

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 April 1, 2010;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2009-0407 Decision and Order dated December 22, 2009 the Board approved a PGCVA reference price of \$0.294915 per m³ and a gas supply charge of \$0.296411 per m³, both effective January 1, 2010.
2. Based on actual and forecast natural gas prices for the April, 2009 through March, 2010 period the PGCVA balance is projected to be a credit of approximately \$9 per residential customer.
3. NRG hereby applies to the Board for further orders effective April 1, 2010 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2009-0407 rate order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.012561 per m³ from the Board approved level of \$0.294915 per m³ to \$0.307476 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2009-0407 rate order to reflect a projected \$0.016300 per m³

change in the gas supply charge from the Board approved level of \$0.296411 m³ to a projected cost of \$0.312711 per m³. 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:

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Dated at London, Ontario, this 3rd day of March, 2010.

NATURAL RESOURCE GAS LIMITED

Laurie O'Meara
Controller

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2009-0407 Decision and Order dated December 22, 2009 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.294915 per m³ and a gas supply charge of \$0.296411 per m³, both effective January 1, 2010.

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-2009-0407, the Board approved a GPRA rate of \$(0.000332) per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 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 March, 2010. Based on actual and forecast costs, the PGCVA account balance totals a credit of \$9.04 per residential customer for the twelve month period ending March, 2010 (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.

March, 2010

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through January, 2010. The remaining months in the
3 twelve-month period ending March, 2010 are calculated using estimated prices based on
4 the best information available at the time of filing.

5
6 Forecast prices have been used for the period April, 2010 through March, 2011 period,
7 except where actual contracted prices are available.

8
9 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
10 by NRG for system gas purchases.

11
12 Gas Supply Portfolio

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

18
19 NRG is required to balance its total supply with its total demand on the Union Gas
20 system on an annual basis, at the time that the direct purchase contract with Union Gas is
21 renewed. This may entail NRG purchasing gas or shedding excess gas.

22
23 NRG is a direct purchase customer on the Union Gas system. Under its bundled
24 transportation contract, NRG is obligated to deliver a fixed amount of gas each day to
25 Union. This amount is determined by Union and is based on the expected annual volume
26 divided by 365.

27
28 Additional gas may be purchased in the period leading up to the end of February of each
29 year if required for NRG to meet its forecast banked gas account winter balancing
30 checkpoint on the Union Gas system if consumption is greater than forecast. The Board

1 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063
2 (Decisions with Reasons, dated March 18, 2004). As shown in Schedule 3, NRG
3 purchased additional gas at Dawn in February, 2010 in order to meet its balancing
4 requirements with Union.

5
6 As of October 1, 2009, NRG is required to deliver 1,701 GJ/day to Union Gas. Effective
7 November 1, 2009 the direct purchase customer assignment is 107 GJ/day. This results
8 in deliveries for system gas customers to 1,594 GJ/day in November and thereafter. The
9 composition of these deliveries is 654 GJ/day at AECO and 940 GJ/day at Parkway.
10 These levels are shown in Schedules 4 and 7.

11
12 The composition of the gas deliveries for direct purchase and system gas customers for
13 the April, 2010 through March, 2011 period is shown in the following table. Please note
14 that these figures do not include the direct purchase deliveries associated with a large
15 ethanol plant served by NRG.

16 **GJ/s per Day**

Delivery Point	April 2010-March 2011
Direct Purchase	107
AECO	654
Parkway	940
Dawn	0
Total	1,701

17
18 In addition to the obligated deliveries described above, NRG purchases gas from local
19 producers in its franchise area.

20
21 As indicated previously, NRG is required to balance its supply with its demand on the
22 Union system to within +/- 4% at the end of the contract year under its bundled
23 transportation contract with Union. The bundled transportation contract year-end
24 corresponds with the end of NRG's fiscal year (September 30). NRG purchases
25 additional balancing gas or sells gas and/or reduces deliveries such that total demand on

1 the Union system is offset by the supply provided to Union Gas to remain within the
2 contract parameters.

