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Toronto, September 24, 2010

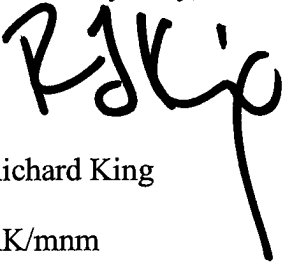
Kirsten Walli
Board Secretary
Ontario Energy Board
Suite 2700
2300 Yonge Street
Toronto, ON M4P 1E4

Dear Ms. Walli:

**RE: Natural Resource Gas Limited
Distribution Rates (Fiscal 2011) (EB-2010-0018)
Applicant's Responses to Undertakings**

On behalf of NRG, please find enclosed NRG's responses to its outstanding undertakings from the oral phase of the proceeding.

Yours very truly,



Richard King

RK/mnm
Enclosure

cc. Jack Howley (NRG)
Laurie O'Meara (Ayerswood)
Kathi Litt (ERA)
Heather Adams (Town of Aylmer)
Phil Tunley (Counsel to Town of Aylmer)
Paula Zarnett (IGPC)

Scott Stoll (Counsel to IGPC)
Patrick McMahon (Union Gas Limited)
James Wightman (VECC)
Michael Buonaguro (Counsel to VECC)
Khalil Viraney (Ontario Energy Board)
Michael Millar (Ontario Energy Board)

UNDERTAKING NO. J1.5: TO MAKE AND PROVIDE CALCULATIONS UPON RECEIPT OF INFORMATION FROM IGPC RELATED TO APPROPRIATE INTEREST CHARGE.

RESPONSE: We have recalculated the interest based on the date that IGPC received the invoices from NRG (as opposed to original invoice date on supplier invoices). On that basis, the interest calculation is as follows:

“Aid to Construct” Interest (see attached table)

- Interest is calculated from the due date of the Aid-to-Construct invoice to the date the amount was received from IGPC.
- The rate applied here is Prime plus 1% in accordance with the PCRA (section 3.8).

“Project Interest During Construction” (see second table attached)

- Interest is calculated from the date the last Aid-to-Construct payment was due to the date the final invoice from the primary contract was received. During this period, NRG was financing the construction costs.
- The rate applied here is Prime plus 2% in accordance with the PCRA (section 3.14(d) – a “reasonable cost of interest during construction”). NRG’s position is that this represents a reasonable interest cost.

Aid to Construct Payments

				(Prime + 1%)		
Invoice Date	Due Date		Date Received	Days Outstanding	Interest Percent	Interest
		130,000.00	13-Oct-06	-	-	-
		100,000.00	16-Feb-07	-	-	-
19-Feb-07	6-Mar-07	181,454.00	26-Feb-07	-	-	-
28-Mar-07	11-Apr-07	130,159.06	20-Apr-07	9	7.00%	224.66
30-Apr-07	15-May-07	73,898.33	31-May-07	16	7.00%	226.76
22-Jun-07	7-Jul-07	23,643.43	5-Oct-07	90	7.00%	408.09
17-Oct-07	1-Nov-07	23,130.12	2-Nov-07	1	7.25%	4.59
2-Jan-08	17-Jan-08	413,665.00	8-May-08	112	5.75%	7,298.64
						8,162.74

