (A)	($/GJ)	7.919	7.950	7.989	7.971	7.999	7.985	7.963	8.000	7.998	7.977	7.970	7.970
Local Production (B)	($/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
Dawn	($/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Parkway	($/GJ)	11.357	8.082	11.289	7.263	7.023	7.029	7.027	6.916	6.795	6.326	8.231	8.465
Western Deliveries	($/GJ)	10.313	10.329	10.215	6.296	5.809	5.785	5.844	5.730	5.320	5.932	7.460	7.550
Fuel Ratio	(%)	4.59%	4.75%	3.61%	3.27%	3.42%	1.87%	3.89%	3.58%	0.00%	1.92%	4.00%	4.00%
TCPL Transportation	($/GJ)												
TCPL Toll		1.190000	1.190000	1.190000	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	643	643	643	643	676	676	654	654
Delivery Committment Credit ($/GJ)		0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GJ/day (Obligated)		1,320	1,320	1,320	1,320	1,320	1,382	1,382	1,382	1,415	1,616	1,594	1,594
Ontario Delivered Gas	($/GJ)	7.038	0.000	9.319	0.000	0.000	0.000	0.000	0.000	3.750	0.000	0.000	0.000
Heat Value	(GJ/103m3)	38.03	37.89	37.70	37.79	37.66	37.72	37.83	37.65	37.66	37.76	37.79	37.79

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2010 TO DECEMBER, 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
January	475,341	1,481,595	0.320831	0.294915	(0.025916)	(38,397.01)	153,851.49	88.11	(46,075.69)	(38,308.90)	107,775.80	355.2	0.55%
February	425,376	1,325,053	0.321026	0.294915	(0.026111)	(34,598.46)	119,253.03	70.52	(46,005.17)	(34,527.94)	73,247.86	293.2	0.55%
March	474,728	1,479,595	0.320850	0.294915	(0.025935)	(38,373.29)	80,879.74	54.66	(45,950.51)	(38,318.63)	34,929.23	246.2	0.55%
April	418,628	1,437,414	0.291237	0.294915	0.003678	5,286.81	86,166.55	37.07	(45,913.44)	5,323.88	40,253.11	186.6	0.55%
May	439,289	1,507,595	0.291384	0.294915	0.003531	5,323.32	91,489.87	39.49	(45,873.95)	5,362.81	45,615.92	89.7	0.55%
June	417,423	1,433,414	0.291209	0.294915	0.003706	5,312.23	96,802.10	41.93	(45,832.02)	5,354.16	50,970.08	53.1	0.55%
July	422,422	1,451,595	0.291005	0.294915	0.003910	5,675.73	102,477.83	44.37	(45,787.65)	5,720.10	56,690.18	40.9	0.55%
August	432,060	1,483,595	0.291225	0.294915	0.003690	5,474.46	107,952.29	46.97	(45,740.68)	5,521.43	62,211.61	42.8	0.55%
September	495,749	1,787,358	0.277364	0.294915	0.017551	31,369.92	139,322.21	49.48	(45,691.20)	31,419.40	93,631.01	58.5	0.55%
October	435,072	1,493,595	0.291292	0.294915	0.003623	5,411.29	144,733.50	63.86	(45,627.34)	5,475.15	99,106.16	118.7	0.55%
November	473,316	1,439,414	0.328826	0.294915	(0.033911)	(48,811.97)	95,921.53	66.34	(45,561.00)	(48,745.63)	50,360.53	202.7	0.55%
December	487,346	1,481,595	0.328934	0.294915	(0.034019)	(50,402.37)	45,519.16	43.96	(45,517.04)	(50,358.41)	2.12	321.8	0.55%
Total	5,396,753	17,801,816	0.303157			(146,729.34)	45,519.16	646.76	(45,517.04)	(146,082.58)	2.12	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 Dec., 2009 year-to-date balance of $192,248.50 (See Schedule 2)
(2) Includes Dec., 2009 year-to-date balance of ($46,163.80) (See Schedule 2)