3
4 The composition of the gas supply portfolio volumes for the April, 2009 through March,
5 2010 period is shown on the top of Schedule 3. This schedule shows the monthly volume
6 of gas purchased or forecast to be purchased from local producers, obligated deliveries at
7 Parkway and the Alberta border (Western), and balancing gas (purchased at Dawn).
8 Similarly, the composition of the gas supply portfolio volumes for the April, 2010
9 through March, 2011 period is shown on the top of Schedule 6.

10
11 Gas Costs

12 NRG's actual and forecast gas costs for the April, 2009 through March, 2010 period, by
13 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
14 middle section of Schedule 3 in $\$/m^3$. The conversion factor used is based on the heat
15 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
16 The conversion factors used are also shown in Schedule 4. All prices shown are actual
17 prices paid in April, 2009 through January, 2010. Prices for the remaining months in this
18 period are based on estimated and contracted prices to be paid in these months.

19
20 Prices for April, 2010 through March, 2011 are based on prices averaged over 10 days in
21 the period February 12, 2010 through February 26, 2010 (February 15 was a holiday and
22 prices are not available for that day). These prices have been utilized in calculating the
23 prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule 6 in $\$/m^3$. Gas
24 prices for each of the sources of supply are described below. In addition to the above,
25 contracted prices have been used where purchase decisions have been made.

26
27 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This
28 refers to gas that is produced in NRG's franchise area and purchased from a related
29 company. This gas has been forecasted at a price of $\$0.3012/m^3$ (Schedule 3).

30

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

3

4 The Empress price over the April, 2010 through March, 2011 period shown in Schedule 7
 5 (Western Deliveries) is based on a combination of actual contracted prices. The average
 6 Empress delivery rate forecast is \$6.853/GJ in April through October and \$7.951/GJ in
 7 November through March. Fuel costs of 4% are included in these rates.

8

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

<u>Contracted?</u>	<u>Empress Deliveries</u>			
	<u>Apr-Oct</u>		<u>Nov-Dec</u>	
	<u>GJ/day</u>	<u>\$/GJ</u>	<u>GJ/day</u>	<u>\$/GJ</u>
Yes	189	5.02	189	6.04
Yes	290	7.40	290	8.38
Yes	<u>175</u>	<u>6.94</u>	<u>175</u>	<u>8.16</u>
Total	654	6.589	654	7.645

13

14 The Parkway price over the April, 2010 through March, 2011 period shown in Schedule 7
 15 is based on a combination of forecast prices and actual contracted prices. The average
 16 Parkway delivery rate forecast is \$7.394/GJ in April, \$7.404/GJ in May through October
 17 and \$8.554/GJ in November through March.

18

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

22

<u>Contracted?</u>	<u>Parkway Deliveries</u>					
	<u>Apr</u>		<u>May-Oct</u>		<u>Nov-Dec</u>	
	<u>GJ/day</u>	<u>\$/GJ</u>	<u>GJ/day</u>	<u>\$/GJ</u>	<u>GJ/day</u>	<u>\$/GJ</u>
Yes	280	5.91	280	5.91	280	6.85
Yes	370	8.55	370	8.55	370	9.70
Yes	220	7.98	220	7.98	220	9.46

No	<u>70</u>	<u>5.38</u>	<u>70</u>	<u>5.51</u>	<u>70</u>	<u>6.46</u>
Total	940	7.394	940	7.404	940	8.554

1

2 The prices shown for the 70 GJ/day that has not been contracted are based on the average
3 price forecasts for the February 12, 2010 through February 26, 2010 period.

4

5 Other Forecast Assumptions

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

10

11 TCPL tolls have been forecast at a rate of \$1.6381/GJ. This rate came into effect January
12 1, 2010 and reflects the current tolls approved by the National Energy Board.