NATURAL RESOURCE GAS LIMITED
IGPC Project Interest Summary

As of October 28, 2008

Consultant	Invoice Number	Date	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest
Aiken & Associates	618-2006	30-Jun-06	480.00	33.60	513.60	0	-	513.60	6.00%	2.00%		
Ogilvy Renault LLP	633876	13-Jul-06	9,601.19	576.07	10,177.26	13	-	10,690.86	6.00%	2.00%		-
NRG Corp.	915	1-Aug-06	1,046.25	-	1,046.25	19	-	11,737.11	6.00%	2.00%		-
Ogilvy Renault LLP	642776	16-Aug-06	2,088.75	125.33	2,214.08	15	-	13,951.19	6.00%	2.00%		-
Ogilvy Renault LLP	648629	15-Sep-06	1,282.52	76.95	1,359.47	30	-	15,310.66	6.00%	2.00%		-
Ogilvy Renault LLP	648627	15-Sep-06	21.25	1.28	22.53	-	-	15,333.18	6.00%	2.00%		-
AUE - Aecon Utility Engineering	262	27-Sep-06	4,800.00	288.00	5,088.00	12	-	20,421.18	6.00%	2.00%		-
Harrison Pensa LLP	68035	27-Sep-06	1,796.00	107.76	1,903.76	-	-	22,324.94	6.00%	2.00%		-
Aiken & Associates	632-2006	30-Sep-06	1,162.50	69.75	1,232.25	3	-	23,557.19	6.00%	2.00%		-
Aid-to-Construct Receipt		13-Oct-06	-	-	-	13	130,000.00	(106,442.81)	6.00%	2.00%		-
Harrison Pensa LLP	68732	17-Oct-06	5,485.34	329.12	5,814.46	4	-	(100,628.35)	6.00%	2.00%		-
Ogilvy Renault LLP	655972	17-Oct-06	2,036.25	122.18	2,158.43	-	-	(98,469.92)	6.00%	2.00%		-
Ogilvy Renault LLP	655974	17-Oct-06	33,292.07	1,997.52	35,289.59	-	-	(63,180.33)	6.00%	2.00%		-
AUE - Aecon Utility Engineering	283	25-Oct-06	35,100.00	2,106.00	37,206.00	8	-	(25,974.33)	6.00%	2.00%		-
Aiken & Associates	635-2006	31-Oct-06	468.75	28.13	496.88	6	-	(25,477.45)	6.00%	2.00%		-
TSSA Total	P0610-18532	31-Oct-06	750.00	45.00	795.00	-	-	(24,682.45)	6.00%	2.00%		-
Ogilvy Renault LLP	673462	14-Nov-06	17,675.24	1,059.02	18,734.26	14	-	(5,948.19)	6.00%	2.00%		-
Ogilvy Renault LLP	665207	17-Nov-06	17,342.71	1,040.56	18,383.27	3	-	12,435.08	6.00%	2.00%		-
Martin Malette	2378	20-Nov-06	291.74	17.50	309.24	3	-	12,744.32	6.00%	2.00%		-
AUE - Aecon Utility Engineering	303	22-Nov-06	42,225.00	2,533.50	44,758.50	2	-	57,502.82	6.00%	2.00%		-
Lobservateur	1780	1-Dec-06	1,935.00	116.10	2,051.10	9	-	59,553.92	6.00%	2.00%		-
The London Free Press Total	1.3423E+10	2-Dec-06	7,585.20	455.11	8,040.31	1	-	67,594.24	6.00%	2.00%		-
FKS Land Surveyors	06-426	13-Dec-06	60,917.50	3,655.05	64,572.55	11	-	132,166.79	6.00%	2.00%		-
Aiken & Associates	642-2006	29-Dec-06	1,262.04	75.72	1,337.76	16	-	133,504.55	6.00%	2.00%		-
AUE - Aecon Utility Engineering	315	31-Dec-06	67,842.88	4,070.57	71,913.45	2	-	205,418.00	6.00%	2.00%		-
Viva Voce Reporting Ltd. Total	1805	31-Dec-06	2,195.31	131.72	2,327.03	-	-	207,745.03	6.00%	2.00%		-
Ogilvy Renault LLP	680927	17-Jan-07	33,570.46	2,013.86	35,584.32	17	-	243,329.35	6.00%	2.00%		-
Senes Consultants Ltd. Total	21965	18-Jan-07	13,546.92	812.82	14,359.74	1	-	257,689.09	6.00%	2.00%		-
A.S.A.P. Reporting Services	181	22-Jan-07	1,081.00	64.86	1,145.86	4	-	258,834.95	6.00%	2.00%		-
Aiken & Associates	705-2007	2-Feb-07	2,406.50	144.39	2,550.89	11	-	261,385.84	6.00%	2.00%		-
Ogilvy Renault LLP	687364	6-Feb-07	25,254.51	1,514.53	26,769.04	4	-	288,154.88	6.00%	2.00%		-
Aid-to-Construct Receipt		16-Feb-07	-	-	-	10	100,000.00	188,154.88	6.00%	2.00%		-
A.S.A.P. Reporting Services	304	20-Feb-07	1,095.00	65.70	1,160.70	4	-	189,315.58	6.00%	2.00%		-
AUE - Aecon Utility Engineering	347	20-Feb-07	106,800.25	6,408.02	113,208.27	-	-	302,523.84	6.00%	2.00%		-
Aid-to-Construct Receipt		26-Feb-07	-	-	-	6	181,454.00	121,069.84	6.00%	2.00%		-
A.S.A.P. Reporting Services	366	27-Feb-07	150.00	9.00	159.00	1	-	121,228.84	6.00%	2.00%		-
Ogilvy Renault LLP	695597	7-Mar-07	3,218.15	192.71	3,410.86	8	-	124,639.70	6.00%	2.00%		-
Harrison Pensa LLP	72913	9-Mar-07	6,519.35	391.16	6,910.51	2	-	131,550.21	6.00%	2.00%		-
FKS Land Surveyors	07-040	21-Mar-07	11,200.00	672.00	11,872.00	12	-	143,422.21	6.00%	2.00%		-
AUE - Aecon Utility Engineering	364	28-Mar-07	38,744.50	2,324.67	41,069.17	7	-	184,491.38	6.00%	2.00%		-
Aiken & Associates	712-2007	30-Mar-07	656.25	39.38	695.63	2	-	185,187.01	6.00%	2.00%		-
Ogilvy Renault LLP	703732	10-Apr-07	15,428.23	925.04	16,353.27	11	-	201,540.28	6.00%	2.00%		-
A.S.A.P. Reporting Services	567	17-Apr-07	5,149.75	308.99	5,458.74	7	-	206,999.01	6.00%	2.00%		-
Aid-to-Construct Receipt		20-Apr-07	-	-	-	3	130,159.06	76,839.95	6.00%	2.00%		-
AUE - Aecon Utility Engineering	377	25-Apr-07	420.00	25.20	445.20	5	-	77,285.15	6.00%	2.00%		-
Harrison Pensa LLP	74283	30-Apr-07	423.75	25.43	449.18	5	-	77,734.33	6.00%	2.00%		-
Ogilvy Renault LLP	712635	14-May-07	20,165.98	1,209.84	21,375.82	14	-	99,110.15	6.00%	2.00%		-
Aid-to-Construct Receipt		31-May-07	-	-	-	17	73,898.33	25,211.82	6.00%	2.00%		-
Aiken & Associates	719-2007	31-May-07	75.00	4.50	79.50	-	-	25,291.32	6.00%	2.00%		-
AUE - Aecon Utility Engineering	397	31-May-07	795.00	47.70	842.70	-	-	26,134.02	6.00%	2.00%		-
Stantec Consulting	241010	8-Jun-07	3,409.56	204.57	3,614.13	8	-	29,748.15	6.00%	2.00%		-
AUE - Aecon Utility Engineering	283	11-Jun-07	425.50	25.53	451.03	3	-	30,199.18	6.00%	2.00%		-
Ogilvy Renault LLP	719545	11-Jun-07	6,131.25	367.88	6,499.13	-	-	36,698.31	6.00%	2.00%		-
AUE - Aecon Utility Engineering	415	27-Jun-07	127.50	7.65	135.15	16	-	36,833.46	6.00%	2.00%		-
Neal, Pallett & Townsend	25378	28-Jun-07	2,014.00	100.70	2,114.70	1	-	38,948.16	6.00%	2.00%		-
Stantec Consulting	245954	29-Jun-07	2,500.42	150.03	2,650.45	1	-	41,598.61	6.00%	2.00%		-
Lenczner Slight Royce	69539	13-Jul-07	23,003.25	1,380.20	24,383.45	14	-	65,982.06	6.25%	2.00%		-
Ogilvy Renault LLP	728429	13-Jul-07	44,487.09	2,673.88	47,160.97	-	-	113,143.03	6.25%	2.00%		-
Aiken & Associates	725-2007	31-Jul-07	375.00	22.50	397.50	18	-	113,540.53	6.25%	2.00%		-
Harrison Pensa LLP	10089	10-Aug-07	2,942.75	176.57	3,119.32	10	-	116,659.85	6.25%	2.00%		-