Dec., 2009
EB-2009-0407
Schedule 6

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2010 TO DECEMBER, 2010

	Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Total
Volumes (m3)													
Local Production (A)	174,000	144,000	172,000	172,000	200,000	168,000	144,000	176,000	176,000	186,000	174,000	174,000	2,060,000
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	771,103	696,481	771,103	746,229	771,103	746,229	771,103	771,103	746,229	771,103	746,229	771,103	9,079,121
Western Delivery	536,491	484,573	536,491	519,185	536,491	519,185	536,491	536,491	519,185	536,491	519,185	536,491	6,316,750
Ontario Delivered Gas	0	0	0	0	0	0	0	0	345,944	0	0	0	345,944
Total	1,481,595	1,325,053	1,479,595	1,437,414	1,507,595	1,433,414	1,451,595	1,483,595	1,787,358	1,493,595	1,439,414	1,481,595	17,801,816
Price ($/m3)													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.318683	0.318683	0.318668	0.280099	0.280099	0.280099	0.280099	0.280099	0.280099	0.280099	0.323709	0.323709	
Western Delivery	0.285315	0.285315	0.285315	0.258975	0.258975	0.258975	0.258975	0.258975	0.258975	0.258975	0.300468	0.300468	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.219447	0.000000	0.000000	0.000000	
Total Gas Cost ($)													
Local Production (A)	52,409	43,373	51,806	51,806	60,240	50,602	43,373	53,011	53,011	56,023	52,409	52,409	620,472
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	245,738	221,957	245,726	209,018	215,985	209,018	215,985	215,985	209,018	215,985	241,561	249,613	2,695,590
Western Delivery	153,069	138,256	153,069	134,456	138,938	134,456	138,938	138,938	134,456	138,938	155,998	161,198	1,720,710
Ontario Delivered Gas	0	0	0	0	0	0	0	0	75,916	0	0	0	75,916
TCPL Transportation	24,126	21,791	24,126	23,348	24,126	23,348	24,126	24,126	23,348	24,126	23,348	24,126	284,065
Total	475,341	425,376	474,728	418,628	439,289	417,423	422,422	432,060	495,749	435,072	473,316	487,346	5,396,753

NATURAL RESOURCE GAS LIMITED

FORECAST GAS PRICES

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2010 TO DECEMBER, 2010

		Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10
Local Production													
Local Production (A)	($/GJ)	7.970	7.970	7.970	7.970	7.970	7.970	7.970	7.970	7.970	7.970	7.970	7.970
Local Production (B)	($/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
Dawn	($/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Parkway	($/GJ)	8.433	8.433	8.433	7.412	7.412	7.412	7.412	7.412	7.412	7.412	8.566	8.566
Western Deliveries	($/GJ)	7.550	7.550	7.550	6.853	6.853	6.853	6.853	6.853	6.853	6.853	7.951	7.951
Fuel Ratio	(%)	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%	4.00%
TCPL Transportation	($/GJ)												
TCPL Toll		1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000
GJ/day (TCPL)		654	654	654	654	654	654	654	654	654	654	654	654
Delivery Committment Credit		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)		1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594	1,594
Ontario Delivered Gas	($/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.807	0.000	0.000	0.000
Heat Value	(GJ/103m3)	37.79	37.79	37.79	37.79	37.79	37.79	37.79	37.79	37.79	37.79	37.79	37.79