13

14 PGCVA Balance

15 The projected March, 2010 balance in the PGCVA is a credit of \$90,850.74 including a
16 debit of \$45,924.17 in accumulated interest, based on the Board's prescribed interest rate.
17 This estimate is based on actual and forecasted purchases and the balance brought
18 forward from March, 2009. The PGCVA credit amounts to a rebate of approximately
19 \$9.04 for a typical residential customer consuming approximately 1,942 m³ per year.
20 These figures are shown on Schedule 2.

21

22 Proposed PGCVA Rate Changes

23 NRG proposes to adjust the reference price effective April 1, 2010 based on the projected
24 accumulated balance in the PGCVA as of the end of March, 2010 and the forecasted cost
25 of gas over the 12 month period beginning April, 2010 and ending March, 2011. The
26 reference price is set such that the projected PGCVA balance at the end of March, 2011 is
27 close to zero.

28

1 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
2 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
3 applications, which were accepted by the Board.

4
5 NRG proposes to change the reference price by \$0.012561 per m³ effective April 1, 2010,
6 from \$0.294915 per m³ to \$0.307476 per m³. The derivation of this rate is shown in
7 Schedule 5. This is the reference price required to bring the PGCVA balance close to
8 zero on a twelve month forecast basis. This change will also be reflected in the gas
9 commodity charge.

10 11 **GAS PURCHASE REBALANCING ACCOUNT**

12 The impact on the GPRA of the proposed April 1, 2010 PGCVA reference price from
13 \$0.294915 per m³ to \$0.307476 per m³ is a debit of \$53,497.02, as shown on Schedule 8.
14 This figure is shown in column (J) of Schedule 8 and on the March, 2010 line. It is
15 calculated as the change in the PGCVA reference price between April and March,
16 multiplied by the cumulative inventory balance at the end of March. This cumulative
17 inventory balance is the sum of the actual monthly inventory balances for December,
18 2009 and forecasts for the subsequent months. These forecasts will be replaced with
19 actual balances for these months in subsequent QRAM applications as this information
20 becomes available. As well, the monthly inventory balances are based on a deemed level
21 of unaccounted for gas ("UFG") of the total throughput volume, as shown in column (E)
22 of Schedule 8. The 0.0% is the Board approved level of UFG from EB-2005-0544.

23
24 NRG proposes to adjust the gas commodity charge effective April 1, 2010 based on the
25 projected accumulated balance in the GPRA. The adjustment to the gas commodity
26 charge will be set such that the projected GPRA balance at the end of March, 2011, will
27 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
28 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
29 \$0.003407 per m³ over the April, 2010 through March, 2011 period.

1 NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need
 2 for retroactive adjustments. This is consistent with NRG's proposal for the continued
 3 prospective clearance of the PGCVA. This change will also be reflected in the gas
 4 commodity charge.

6 **GAS COMMODITY CHARGE**

7 The system gas supply cost of \$0.001828 per m³ will be maintained. This figure
 8 represents the functionalization of additional costs over and above the commodity and
 9 transportation costs that form the PGCVA reference price to the gas supply function.
 10 These additional costs are portions of the wages and benefits, management fee, return on
 11 rate base (working cash) and income taxes. This functionalization is unchanged from that
 12 approved in EB-2005-0544.

13
 14 The change in the gas commodity charge proposed for April 1, 2010 is summarized
 15 below. The change in the gas commodity charge reflects both the change in the PGCVA
 16 reference price and the change in the recovery of the inventory revaluation amount in the
 17 GPRA. The change in the gas commodity charge is as follows:

	EB-2009-0407 <u>Jan. 1, 2010</u>	Proposed <u>Apr. 1, 2010</u>	<u>Difference</u>
21 PGCVA Reference Price	\$0.294915	\$0.307476	\$0.012561
22 GPRA Recovery	\$(0.000332)	\$0.003407	\$0.003739
23 System Gas Supply Cost	<u>\$0.001828</u>	<u>\$0.001828</u>	<u>\$0.000000</u>
24 Gas Commodity Charge	\$0.296411	\$0.312711	\$0.016300

27 **SUMMARY**

28 In summary, NRG proposes to change the reference price for amounts to be recorded in
 29 the Purchased Gas Commodity Variance Account from \$0.294915 by \$0.012561 to
 30 \$0.307476 per m³ effective April 1, 2010. This change is reflected in Appendix B.