Consultant	Invoice Number	Date	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest
Stantec Consulting	254306	17-Aug-07	4,632.55	277.95	4,910.50	7	-	121,570.35	6.25%	2.00%		-
Harrison Pensa LLP	77118	21-Aug-07	2,016.25	120.98	2,137.23	4	-	123,707.58	6.25%	2.00%		-
Ogilvy Renault LLP	737740	21-Aug-07	13,976.84	838.05	14,814.89	-	-	138,522.47	6.25%	2.00%		-
AUE - Aecon Utility Engineering	447	22-Aug-07	6,075.00	351.00	6,426.00	1	-	144,948.47	6.25%	2.00%		-
Ogilvy Renault LLP	741945	12-Sep-07	831.25	49.88	881.13	21	-	145,829.60	6.25%	2.00%		-
AUE - Aecon Utility Engineering	468	26-Sep-07	13,172.00	469.92	13,641.92	14	-	159,471.52	6.25%	2.00%		-
Aid-to-Construct Receipt		5-Oct-07	-	-	-	9	23,643.43	135,828.09	6.25%	2.00%		-
Ogilvy Renault LLP	748630	11-Oct-07	8,806.86	528.41	9,335.27	6	-	145,163.36	6.25%	2.00%		-
AUE - Aecon Utility Engineering	495	24-Oct-07	14,051.00	320.40	14,371.40	13	-	159,534.76	6.25%	2.00%		-
Lakeside Steel Corporation		29-Oct-07	-	-	-	5	-	159,534.76	6.25%	2.00%		-
Aid-to-Construct Receipt		2-Nov-07	-	-	-	4	23,130.12	136,404.64	6.25%	2.00%		-
Ogilvy Renault LLP	756818	9-Nov-07	377.92	22.68	400.60	7	-	136,805.24	6.25%	2.00%		-
AUE - Aecon Utility Engineering	525	20-Nov-07	21,563.00	549.00	22,112.00	11	-	158,917.24	6.25%	2.00%		-
Lenczner Slaght Royce	71966	29-Nov-07	47,949.79	2,849.39	50,799.18	9	-	209,716.42	6.25%	2.00%		-
Mark Bristol		27-Nov-07	130,006.50	-	130,006.50	2	-	339,722.92	6.25%	2.00%		-
Ogilvy Renault LLP	765103	7-Dec-07	375.00	22.50	397.50	8	-	340,120.42	6.00%	2.00%		-
Canadian Pacific Railway	2000050470	13-Dec-07	650.00	32.50	682.50	6	-	340,802.92	6.00%	2.00%		-
AUE - Aecon Utility Engineering	552	31-Dec-07	17,705.57	241.08	17,946.65	18	-	358,749.57	6.00%	2.00%		-
Ogilvy Renault LLP	775418	21-Jan-08	1,976.50	98.83	2,075.33	21	413,665.00	(52,840.10)	6.00%	2.00%		-
AUE - Aecon Utility Engineering	571	23-Jan-08	12,456.63	176.43	12,633.06	2	-	(40,207.04)	5.75%	2.00%	7.75%	(76.83)
The Municipality of Thames Centre	02/08	1-Feb-08	2,175.00	-	2,175.00	9	-	(38,032.04)	5.75%	2.00%	7.75%	(56.64)
Stantec Consulting	288433	8-Feb-08	6,857.46	342.87	7,200.33	7	-	(30,831.71)	5.75%	2.00%	7.75%	(32.87)
Ogilvy Renault LLP	782617	13-Feb-08	2,875.00	143.75	3,018.75	5	-	(27,812.96)	5.75%	2.00%	7.75%	(41.59)
AUE - Aecon Utility Engineering	591	20-Feb-08	35,140.00	1,757.00	36,897.00	7	-	9,084.04	5.75%	2.00%	7.75%	13.19
Lenczner Slaght Royce	73976	22-Feb-08	21,007.93	1,050.40	22,058.33	7	-	31,142.37	5.75%	2.00%	7.75%	13.14
Stantec Consulting	292497	29-Feb-08	5,603.24	280.16	5,883.40	2	-	37,025.77	5.75%	2.00%	7.75%	7.82
The Municipality of Thames Centre	03/08	1-Mar-08	9,300.00	-	9,300.00	1	-	46,325.77	5.75%	2.00%	7.75%	107.79
Ogilvy Renault LLP	790238	12-Mar-08	9,628.69	481.43	10,110.12	11	-	56,435.89	5.25%	2.00%	7.25%	55.98
Kettle Creek Conservation Authority		17-Mar-08	500.00	25.00	525.00	5	-	56,960.89	5.25%	2.00%	7.25%	-
Lenczner Slaght Royce	74245	17-Mar-08	69,327.21	3,466.36	72,793.57	-	-	129,754.46	5.25%	2.00%	7.25%	-
Upper Thames River Conservation Authority		17-Mar-08	10,300.00	-	10,300.00	-	-	140,054.46	5.25%	2.00%	7.25%	-
Upper Thames River Conservation Authority		17-Mar-08	500.00	-	500.00	-	-	140,554.46	5.25%	2.00%	7.25%	27.92
Catfish Creek Conservation Authority		18-Mar-08	100.00	5.00	105.00	1	-	140,659.46	5.25%	2.00%	7.25%	55.89
Harrison Pensa LLP	83601	20-Mar-08	490.50	24.53	515.03	2	-	141,174.49	5.25%	2.00%	7.25%	168.34
AUE - Aecon Utility Engineering	613	26-Mar-08	25,289.74	1,264.49	26,554.23	6	-	167,728.71	5.25%	2.00%	7.25%	-
MIG Engineering Ltd.	24931	26-Mar-08	10,885.14	544.26	11,429.40	-	-	179,158.11	5.25%	2.00%	7.25%	-
The Township of Malahide Total		26-Mar-08	21,160.00	-	21,160.00	-	-	200,318.11	5.25%	2.00%	7.25%	39.84
Harrison Pensa LLP	83768	27-Mar-08	735.50	36.78	772.28	1	-	201,090.38	5.25%	2.00%	7.25%	40.00
Purolator	402081827	28-Mar-08	17.51	0.88	18.39	1	-	201,108.77	5.25%	2.00%	7.25%	-
Stantec Consulting	292988	28-Mar-08	3,325.53	166.28	3,491.81	1	-	204,600.58	5.25%	2.00%	7.25%	-
The Corporation of the County of Elgin		28-Mar-08	400.00	-	400.00	-	-	205,000.58	5.25%	2.00%	7.25%	-
The Corporation of the County of Elgin		28-Mar-08	400.00	-	400.00	-	-	205,400.58	5.25%	2.00%	7.25%	122.59
Helix Courier Limited	67106	31-Mar-08	132.79	6.64	139.43	3	-	205,540.01	5.25%	2.00%	7.25%	40.91
The Municipality of Thames Centre	04/08	1-Apr-08	3,425.00	-	3,425.00	1	-	208,965.01	5.25%	2.00%	7.25%	124.81
Ayerswood Development Corporation	10137	4-Apr-08	194.51	9.73	204.24	3	-	209,169.24	5.25%	2.00%	7.25%	-
Purolator	402127889	4-Apr-08	35.02	1.75	36.77	-	-	209,206.01	5.25%	2.00%	7.25%	416.76
Ogilvy Renault LLP	798316	14-Apr-08	2,187.50	109.38	2,296.88	10	-	211,502.89	5.25%	2.00%	7.25%	-
Robert B. Somerville Co. Limited	08 008 01	14-Apr-08	163,593.97	8,179.70	171,773.67	-	-	383,276.56	5.25%	2.00%	7.25%	76.33
COMCO Pipe & Supply Company	841233	15-Apr-08	4,366.40	218.32	4,584.72	1	-	387,861.28	5.25%	2.00%	7.25%	154.52
C.R. Wall & Co. Inc.	SI-55773	17-Apr-08	26,370.58	1,220.86	27,591.44	2	-	415,452.72	5.25%	2.00%	7.25%	413.86
MIG Engineering Ltd.	24975	22-Apr-08	6,708.66	335.43	7,044.09	5	-	422,496.81	5.25%	2.00%	7.25%	-
MIG Engineering Ltd.	24976	22-Apr-08	24,072.30	1,203.62	25,275.92	-	-	447,772.73	5.25%	2.00%	7.25%	89.27
AUE - Aecon Utility Engineering	637	23-Apr-08	15,043.93	752.20	15,796.13	1	-	463,568.86	4.75%	2.00%	6.75%	86.05
COMCO Pipe & Supply Company	841817	24-Apr-08	3,645.00	182.25	3,827.25	1	-	467,396.11	4.75%	2.00%	6.75%	-
KTI Limited	59686	24-Apr-08	11,448.00	530.00	11,978.00	-	-	479,374.11	4.75%	2.00%	6.75%	-
KTI Limited	59687	24-Apr-08	10,130.40	469.00	10,599.40	-	-	489,973.51	4.75%	2.00%	6.75%	363.81
Harrison Pensa LLP	84743	28-Apr-08	4,972.50	248.63	5,221.13	4	-	495,194.63	4.75%	2.00%	6.75%	91.99
COMCO Pipe & Supply Company	842010	29-Apr-08	25,513.57	1,275.68	26,789.25	1	-	521,983.88	4.75%	2.00%	6.75%	290.87
MIG Engineering Ltd.	24979	2-May-08	28,374.71	1,418.74	29,793.45	3	-	551,777.32	4.75%	2.00%	6.75%	512.60
Lenczner Slaght Royce	74952	7-May-08	57,844.13	2,892.21	60,736.34	5	-	612,513.66	4.75%	2.00%	6.75%	341.54