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JANUARY, 2009 THROUGH DECEMBER, 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=KxD	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
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	5,487,652	2,711,617	2,776,035	0	2,776,035	134,618	(3,732,863)	0.347919	0.00	0.009450	26,233.53	(119,463.57)	(297.46)	4,260.33	(115,203.24)	2.45%
March	1,559,942	5,376,380	2,942,176	2,434,204	0	2,434,204	(874,262)	(4,607,125)	0.347919	150,136.99	0.009450	23,003.23	53,676.65	(243.90)	4,016.43	57,693.08	2.45%
April	1,464,707	4,102,246	2,658,250	1,443,996	0	1,443,996	20,711	(4,586,413)	0.315331	0.00	(0.003221)	(4,651.11)	49,025.54	44.73	4,061.16	53,086.70	1.00%
May	1,560,555	3,496,815	2,785,041	711,774	0	711,774	848,781	(3,737,632)	0.315331	0.00	(0.003221)	(2,292.62)	46,732.92	40.85	4,102.01	50,834.93	1.00%
June	1,511,904	3,105,929	2,631,453	474,476	0	474,476	1,037,428	(2,700,205)	0.315331	33,423.13	(0.003221)	(1,528.29)	78,627.76	38.94	4,140.95	82,768.71	1.00%
July	1,554,569	3,049,131	2,579,597	469,534	0	469,534	1,085,035	(1,615,170)	0.302953	0.00	(0.004051)	(1,902.08)	76,725.68	36.04	4,176.99	80,902.67	0.55%
August	1,586,488	3,123,256	2,576,614	546,642	0	546,642	1,039,846	(575,324)	0.302953	0.00	(0.004051)	(2,214.45)	74,511.23	35.17	4,212.16	78,723.39	0.55%
September	1,946,558	3,434,128	2,629,394	804,734	0	804,734	1,141,824	566,501	0.302953	(16,281.23)	(0.004051)	(3,259.98)	54,970.02	34.15	4,246.31	59,216.33	0.55%
October	1,477,587	3,793,526	2,666,094	1,127,433	0	1,127,433	350,155	916,655	0.274213	0.00	(0.003492)	(3,936.99)	51,033.03	25.19	4,271.50	55,304.53	0.55%
November	1,439,414	5,506,768	2,814,168	2,692,600	0	2,692,600	(1,253,186)	(336,530)	0.274213	0.00	(0.003492)	(9,402.56)	41,630.47	23.39	4,294.89	45,925.36	0.55%
December	1,481,595	5,510,914	2,870,639	2,640,275	0	2,640,275	(1,158,680)	(1,495,211)	0.274213	(30,953.85)	(0.003492)	(9,219.84)	1,456.78	19.08	4,313.97	5,770.75	0.55%
January	1,481,595	5,977,966	2,823,454	3,154,512	0	3,154,512	(1,672,917)	(3,168,128)	0.294915	0.00	(0.000332)	(1,047.30)	409.48	0.67	4,314.64	4,724.12	0.55%
February	1,325,053	5,076,207	2,741,120	2,335,087	0	2,335,087	(1,010,034)	(4,178,162)	0.294915	0.00	(0.000332)	(775.25)	(365.77)	0.19	4,314.83	3,949.06	0.55%
March	1,479,595	5,097,912	2,945,462	2,152,450	0	2,152,450	(672,855)	(4,851,017)	0.294915	0.00	(0.000332)	(714.61)	(1,080.38)	(0.17)	4,314.66	3,234.28	0.55%
April	1,437,414	3,918,213	2,674,549	1,243,664	0	1,243,664	193,750	(4,657,267)	0.294915	0.00	(0.000332)	(412.90)	(1,493.28)	(0.50)	4,314.16	2,820.88	0.55%
May	1,507,595	3,240,762	2,737,189	503,573	0	503,573	1,004,022	(3,653,246)	0.294915	0.00	(0.000332)	(167.19)	(1,660.47)	(0.68)	4,313.48	2,653.01	0.55%
June	1,433,414	3,115,671	2,652,111	463,560	0	463,560	969,854	(2,683,392)	0.294915	0.00	(0.000332)	(153.90)	(1,814.37)	(0.76)	4,312.72	2,498.35	0.55%
July	1,451,595	3,042,710	2,607,737	434,973	0	434,973	1,016,622	(1,666,770)	0.294915	0.00	(0.000332)	(144.41)	(1,958.78)	(0.83)	4,311.89	2,353.11	0.55%
August	1,483,595	3,135,434	2,553,043	582,391	0	582,391	901,204	(765,566)	0.294915	0.00	(0.000332)	(193.35)	(2,152.13)	(0.90)	4,310.99	2,158.86	0.55%
September	1,787,358	3,154,720	2,699,429	455,291	0	455,291	1,332,067	566,501	0.294915	0.00	(0.000332)	(151.16)	(2,303.29)	(0.99)	4,310.00	2,006.71	0.55%
October	1,493,595	3,990,443	2,666,094	1,324,349	0	1,324,349	169,246	735,746	0.294915	0.00	(0.000332)	(439.68)	(2,742.97)	(1.06)	4,308.94	1,565.97	0.55%
November	1,439,414	4,902,076	2,814,168	2,087,908	0	2,087,908	(648,494)	87,252	0.294915	0.00	(0.000332)	(693.19)	(3,436.16)	(1.26)	4,307.68	871.52	0.55%
December	1,481,595	5,470,877	2,870,639	2,600,238	0	2,600,238	(1,118,643)	(1,031,391)	0.294915	0.00	(0.000332)	(863.28)	(4,299.44)	(1.57)	4,306.11	6.67	0.55%