31

1 NRG also proposes to change the gas supply charge from \$0.296411 to \$0.312711 per m³
2 effective April 1, 2010. This change reflects the change of \$0.012561 per m³ related to
3 the change in the PGCVA reference price, as described above, and the change of
4 \$0.003739 per m³ related to the recovery of the GPRA balance, also as described above.
5 These changes apply to all system gas customers served under Rates 1, 2, 3, 4 and 5.
6 There are no other changes to these rate schedules. The proposed rate schedules are
7 attached as Appendix A. The proposed customer notices are attached as Appendix C.

8

9 Schedule 9 provides a residential bill comparison showing the impact of the proposed
10 changes on a year over year basis for the appropriate quarter as well as the annual bill
11 impact of the most recent quarterly change. The annual bill impact on a customer
12 consuming approximately 2,009 m³ is an increase of \$32.75.

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2009 TO MARCH, 2010

<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 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>
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%
Actual	November	461,533	1,474,002	0.313116	0.274213	(0.038903)	(57,343.09)	264,436.16	147.48	(46,284.00)	(57,195.61)	218,152.16	202.7	0.55%
Actual	December	502,070	1,569,798	0.319831	0.274213	(0.045618)	(71,611.06)	192,825.10	121.20	(46,162.80)	(71,489.86)	146,662.30	321.8	0.55%
Actual	January	503,201	1,539,213	0.326921	0.294915	(0.032006)	(49,264.05)	143,561.05	88.38	(46,074.42)	(49,175.67)	97,486.63	355.2	0.55%
Forecast	February	652,736	2,351,251	0.277612	0.294915	0.017303	40,683.69	184,244.74	65.80	(46,008.62)	40,749.49	138,236.12	293.2	0.55%
Forecast	March	<u>483,824</u>	<u>1,479,595</u>	<u>0.326998</u>	0.294915	(0.032083)	<u>(47,469.83)</u>	<u>136,774.91</u>	<u>84.45</u>	<u>(45,924.17)</u>	<u>(47,385.38)</u>	<u>90,850.74</u>	<u>246.2</u>	0.55%
	Total	5,556,800	19,516,227	0.284727			238,751.05	136,774.91	673.07	(45,924.17)	239,424.12	90,850.74	1,942.0	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.004655
Forecast Average Residential Consumption per Customer 1,942.0 M*3
Estimated Impact on Average Residential Customer \$9.04 Customer Rebate

(1) : Includes balance of (101,976.14) as of March, 2009
(2) : Includes balance of (46,597.24) as of March, 2009