Consultant	Invoice Number	Date	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest
Robert B. Somerville Co. Limited	08 008 02	10-May-08	616,624.17	30,831.21	647,455.38	3	-	1,259,969.04	4.75%	2.00%	6.75%	467.29
Aid-to-Construct Receipt		12-May-08	-	-	-	2	-	1,259,969.04	4.75%	2.00%	6.75%	-
Ogilvy Renault LLP	805822	12-May-08	4,600.00	230.00	4,830.00	-	-	1,264,799.04	4.75%	2.00%	6.75%	2,111.63
AUE - Aecon Utility Engineering	661	21-May-08	2,915.00	145.75	3,060.75	9	-	1,267,859.79	4.75%	2.00%	6.75%	471.16
COMCO Pipe & Supply Company	843129	23-May-08	2,170.80	108.54	2,279.34	2	-	1,270,139.13	4.75%	2.00%	6.75%	1,652.63
Ayerswood Development Corporation	10146	30-May-08	39.17	1.96	41.12	7	-	1,270,180.25	4.75%	2.00%	6.75%	-
Purolator	402493106	30-May-08	35.67	1.78	37.45	-	-	1,270,217.71	4.75%	2.00%	6.75%	236.41
Ayerswood Development Corporation	10149	31-May-08	300.00	15.00	315.00	1	-	1,270,532.71	4.75%	2.00%	6.75%	236.51
Ayerswood Development Corporation	10158	1-Jun-08	1,050.57	52.53	1,103.10	1	-	1,271,635.81	4.75%	2.00%	6.75%	1,183.80
Robert B. Somerville Co. Limited	08 008 03	6-Jun-08	971,370.45	48,568.52	1,019,938.97	5	-	2,291,574.78	4.75%	2.00%	6.75%	4,255.98
MIG Engineering Ltd.	25087	16-Jun-08	118,274.97	5,913.75	124,188.72	10	-	2,415,763.50	4.75%	2.00%	6.75%	1,797.41
Ogilvy Renault LLP	816373	20-Jun-08	718.75	35.94	754.69	4	-	2,416,518.18	4.75%	2.00%	6.75%	2,249.12
AUE - Aecon Utility Engineering	685	25-Jun-08	12,511.00	625.55	13,136.55	5	-	2,429,654.73	4.75%	2.00%	6.75%	2,263.34
Ayerswood Development Corporation	10164	30-Jun-08	350.76	17.54	368.30	5	-	2,430,023.03	4.75%	2.00%	6.75%	-
Corrosion Services Company Limited	22885	30-Jun-08	1,768.77	81.89	1,850.66	-	-	2,431,873.69	4.75%	2.00%	6.75%	-
Harrison Pensa LLP	86596	30-Jun-08	227.27	11.36	238.63	-	-	2,432,112.33	4.75%	2.00%	6.75%	-
KTI Limited	60541	30-Jun-08	800.00	104.00	904.00	-	-	2,433,016.33	4.75%	2.00%	6.75%	907.42
Neal, Pallett & Townsend	27423	2-Jul-08	900.00	45.00	945.00	2	-	2,433,961.33	4.75%	2.00%	6.75%	908.10
Purolator	402725966	4-Jul-08	111.63	5.58	117.21	2	-	2,434,078.54	4.75%	2.00%	6.75%	-
Robert B. Somerville Co. Limited	08 008 04	4-Jul-08	1,044,546.56	52,227.33	1,096,773.89	-	-	3,530,852.42	4.75%	2.00%	6.75%	2,628.28
C.R. Wall & Co. Inc.	SI-56816	8-Jul-08	621.00	28.75	649.75	4	-	3,531,502.17	4.75%	2.00%	6.75%	-
Fastenal	ONSTT18433	8-Jul-08	70.47	3.26	73.73	-	-	3,531,575.90	4.75%	2.00%	6.75%	1,315.38
Fastenal	ONSTT18497	10-Jul-08	70.46	3.52	73.98	2	-	3,531,649.89	4.75%	2.00%	6.75%	-
MIG Engineering Ltd.	25134	10-Jul-08	67,909.94	3,395.50	71,305.44	-	-	3,602,955.32	4.75%	2.00%	6.75%	3,355.66
Wellmaster	76262	15-Jul-08	11.48	0.57	12.05	5	-	3,602,967.38	4.75%	2.00%	6.75%	2,015.27
Ogilvy Renault LLP	823377	18-Jul-08	7,977.50	398.88	8,376.38	3	-	3,611,343.75	4.75%	2.00%	6.75%	-
Purolator	402818259	18-Jul-08	83.21	4.16	87.37	-	-	3,611,431.12	4.75%	2.00%	6.75%	2,694.77
AUE - Aecon Utility Engineering	706	22-Jul-08	1,485.96	74.30	1,560.26	4	-	3,612,991.38	4.75%	2.00%	6.75%	1,348.96
Neal, Pallett & Townsend	10167	24-Jul-08	6,767.29	406.04	7,173.33	2	-	3,620,164.71	4.75%	2.00%	6.75%	676.06
Purolator	402867492	25-Jul-08	66.08	3.30	69.38	1	-	3,620,234.09	4.75%	2.00%	6.75%	2,028.58
C.R. Wall & Co. Inc.	SI-57065	28-Jul-08	3,157.38	146.18	3,303.56	3	-	3,623,537.65	4.75%	2.00%	6.75%	1,354.36
C.R. Wall & Co. Inc.	SI-57112	30-Jul-08	4,390.47	203.26	4,593.73	2	-	3,628,131.38	4.75%	2.00%	6.75%	678.28
Helix Courier Limited	69517	31-Jul-08	64.80	3.24	68.04	1	-	3,628,199.42	4.75%	2.00%	6.75%	-
MIG Engineering Ltd.	25193	31-Jul-08	2,088.22	104.41	2,192.63	-	-	3,630,392.05	4.75%	2.00%	6.75%	5,430.59
MIG Engineering Ltd.	25196	8-Aug-08	3,760.10	188.01	3,948.11	8	-	3,634,340.16	4.75%	2.00%	6.75%	-
Robert B. Somerville Co. Limited	08 008 05	8-Aug-08	310,681.68	15,534.08	326,215.76	-	-	3,960,555.92	4.75%	2.00%	6.75%	3,704.43
Ogilvy Renault LLP	830606	13-Aug-08	143.75	7.19	150.94	5	-	3,960,706.86	4.75%	2.00%	6.75%	3,707.99
Corrosion Services Company Limited	23276	18-Aug-08	1,945.00	97.25	2,042.25	5	-	3,962,749.11	4.75%	2.00%	6.75%	1,485.32
AUE - Aecon Utility Engineering	735	20-Aug-08	195.91	9.80	205.71	2	-	3,962,954.82	4.75%	2.00%	6.75%	1,485.95
Purolator	4505192	22-Aug-08	118.52	5.93	124.45	2	-	3,963,079.26	4.75%	2.00%	6.75%	5,946.18
Aiken & Associates	826-2008	30-Aug-08	100.70	5.04	105.74	8	-	3,963,185.00	4.75%	2.00%	6.75%	-
Aiken & Associates	828-2008	30-Aug-08	293.75	14.69	308.44	-	-	3,963,493.44	4.75%	2.00%	6.75%	744.45
Black & McDonald Limited	43-W66147	31-Aug-08	823.18	41.16	864.34	1	-	3,964,357.77	4.75%	2.00%	6.75%	2,978.99
Bell	J16574	4-Sep-08	2,575.69	128.78	2,704.47	4	-	3,967,062.25	4.75%	2.00%	6.75%	745.80
KTI Limited	61488	5-Sep-08	134.00	17.42	151.42	1	-	3,967,213.67	4.75%	2.00%	6.75%	2,237.89
Ayerswood Development Corporation	10185	8-Sep-08	113.00	5.65	118.65	3	-	3,967,332.32	4.75%	2.00%	6.75%	746.40
MIG Engineering Ltd.	25274	9-Sep-08	7,610.86	380.54	7,991.40	1	-	3,975,323.72	4.75%	2.00%	6.75%	6,732.14
Union Gas Limited - Commission	140195	18-Sep-08	3,979.56	-	3,979.56	9	-	3,979,303.28	4.75%	2.00%	6.75%	5,999.97
Societe Generale		26-Sep-08	6,517.72	-	6,517.72	8	-	3,985,821.00	4.75%	2.00%	6.75%	3,009.24
Ayerswood Development Corporation	10197	30-Sep-08	55.50	2.78	58.28	4	-	3,985,879.28	4.75%	2.00%	6.75%	15,057.56
Harrison Pensa LLP - BNS	89782	20-Oct-08	29,295.25	1,460.26	30,755.51	20	-	4,016,634.79	4.25%	2.00%	6.25%	1,409.91
Lenczner Slaght Royce	78010	22-Oct-08	20,098.87	1,004.94	21,103.81	2	-	4,037,738.60	4.00%	2.00%	6.00%	3,402.28
Robert B. Somerville Co. Limited (final invoice)	08 008 06	27-Oct-08	68,824.91	3,441.25	72,266.16	5	-	4,110,004.76	4.00%	2.00%	6.00%	-