(1)	Includes balance of	(2,674,970)	as of December, 2008
(2)	Includes balance of	(175,783.56)	as of December, 2008
(3)	Includes balance of	4,916.68	as of December, 2008

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jan-09 EB-2008-0377	Quarter Starting 01-Jan-10 EB-2009-0407	$ Change	Percent Change
Average Residential Consumption for Quarter	894.6	894.6		
Monthly Charges	$34.50	$34.50	$0.00	0.0%
Delivery Charges	$136.87	$136.87	$0.00	0.0%
Total Commodity Charges	$321.42	$265.17	($56.25)	-17.5%
Total Customer Charges	$492.80	$436.54	($56.25)	-11.4%

ANNUAL BILL IMPACT

	01-Oct-09 EB-2009-0321	01-Jan-10 EB-2009-0407	$ Change	Percent Change
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	$547.66	$595.61	$47.95	8.8%
Total Customer Charges	$993.10	$1,041.04	$47.95	4.8%

RATES USED

	01-Jan-09 EB-2008-0377	01-Oct-09 EB-2009-0321	01-Jan-10 EB-2009-0407
Monthly charge	11.50	11.50	11.50
Delivery Charge	0.152999	0.152999	0.152999
Total Commodity Charge	0.359292	0.272549	0.296411

APPENDIX "A" TO

DECISION AND ORDER

BOARD FILE No. EB-2009-0407

DATED DECEMBER 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 All over 1,000 m^3 per month	 15.2999 cents per m^3 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: January 01, 2010
Implementation: All bills rendered on or after January 01, 2010
EB-2009-0407

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: January 01, 2010
Implementation: All bills rendered on or after January 01, 2010
EB-2009-0407

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^3; and
c) a qualifying annual volume of at least 113,000 m^3.

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^3 for each m^3 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^3,

(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^3 and not to be less than 6.0992 per m^3.

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 m^3 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 m^3 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: January 01, 2010
Implementation: All bills rendered on or after January 01, 2010
EB-2009-0407

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: January 01, 2010
Implementation: All bills rendered on or after January 01, 2010
EB-2009-0407

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^3; and
c) a qualifying annual volume of at least 50,000 m^3.

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^3 and not to be less than 5.7192 per m^3.

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^3. 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^3 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: January 01, 2010
Implementation: All bills rendered on or after January 01, 2010
EB-2009-0407

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-2009-0407)	29.4915 cents per m3
GPRA Recovery Rate	(EB-2009-0407)	(0.0332) cents per m3
System Gas Fee	(EB-2005-0544)	0.1828 cents per m3
Total Gas Supply Charge		29.6411 cents per m3

Note:
PGCVA means Purchased Gas Commodity Variance Account
GPRA means Gas Purchase Rebalancing Account

Effective: January 01, 2010
Implementation: All bills rendered on or after January 01, 2010
EB-2009-0407

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: January 01, 2010
Implementation: All bills rendered on or after January 01, 2010
EB-2009-0407

APPENDIX "B" TO

DECISION AND ORDER

BOARD FILE No. EB-2009-0407

DATED DECEMBER 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 \$0.294915 per m^3 approved for rate making purposes effective January 01, 2010.

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-2009-0407

DATED DECEMBER XX, 2009

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after January 1, 2010, the price we charge for the gas commodity and transportation portion of your bill will be increasing by $0.023862 per cubic meter to $0.296411 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 December, 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 $48 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.