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2009 TO MARCH, 2010

	<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>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	416,742	422,844	412,813	421,962	448,532	355,097	150,759	209,792	261,934	231,968	144,000	172,000	3,648,442
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	1,026,197	0	1,026,197
Parkway Delivery	586,702	608,371	587,719	605,642	608,502	588,702	771,794	745,519	771,263	770,897	696,481	771,103	8,112,695
Western Delivery	461,264	529,340	511,371	526,966	529,454	538,515	555,035	518,691	536,602	536,348	484,573	536,491	6,264,649
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>464,244</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>464,244</u>
Total	1,464,707	1,560,555	1,511,904	1,554,569	1,586,488	1,946,558	1,477,587	1,474,002	1,569,798	1,539,213	2,351,251	1,479,595	19,516,227
<u>Price (\$/m3)</u>													
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	0.212380	0.000000	0.000000
Parkway Delivery	0.274437	0.264449	0.265139	0.265793	0.260369	0.255889	0.238863	0.311352	0.319826	0.321892	0.320421	0.318683	0.318683
Western Delivery	0.237923	0.218750	0.218232	0.221050	0.215722	0.200352	0.223965	0.275457	0.283972	0.283353	0.285315	0.285315	0.285315
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.141222	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
<u>Total Gas Cost (\$)</u>													
Local Production (A)	125,523	127,361	124,339	127,095	135,098	106,955	45,409	63,189	78,894	69,869	43,373	51,806	1,098,911
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	217,944	0	217,944
Parkway Delivery	161,013	160,883	155,828	160,976	158,435	150,642	184,353	232,119	246,670	248,146	223,167	245,738	2,327,968
Western Delivery	109,745	115,793	111,597	116,486	114,215	107,893	124,309	142,877	152,380	151,976	138,256	153,069	1,538,595
Ontario Delivered Gas	0	0	0	0	0	65,561	0	0	0	0	0	0	65,561
TCPL Transportation	<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>24,938</u>	<u>23,348</u>	<u>24,126</u>	<u>33,211</u>	<u>29,997</u>	<u>33,211</u>	<u>307,821</u>
Total	417,022	427,757	414,719	428,276	431,468	455,185	379,007	461,533	502,070	503,201	652,736	483,824	5,556,800

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2009 TO MARCH, 2010

	<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>Oct-09</u>	<u>Nov-09</u>	<u>Dec-09</u>	<u>Jan-10</u>	<u>Feb-10</u>	<u>Mar-10</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.971	7.999	7.985	7.963	8.000	7.998	7.977	7.963	7.972	7.968	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	5.620	0.000
<u>Parkway</u> (\$/GJ)	7.263	7.023	7.029	7.027	6.916	6.795	6.326	8.231	8.465	8.516	8.479	8.433
<u>Western Deliveries</u> (\$/GJ)	6.296	5.809	5.785	5.844	5.730	5.320	5.932	7.282	7.516	7.496	7.550	7.550
Fuel Ratio (%)	3.27%	3.42%	1.87%	3.89%	3.58%	0.00%	1.92%	1.53%	3.52%	3.21%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.190000	1.638100	1.638100	1.638100
GJ/day (TCPL)	581	643	643	643	643	676	676	654	654	654	654	654
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	1,382	1,382	1,382	1,415	1,616	1,594	1,594	1,594	1,594	1,594
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	3.750	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	37.79	37.66	37.72	37.83	37.65	37.66	37.76	37.83	37.78	37.80	37.79	37.79