\$ 105,109.40

Robert B. Somerville Co. Limited	08-008-01	14-Apr-08	163,593.97	8,179.70	
Robert B. Somerville Co. Limited	08 008 02	10-May-08	616,624.17	30,831.21	
Robert B. Somerville Co. Limited	08 008 03	6-Jun-08	971,370.45	48,568.52	
Robert B. Somerville Co. Limited	08 008 04	4-Jul-08	1,044,546.56	52,227.33	
Robert B. Somerville Co. Limited	08 008 05	8-Aug-08	310,681.68	15,534.08	
Robert B. Somerville Co. Limited	08 008 06	27-Oct-08	68,824.91	3,441.25	
Robert B. Somerville Co. Limited Total			3,175,641.74		

UNDERTAKING NO. J1.6: TO PROVIDE AN ESTIMATE OF PERCENTAGE OF TIME SPENT BY MR. BRISTOLL ON EVENTS FROM JANUARY 1, 2008 THROUGH MARCH 15, 2008 PERTAINING TO MOTION AND THE EVENTS LEADING UP TO MOTION.

RESPONSE: Of the approximately 240 hours of Mr. Bristoll's time spent on IGPC matters from January 1 through March 15, 2008, approximately 40 hours were spent on the motion and events leading up to the motion.

UNDERTAKING NO. J1.7: TO PROVIDE ALLOCATION OF MR. THACKER TO EVENTS THAT PRECIPITATED THE MOTION FROM INVOICE NOS. 73976, 74245 AND 74952.

RESPONSE: Mr. Thacker's fees in relation to the February 2008 motion are approximately \$82,553.84.

UNDERTAKING NO. J1.11: TO PROVIDE ANSWER TO WHAT NRG WOULD HAVE TO DO TO CONTINUE TO SERVE THE CUSTOMERS IN THE SOUTHERN DISTRICT IF WELLS WENT DRY.

RESPONSE: NRG's estimate of what would be required to support the integrity of the southern district is based on NRG's experience with its system and informal discussions with engineering firms. NRG believes that a new 6 inch pipeline would be required from Union Gas' Walsingham Station travelling as follows: (a) west on mid N/W Townline Road for 850 metre, then; (b) south on Regional Road # 23 for 200 metre, then; (c) west on Baseline Road for 1600 metre, then; (d) south on North road for 14050 metre ending at Lower Side Road. This route totals 16,700 metres in length. Based on a preliminary design analysis, the addition of this 6" line would have the gas available to customers as required in high demand times without the use of NRG Corp. wells. On a preliminary basis, we have estimated a construction cost of \$75.00 per lineal metre including all necessary plant, labour, material and equipment. This estimate does not include any regulatory costs, feasibility costs, financing or land acquisition costs.

