

Supplemental Interrogatories of
INTEGRATED GRAIN PROCESSORS CO-OPERATIVE (“IGPC”)

For

Natural Resource Gas Limited

For

Technical Conference dated June 14, 2010.

Follow Up to IGPC I.R. #5

- 1) The NRG System Map indicates that only 3 capital expansion projects are planned for 2011 and 2012 and that such projects are designated as optional. What is the evidence to support the capital spending level from the future years?

Follow Up to IGPC I.R. #12 & #16

NRG charged IGPC the full cost of Rate 3 as if it was consuming the contracted volumes between July 15, 2008 and October 1, 2008. The Gas Delivery Contract states at page 4 that: “*The Utility’s Rate 1 shall apply to any gas volumes delivered prior to the Commencement Date.*” However, NRG charged IGPC the full cost of Rate 3 as if it was consuming the contracted volumes between July 15, 2008 and October 1, 2008.

- 2) Please clarify NRG’s position as to what date is the Commencement Date, and support that position with reference to the terms of the Gas Delivery Contract. If the Commencement Date is later than July 15, 2008, please explain why NRG did not apply Rate 1 to volumes delivered prior to the Commencement Date as required by the Contract.
- 3) If NRG believes the Commencement Date to be July 15, 2008 or earlier, please explain why NRG did not take the pipeline into its books and commence taking depreciation expense,

given that the full revenue levels were being received from the customer? How is this consistent with the principle of matching costs and revenues?

Follow Up to IGPC I.R. #18 & #22

- 2) 4) A payment of \$736,000.00 was made by IGPC to Union Gas as a contribution in aid of construction in relation to the Union Gas pipeline extension to connect to the NRG pipeline to serve IGPC.
 - a) Confirm the cost of should be included in the capital cost of the pipeline.
 - b) Confirm that such payment is appropriately part of the project, and therefore should be included as part of an aid to construct paid by IGPC in respect of the pipeline.
- 5) Can NRG point to the authority for commencing the accrual of interest prior to the issuance of an invoice and can NRG point to the authority in the Pipeline Cost Recovery Agreement for the interest rate charged in respect of the project management and other charges?
- 6) Has NRG reviewed all of the supporting invoices to ensure that all costs included in the invoices are related to the pipeline and that all such costs are in NRG's opinion reasonable costs of the pipeline?
- 7) Can NRG identify any authority for inclusion of the administrative penalty imposed by the Board in the costs of the pipeline?
- 8) Is NRG aware of any other pipelines that have been built where the legal and regulatory costs have exceeded 10% of the cost of the pipeline?
- 9) Can NRG explain the basis for the inclusion of contingency allowances in the reconciliation of actual costs?

Follow Up to IGPC I.R. # 21

- 10) What was the salary remuneration on an hourly basis of Mr. Mark Bristoll as an employee of NRG over the period in which the IGPC pipeline was planned and constructed?
- 11) Please confirm Mr. Bristoll was a full-time employee of NRG over that period?

Follow Up to IGPC I.R. #35

- 12) Did NRG have a service agreement with a third party for maintenance of the Imperial Tobacco customer station?
- 13) If so, what services were performed by the third party, and at what cost to NRG?

Follow Up to IGPC I.R. #42

- 14) In fiscal 2009 and fiscal 2010 to date, what have been the operating and maintenance costs incurred by NRG for the pipeline to serve IGPC? Please provide the costs as broken down in the response to IR #42.
- 15) With respect to the cost breakdown provided for the operating and maintenance costs, can NRG provide a rationale for the inclusion of the following items:
- c) emergency response;
 - d) manuals;
 - e) training;
 - f) community awareness;
 - g) 15% overhead;
 - h) Weekly observations;
 - i) Engineering Design;
 - j) Third Party Observations?

Follow Up to IGPC I.R. #48

- 16) What is the size of pipeline that was used to serve Imperial Tobacco and what was the maximum contracted demand of Imperial Tobacco?

Follow Up to IGPC I.R. #72

- 17) What was the cost of NRG's last rate case?
- 18) What is the basis on which 96% of telephone expenses are designated as A&G? Please provide support for the use of rate base as the allocation base for this cost, making specific reference to each of the administrative and general functions supported by these telephone services (executive, finance, etc.).
- 19) Identify what is included in "R&M General".

Follow Up to IGPC I.R. # 40

- 20) Please provide a copy of the Insurance Report referred to in the response.
- 21) Is the Business Interruption insurance policy written only for IGPC or could claims potentially be made on this policy in respect of other consumers of NRG?
- 22) Are the umbrella coverages identified solely for the purpose of the IGPC pipeline or can the policies be applied to situations involving assets serving other consumers?

Follow Up to VECC I.R. # 35 Attachment

- 23) NRG has indicated that certain tasks and functions have been assigned to the related company, Ayerswood. Can NRG explain the rationale and benefits to its rate payers from the staffing and allocation of work proposed?
- 24) Can NRG complete the following chart with actual numbers for 2008, 2009 and projected or forecasted numbers for 2010, 2011 and 2012?

	2012	2011	2010	2009	2008
Full Time Equivalent Employees					
Salaries & Wages Total					
Salaries & Wages allocated to IGPC					
Consulting and Management Fees					
Fees of Third Party O&M Contractors for IGPC Pipeline					

- 25) Please describe the services for which NRG has budgeted \$17,700 in bank charges. How has the assignment of \$16,300 of these charges to A&G been made?