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2010 TO MARCH, 2011
(WITH 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>
April	426,912	1,437,414	0.297000	0.307476	0.010476	15,058.35	151,833.26	62.69	(45,861.48)	15,121.04	105,971.78	186.6	0.55%
May	448,141	1,507,595	0.297256	0.307476	0.010220	15,407.62	167,240.88	69.59	(45,791.89)	15,477.21	121,448.99	89.7	0.55%
June	425,990	1,433,414	0.297185	0.307476	0.010291	14,751.26	181,992.14	76.65	(45,715.24)	14,827.91	136,276.90	53.1	0.55%
July	431,274	1,451,595	0.297104	0.307476	0.010372	15,055.94	197,048.08	83.41	(45,631.83)	15,139.35	151,416.25	40.9	0.55%
August	440,912	1,483,595	0.297192	0.307476	0.010284	15,257.29	212,305.37	90.31	(45,541.52)	15,347.60	166,763.85	42.8	0.55%
September	428,399	1,441,414	0.297208	0.307476	0.010268	14,800.44	227,105.81	97.31	(45,444.21)	14,897.75	181,661.60	58.5	0.55%
October	443,924	1,493,595	0.297219	0.307476	0.010257	15,319.80	242,425.61	104.09	(45,340.12)	15,423.89	197,085.49	118.7	0.55%
November	481,770	1,439,414	0.334699	0.307476	(0.027223)	(39,185.17)	203,240.44	111.11	(45,229.01)	(39,074.06)	158,011.43	202.7	0.55%
December	496,082	1,481,595	0.334830	0.307476	(0.027354)	(40,527.54)	162,712.90	93.15	(45,135.86)	(40,434.39)	117,577.04	321.8	0.55%
January	496,082	1,481,595	0.334830	0.307476	(0.027354)	(40,527.54)	122,185.36	74.58	(45,061.28)	(40,452.96)	77,124.08	355.2	0.55%
February	444,110	1,325,053	0.335164	0.307476	(0.027688)	(36,688.07)	85,497.29	56.00	(45,005.28)	(36,632.07)	40,492.01	293.2	0.55%
March	<u>495,479</u>	<u>1,479,595</u>	<u>0.334875</u>	0.307476	(0.027399)	<u>(40,539.41)</u>	<u>44,957.88</u>	<u>39.19</u>	<u>(44,966.09)</u>	<u>(40,500.22)</u>	<u>(8.21)</u>	<u>246.2</u>	0.55%
Total	5,459,076	17,455,872	0.312736			(91,817.03)	44,957.88	958.08	(44,966.09)	(90,858.95)	(8.21)	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 March, 2010 year-to-date balance of \$136,774.91 (See Schedule 2)
(2) Includes March, 2010 year-to-date balance of (\$45,924.17) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2010 TO MARCH, 2011

	<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>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	172,000	200,000	168,000	144,000	176,000	176,000	186,000	174,000	174,000	174,000	144,000	172,000	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	746,229	771,103	746,229	771,103	771,103	746,229	771,103	746,229	771,103	771,103	696,481	771,103	9,079,121
Western Delivery	519,185	536,491	519,185	536,491	536,491	519,185	536,491	519,185	536,491	536,491	484,573	536,491	6,316,750
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,437,414	1,507,595	1,433,414	1,451,595	1,483,595	1,441,414	1,493,595	1,439,414	1,481,595	1,481,595	1,325,053	1,479,595	17,455,872
<u>Price (\$/m3)</u>													
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	0.279419	0.279797	0.279797	0.279797	0.279797	0.279797	0.279797	0.323256	0.323256	0.323256	0.323256	0.323256	
Western Delivery	0.258975	0.258975	0.258975	0.258975	0.258975	0.258975	0.258975	0.300468	0.300468	0.300468	0.300468	0.300468	
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	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	51,806	60,240	50,602	43,373	53,011	53,011	56,023	52,409	52,409	52,409	43,373	51,806	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	208,511	215,752	208,793	215,752	215,752	208,793	215,752	241,223	249,264	249,264	225,142	249,264	2,703,262
Western Delivery	134,456	138,938	134,456	138,938	138,938	134,456	138,938	155,998	161,198	161,198	145,599	161,198	1,744,311
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>32,140</u>	<u>33,211</u>	<u>32,140</u>	<u>33,211</u>	<u>33,211</u>	<u>32,140</u>	<u>33,211</u>	<u>32,140</u>	<u>33,211</u>	<u>33,211</u>	<u>29,997</u>	<u>33,211</u>	<u>391,031</u>
Total	426,912	448,141	425,990	431,274	440,912	428,399	443,924	481,770	496,082	496,082	444,110	495,479	5,459,076