Preliminary Cost Estimate

16,700 m @ \$75.00/m	\$1,252,500.00
Station Requirements	200,000.00
Total Project Engineering (15%)	187,875.00
Regulatory Process	250,000.00
Cost of Finance	unknown
Feasibility Study	unknown
Boring required by waterway	not included
Cost of Land Acquisition & Easements	not included
Total Preliminary Cost Estimate	\$1,890,375.00

UNDERTAKING NO. J1.12: TO PROVIDE SUGGESTION FOR HOW THE OEB MIGHT SET RATE FOR NATURAL GAS PURCHASES FROM NRG CORPORATION.

RESPONSE: NRG would propose that natural gas purchases from NRG Corp. be governed by a pricing methodology which reflects the purpose for which the gas being purchased. Consequently, NRG is proposing one methodology for the purchase of the minimum amount of gas required for system integrity (“Integrity Gas”), and a second methodology for gas purchased over and above this amount (“Non-Integrity Gas”). As noted at page 124 of the transcript from Day 1 of the proceeding (lines 11 to 14), NRG has never formally commissioned a study to determine the precise amount of natural gas required to be purchased from NRG Corp. for system integrity purposes. However, as noted at page 119 of the transcript from Day 1, in a normal operating year NRG would purchase approximately 5 million cubic metres of gas from NRG Corp. (Note: The transcript refers to 5 million cubic feet but as noted in the response to Board Staff IR#23, the correct amount is 5 million cubic metres). However, this year NRG is projected to purchase only 2.4 million cubic metres (after coming to an arrangement with NRG Corp. on pricing). This is the best estimate we have of required Integrity Gas. Consequently, we would propose a pricing methodology for Integrity Gas as follows:

- \$8.486 per mcf whenever the “market price” for natural gas is \$9.999 per mcf or less; and,
- “market price” for natural gas when gas is \$10.00 per mcf or more.

The price of \$8.486 per mcf is chosen because it was the price agreed to between NRG and NRG Corp. in September 2009 when NRG Corp. advised that it was going to shut in all of its wells due to depressed gas prices. So it represents a price that NRG Corp. will accept in times of depressed natural gas commodity prices, and recognizes that NRG’s ratepayers are getting not only natural gas (for system purposes) but also obtaining a benefit from NRG Corp.’s wells (in the form of avoided additional capital assets in rate base). To the extent that this means NRG’s ratepayers are at risk of paying higher-than-market commodity prices, NRG’s proposed methodology contains an “upside” for NRG ratepayers when the market price for natural gas is between \$8.486 and \$10.00 per mcf. In that case, NRG’s ratepayers would continue to pay \$8.486 per mcf. If the price of natural gas went to \$10.00 per mcf or higher, then the price paid by NRG would be market price. We would propose that the “market price” used in this methodology be determined on the same basis as that set out below for Non-Integrity Gas. If this Integrity Gas pricing methodology is approved by the Board, then NRG is of the view that there would be no accumulated differential (\$57,910 as per the response to Board Staff IR#23) for distribution either to or from ratepayers.

With respect to Non-Integrity Gas, the “market price” should be used as the basis for the price to be paid by NRG to NRG Corp. The methodology approved by the Board in the last rates case was to set an annual price of gas purchased from NRG Corp. based on the average market price for one-year forward gas in the last 10 days of September, as indicated on the “Source Report” (an industry publication). In the response to Board Staff IR 23, NRG noted a couple of problems

with this methodology. First, the Source Report is not as consistent as publications from larger, more established corporations (e.g., Shell). Consequently, NRG proposes that the Board methodology allow for NRG to base the price on any one of a few specific indexes selected by the Board (including the Shell Report). Second, utilizing the last 10 days of September to set an annual contract price can result in NRG ratepayers being “out of market” (to their benefit or detriment) (as noted in the last paragraph of NRG’s response to Board Staff IR#23). Consequently, NRG would propose a methodology that adjust the contract price with NRG Corp. quarterly (coinciding with NRG’s QRAM), and that the contract price for the quarter be based on a similar 10-day strip average price for the last 10 days of the second month preceding the month wherein rates are set (e.g., last ten days of August for October 1 quarterly pricing).

UNDERTAKING NO. J2.4: TO PROVIDE ANALYSIS OF HOW \$1.1 MILLION REDUCTION WOULD FEED INTO CAPITAL CONTRIBUTION PAID BY IGPC AND AMOUNT THAT WOULD CLOSE TO RATE BASE.

RESPONSE: NRG reviewed its contribution model against the requirements of EBO 188. Although EBO 188 applies to Enbridge and Union (and not NRG), NRG developed its EBO 188 model consistent with EBO 188; however, the following anomalies were identified:

- capital and net revenues were not present valued to a common date;
- net revenues were not present valued using mid-period values (the software on which the original model was created did not permit mid-year discounting); and,
- CCA Class 1 was relied on rather than CCA Class 51.

The model was revised for these anomalies, and the \$1.1 million reduction would result in the following:

Scenario	per EBO 188, Actual Capital Costs	per EBO 188, \$1.1M Capital Cost reduction
Pipeline Capital Cost	8,626,353	7,526,353
NPV Costs	8,751,053	7,635,151
NPV Dx Rate Revenue	3,645,677	3,645,677
NPV Tax Shield	1,384,274	1,207,757
Contribution	3,721,102	2,781,718
Amount Closed to Rate Base	4,905,251	4,744,635

NRG is in the process of implementing a new contribution model to validate these results. If further anomalies are identified an update will be provided. However, it is unlikely that any further refinement to the model would result in any material changes to the results provided above.

**UNDERTAKING NO. J2.5: TO PROVIDE DATE OF ORIGINAL COST ALLOCATION
MODEL DEVELOPMENT.**

RESPONSE: The original cost allocation model was developed in the early 1990s by Mr. Robert Knecht of Industrial Economics, Incorporated (Cambridge, Massachusetts).

UNDERTAKING NO. J2.6: TO PROVIDE INFORMATION OF THE EXTENT TO WHICH INSURANCE POLICIES ARE DIRECTED SPECIFICALLY TO IGPC AND HOW THAT MAY AFFECT THE COST ALLOCATION ASSOCIATED WITH THOSE INSURANCE COSTS.

RESPONSE: Please see attached. NRG reviewed the treatment of Union Transportation costs for the purposes of classifying Administration and General (“A&G”) costs. NRG concurs that it is inappropriate to classify these costs using a classification factor that includes Union Transportation costs attributable to IGPC. NRG has amended the classification factors, and those are shown in the attached table. The percent allocated is 22.5% based on an A&G allocator of 25.73%, and calculated after taking out the portion related to ancillary sales.

NRG’s proposal is to allocate to IGPC the following insurance costs:

- 22.5% of property and fleet insurance to IGPC, based on the A&G allocation amendment noted above;
- 40% of the company-wide general liability and umbrella liability insurance to IGPC, based on the insurance letter received from Zurich (attached to Undertaking J1.1);
- allocate 100% of the additional umbrella liability (which although company-wide, is being taken out by NRG solely as a result of the new IGPC assets); and,
- allocate 100% of the business interruption and transfer station insurance (since they are related solely to IGPC).

Worksheets FUNC1.3, CLASSIF2.2 and CLASSIF2.3 of the revised cost allocation model are also attached.

SCHEDULE - INSURANCE ALLOCATION

	% Allocator	IGPC	Per Application 2011	
			Coverage	Premium
Property Insurance (39 Beech St)			860,000	2,828
Equipment Floater			203,015	1,355
Fleet Insurance				12,062
		11,374		<u>16,245</u>
General Liability Coverage			2,000,000	\$ 93,326
Umbrella Liability			13,000,000	79,020
			15,000,000	172,346
Less: 4% allocated to NRG Corp				<u>(6,894)</u>
		106,727		165,452
Additional Umbrella Liability	100.0%	42,262	10,000,000	42,262
Business Interruption Insurance	100.0%	25,580		25,580
Transfer Stations	100.0%	35,387	1,785,000	35,387
		<u>221,330</u>		<u>284,925</u>

	% Allocator	IGPC	Revised 2011	
			Coverage	Premium
Property Insurance (39 Beech St)			860,000	2,828
Equipment Floater			203,015	1,355
Fleet Insurance				12,062
	22.5%	3,657		<u>16,245</u>
General Liability Coverage			2,000,000	\$ 93,326
Umbrella Liability			13,000,000	79,020
			15,000,000	172,346
Less: 4% allocated to NRG Corp				<u>(6,894)</u>
	40.0%	66,181		165,452
Additional Umbrella Liability	100.0%	42,262	10,000,000	42,262
Business Interruption Insurance	100.0%	25,580		25,580
Transfer Stations	100.0%	35,387	1,785,000	35,387
		<u>173,067</u>		<u>284,925</u>

1 SHEET 1.3

FUNCTIONALIZATION OF REVENUE REQUIREMENT

\$ 000

	Gas Supply		Union Transportation/		Distribution		Customer Service		Administrative				Direct Assignment to IGPC	Other/Direct Assignment	Ancillary Services
	Total		Load Bal/Storage		Measmnt	Mains	Services	Meters	Billing/Accounting	Promotion	Bad Debt/Collection	A&G			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)		
GAS SUPPLY & TRANSPORTATION															
Firm Transportation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Union Gas Delivery	167.7	0.0	58.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	109.3	0.0	0.0
Union Gas Demand	564.7	0.0	343.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	221.2	0.0	0.0
Local Production - A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Local Production - B	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Unacctd For Gas	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total Gas Supply	732.3	0.0	401.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	330.5	0.0	0.0
O&M EXPENSES															
Wages and Benefits	1,260.9	0.0	0.0	0.0	226.2	129.4	39.6	303.5	85.9	32.9	207.6	0.0	0.0	0.0	235.7
Insurance	284.9	0.0	0.0	0.0	7.2	(1.5)	0.1	0.4	0.1	0.0	101.1	169.4	0.0	0.0	8.1
Utilities	18.1	0.0	0.0	0.0	3.1	1.8	0.5	4.2	1.2	0.5	2.9	0.7	0.0	0.0	3.1
Marketing/Promotion	98.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	83.3	0.0	0.0	0.0	0.0	0.0	14.7
Telephone	65.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	62.6	0.0	0.0	0.0	2.5
Office/Postage	127.9	0.0	0.0	0.0	0.0	0.0	0.0	117.1	0.0	0.0	0.0	0.0	0.0	0.0	10.8
R&M General	289.1	0.0	0.0	0.0	65.5	(9.5)	1.2	21.7	1.3	0.5	20.3	157.2	0.0	0.0	31.0
Automotive	71.0	0.0	0.0	0.0	74.8	(18.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	14.2
Dues & Fees	41.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	39.6	0.0	0.0	0.0	2.1
Mapping Exps	0.9	0.0	0.0	0.0	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Regulatory	146.0	12.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	121.7	0.0	0.0	0.0	12.3
Bad Debts	75.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	68.7	0.0	0.0	0.0	0.0	6.3
Office Rent	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Sec Dep Interest	6.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	6.4	0.0
Bank Charges	17.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.3	0.0	0.0	0.0	1.5
Collection Exps	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.3	0.0	0.0	0.0	0.0	1.7
Travel & Ent.	4.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	3.8	0.0	0.0	0.0	0.4
Legal	54.4	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	54.4	0.0	0.0	0.0	0.0
Audit	20.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	18.3	0.0	0.0	0.0	1.7
Consulting	64.6	3.0	0.0	0.0	60.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1.3
Management Fees	457.0	0.0	0.0	0.0	0.0	0.0	0.0	381.4	0.0	0.0	45.0	0.0	0.0	0.0	30.6
Demand Side Management		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	(221.8)	0.0	0.0	0.0	(138.1)	33.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(117.0)
Total O&M Costs	2,901.1	15.0	0.0	0.0	299.5	135.8	41.4	828.2	171.8	120.9	693.6	327.3	6.4	261.0	

42 SHEET 1.3 continued

FUNCTIONALIZATION OF REVENUE REQUIREMENT

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	Gas Supply	Union Transportation/ Load Bal/Storage	Distribution	Customer Service	Administrative					Other/Direct	Ancillary			
Total			Measmnt	Mains	Services	Meters	Billing/Accounting	Promotion	Bad Debt/ Collection	A&G	Direct Assignment	Assignment	Services	
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		(12)	(13)	
CAPITALIZED EXPENSES														
Wages	(30.3)	0.0	0.0	0.0	(31.8)	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	(11.5)	0.0	0.0	0.0	(15.2)	3.7	0.0	0.0	0.0	0.0	0.0	0	0.0	0.0
Total Capitalized Expenses	(41.8)	0.0	0.0	0.0	(47.0)	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Net O&M Costs	3,591.6	15.0	401.9	0.0	252.6	141.0	41.4	828.2	171.8	120.9	693.6	657.8	6.4	261.0
Capital Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
Property Taxes	400.8	0.0	0.0	0.0	264.1	53.1	0.9	7.2	2.0	0.8	5.0	60	0.0	7.6
Net Depreciation Expense	1,206.5	0.0	0.0	23.7	414.9	103.4	65.5	12.2	1.4	0.6	114.5	253.7	0.0	216.7
Total Expenses	5,198.9	15.0	401.9	23.7	931.6	297.5	107.9	847.7	175.3	122.3	813.0	971.4	6.4	485.3
Net Def Acct Disp.	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0		0.0	0.0
Return on Rate Base	1,245.2	(7.9)	(0.2)	28.4	425.5	131.4	84.5	17.5	4.1	1.6	23.6	404.9	(24.8)	156.6
Income Taxes	163.1	(1.0)	(0.0)	3.7	55.7	17.2	11.1	2.3	0.5	0.2	3.1	53.0	(3.2)	20.5
REVENUE REQUIREMENT	6,607.2	6.1	401.6	55.8	1,412.8	446.1	203.5	867.5	180.0	124.0	839.7	1,429.4	(21.6)	662.4