NATURAL RESOURCE GAS LIMITED
GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2009 THROUGH MARCH, 2011

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
April	1,464,707	4,102,246	2,658,250	1,443,996	0	1,443,996	20,711	(4,586,414)	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	1,065,035	(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)	54,970.03	34.15	4,246.31	59,216.34	0.55%
October	1,477,587	4,006,145	2,668,280	1,337,865	0	1,337,865	139,722	706,223	0.274213	0.00	(0.003492)	(4,671.82)	50,298.21	25.19	4,271.50	54,569.71	0.55%
November	1,474,002	5,673,735	3,177,048	2,496,687	0	2,496,687	(1,022,685)	(316,462)	0.274213	0.00	(0.003492)	(8,718.43)	41,579.78	23.05	4,294.55	45,874.33	0.55%
December	1,569,798	6,218,198	3,116,718	3,101,480	0	3,101,480	(1,531,682)	(1,848,144)	0.274213	(38,260.28)	(0.003492)	(10,830.37)	(7,510.87)	19.06	4,313.61	(3,197.26)	0.55%
January	1,539,213	6,498,277	3,204,922	3,293,355	0	3,293,355	(1,754,142)	(3,602,286)	0.294915	0.00	(0.000332)	(1,093.39)	(8,604.26)	(3.44)	4,310.17	(4,294.09)	0.55%
February	2,351,251	5,076,207	2,741,120	2,335,087	0	2,335,087	16,164	(3,586,122)	0.294915	0.00	(0.000332)	(775.25)	(9,379.51)	(3.94)	4,306.23	(5,073.28)	0.55%
March	1,479,595	5,097,912	2,945,462	2,152,450	0	2,152,450	(672,855)	(4,258,978)	0.294915	(53,497.02)	(0.000332)	(714.61)	(63,591.14)	(4.30)	4,301.93	(59,289.21)	0.55%
April	1,437,414	3,918,213	2,674,549	1,243,664	0	1,243,664	193,750	(4,065,227)	0.307476	0.00	0.003407	4,237.16	(59,353.98)	(29.15)	4,272.78	(55,081.20)	0.55%
May	1,507,595	3,240,762	2,737,189	503,573	0	503,573	1,004,022	(3,061,206)	0.307476	0.00	0.003407	1,715.67	(57,638.31)	(27.20)	4,245.58	(53,392.73)	0.55%
June	1,433,414	3,115,671	2,652,111	463,560	0	463,560	969,854	(2,091,352)	0.307476	0.00	0.003407	1,579.35	(56,058.96)	(26.42)	4,219.16	(51,839.80)	0.55%
July	1,451,595	3,042,710	2,607,737	434,973	0	434,973	1,016,622	(1,074,730)	0.307476	0.00	0.003407	1,481.95	(54,577.01)	(25.69)	4,193.47	(50,383.54)	0.55%
August	1,483,595	3,135,434	2,553,043	582,391	0	582,391	901,204	(173,526)	0.307476	0.00	0.003407	1,984.21	(52,592.80)	(25.01)	4,168.46	(48,424.34)	0.55%
September	1,441,414	3,154,720	2,699,429	455,291	0	455,291	986,123	812,597	0.307476	0.00	0.003407	1,551.18	(51,041.62)	(24.11)	4,144.35	(46,897.27)	0.55%
October	1,493,595	3,990,443	2,666,094	1,324,349	0	1,324,349	169,246	981,842	0.307476	0.00	0.003407	4,512.06	(46,529.56)	(23.39)	4,120.96	(42,408.60)	0.55%
November	1,439,414	4,902,076	2,814,168	2,087,908	0	2,087,908	(648,494)	333,348	0.307476	0.00	0.003407	7,113.50	(39,416.06)	(21.33)	4,099.63	(35,316.43)	0.55%
December	1,481,595	5,470,877	2,870,639	2,600,238	0	2,600,238	(1,118,643)	(785,295)	0.307476	0.00	0.003407	8,859.01	(30,557.05)	(18.07)	4,081.56	(26,475.49)	0.55%
January	1,481,595	5,894,640	2,823,454	3,071,186	0	3,071,186	(1,589,591)	(2,374,886)	0.307476	0.00	0.003407	10,463.53	(20,093.52)	(14.01)	4,067.55	(16,025.97)	0.55%
February	1,325,053	5,299,253	2,741,120	2,558,133	0	2,558,133	(1,233,080)	(3,607,966)	0.307476	0.00	0.003407	8,715.56	(11,377.96)	(9.21)	4,058.34	(7,319.62)	0.55%
March	1,479,595	5,094,096	2,945,462	2,148,634	0	2,148,634	(669,039)	(4,277,006)	0.307476	0.00	0.003407	7,320.40	(4,057.56)	(5.21)	4,053.13	(4.43)	0.55%

(1) Includes balance of (4,607,125) as of March, 2009
(2) Includes balance of 53,676.65 as of March, 2009
(3) Includes balance of 4,016.43 as of March, 2009

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-09 <u>EB-2009-0062</u>	Quarter Starting 01-Apr-10 <u>EB-2010-0049</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption for Quarter	329.4	329.4		
Monthly Charges	\$34.50	\$34.50	\$0.00	0.0%
Delivery Charges	\$50.40	\$50.40	\$0.00	0.0%
Total Commodity Charges	<u>\$103.41</u>	<u>\$103.01</u>	<u>(\$0.40)</u>	<u>-0.4%</u>
Total Customer Charges	\$188.31	\$187.90	(\$0.40)	-0.2%

ANNUAL BILL IMPACT

	01-Jan-10 <u>EB-2009-0407</u>	01-Apr-10 <u>EB-2010-0049</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>\$595.61</u>	<u>\$628.36</u>	<u>\$32.75</u>	<u>5.5%</u>
Total Customer Charges	\$1,041.04	\$1,073.80	\$32.75	3.1%

RATES USED

	01-Apr-09 <u>EB-2009-0062</u>	01-Jan-10 <u>EB-2009-0407</u>	01-Apr-10 <u>EB-2010-0049</u>
Monthly charge	11.50	11.50	11.50
Delivery Charge	0.152999	0.152999	0.152999
Total Commodity Charge	0.313938	0.296411	0.312711

**APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2010-0049
DATED MARCH XX, 2010**

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	15.2999 cents per m ³
	All over 1,000 m ³ per month	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: April 01, 2010

Implementation: All bills rendered on or after April 01, 2010

EB-2010-0049

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

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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: April 01, 2010

Implementation: All bills rendered on or after April 01, 2010

EB-2010-0049

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 m³; and
- c) a qualifying annual volume of at least 113,000 m³.

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 m³ for each m³ 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 m³,
- (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 m³ and not to be less than 6.0992 per m³.

- 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 m³ 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 m³ 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: April 01, 2010

Implementation: All bills rendered on or after April 01, 2010

EB-2010-0049

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: April 01, 2010

Implementation: All bills rendered on or after April 01, 2010

EB-2010-0049

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 m³; and
- c) a qualifying annual volume of at least 50,000 m³.

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 m³ and not to be less than 5.7192 per m³.

- 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 m³. 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 m³ 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: April 01, 2010

Implementation: All bills rendered on or after April 01, 2010

EB-2010-0049

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-2010-0049)	30.7476 cents per m3
GPRA Recovery Rate	(EB-2010-0049)	0.3407 cents per m3
System Gas Fee	(EB-2005-0544)	<u>0.1828</u> cents per m3
Total Gas Supply Charge		31.2711 cents per m3

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 01, 2010

Implementation: All bills rendered on or after April 01, 2010

EB-2010-0049

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: April 01, 2010

Implementation: All bills rendered on or after April 01, 2010

EB-2010-0049

**APPENDIX "B" TO
DECISION AND ORDER
BOARD FILE No. EB-2010-0049
DATED MARCH XX, 2010**

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 \$0.307476 per m³ approved for rate making purposes effective April 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-2010-0049
DATED MARCH XX, 2010**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after April 1, 2010, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.016300 per cubic meter to \$0.312711 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 March, 2011. 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 increase by approximately \$33 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.