1 SHEET 2.2

CLASSIFICATION OF REVENUE REQUIREMENT

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	Gas Supply	Union Demand	Union Commodity	Delivery Commodity	Delivery Demand	Weighted Customer Services	Weighted Customer Meters	Weighted Customer Billing	Unweighted Customer	Bad Debt/Collection	A&G excl non-Bldgs Insur	A&G Insurance	Direct Assignment to IGPC	Direct Assign	Ancillary Services
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)			(12)	(13)
FUNCTION															
Gas Supply	6.1	6.1													
Union Trans/Load Bal/Storage	401.6		343.3	58.4											
Dist'n Measurement	55.8				27.9	27.9									
Mains	1,412.8				939.9				472.9						
Services	446.1					446.1									
Meters	203.5						203.5								
Accounting/Billing	867.5							867.5							
Promotion	180.0								180.0						
Bad Debt/Collection	124.0									124.0					
A&G	839.7										753.7	86.0			
Direct Assignment	1,429.4												1,429.4		
Other Assignment	(21.6)				0.0									(21.6)	
Ancillary Services	662.4														662.4
TOTAL REVENUE REQUIREMENT	6,607.2	6.1	343.3	58.4	27.9	967.8	446.1	203.5	867.5	652.9	124.0	753.7	86.0	1,429.4	(21.6) 662.4
Classification of A&G, excluding Insurance	753.7	1.1	0.0	0.0	4.9	170.8	78.7	35.9	153.1	115.2	0.0	0.0	0.0	193.9	0.0 0.0
Classification of A&G Insurance	86.0	0.2	0.0	0.0	0.8	26.2	12.1	5.5	23.5	17.7	0.0	0.0	0.0	0.0	0.0 0.0
Total Classification of A&G	839.7	1.2	0.0	0.0	5.7	197.0	90.8	41.4	176.6	132.9	0.0	0.0	0.0	193.9	0.0 0.0
Total Revenue Requirement after Classification of A&G	6,607.2	7.4	343.3	58.4	33.6	1,164.8	536.9	244.9	1,044.1	785.8	124.0	0.0	0.0	1,623.3	(21.6) 662.4
Less: OTHER REVENUE															
Late Payment Fees	52.7										48.3				4.4
Transfer/Connection Charges	30.7									30.7					
REVENUE REQUIREMENT for Rates	6,523.8	7.4	343.3	58.4	33.6	1,164.8	536.9	244.9	1,044.1	755.1	75.8	0.0		1,623.3	(21.6) 657.9

1 SHEET 2.3

CLASSIFICATION FACTORS

	Total	Gas Supply	Union Demand	Union Commodity	Delivery Commodity	Delivery Demand	Weighted Customer Services	Weighted Customer Meters	Weighted Customer Billing	Unweighted Customer	Bad Debt/ Collection	A&G	Direct Assignment to IGPC	Direct Assign	Ancillary Services
	(1)	(2)	(3)		(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)		(12)	(13)
8 C1: Mains	100.00%	0.00%	0.00%	0.00%	0.00%	66.53%	0.00%	0.00%	0.00%	33.47%	0.00%	0.00%	0.00%	0.00%	0.00%
9 C2: Services	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	100.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
10 C3: A&G, exc Insurance	100.00%	0.14%	0.00%	0.00%	0.65%	22.66%	10.45%	4.76%	20.31%	15.29%	0.00%	0.00%	25.73%	0.00%	0.00%
10 C3.1: A&G Insurance	100.00%	0.19%	0.00%	0.00%	0.88%	30.51%	14.06%	6.41%	27.35%	20.58%	0.00%	0.00%	0.00%	0.00%	0.00%
11 C4: Union Demand/Com	100.00%	0.00%	85.47%	14.53%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
12 C5: Dist. Measurement	100.00%	0.00%	0.00%	0.00%	50.00%	50.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

UNDERTAKING NO. J2.7: TO REVIEW THE ALLOCATION OF A&G AS SHOWN ON EXHIBIT G3, TAB 2, SCHEDULE 1, SHEET 3.1, LINE 51, TO CONSIDER WHETHER ALLOCATOR SHOULD EXCLUDE UNION GAS DELIVERY AND UNION GAS DEMAND FROM COMPONENT WHICH IS DIRECT ASSIGNMENT TO IGPC.

RESPONSE: See response to Undertaking J2.6.

UNDERTAKING NO. J2.8: TO PROVIDE GAS VOLUMES THAT HAVE BEEN SOLD BY NRG CORP. TO A THIRD PARTY USING NRG'S DISTRIBUTION SYSTEM SINCE 2004 ON A FISCAL YEAR BASIS.

RESPONSE: Please see attached.

NRG Corp**Salf of Gas to Union Gas (Greentree Station)**

Production (MCF)													
Fiscal Year	October	November	December	January	February	March	April	May	June	July	August	September	Total
2004	-	-	-	-	-	-	-	-	-	-	-	-	-
2005	-	-	-	-	-	-	-	-	-	-	-	-	-
2006	-	-	-	-	-	-	-	-	-	5,711	1,390	-	7,101
2007	-	-	4,682	1,005	-	-	-	2,195	5,727	2,566	638	-	16,813
2008	-	-	-	-	-	-	16	1,530	2,182	1,907	67	1	5,703
2009	43	-	-	-	-	-	-	-	-	-	-	-	43
	43	-	4,682	1,005	-	-	16	3,725	7,909	10,184	2,095	1	29,660

**UNDERTAKING NO. J2.9: TO PROVIDE TRANSPORTATION RATE OF
GREENTREE GAS & OIL LTD.**

RESPONSE: The transportation rate of Greentree Gas & Oil Ltd. is \$0.95 per mcf. In addition, Greentree charges an administration fee of \$250 per month for any month in which the Greentree system is used for transportation.

UNDERTAKING NO. J3.1: TO ADVISE WHAT PORTION OF ACTUAL OVERALL EQUITY IS CLAIMED IN APPLICATION AS ATTRIBUTABLE TO RATE BASE ON WHICH A RETURN IS SOUGHT, AND THE DELTA BETWEEN DEEMED AND ACTUAL EQUITY ATTRIBUTABLE TO RATE BASE IN THE 2011 TEST YEAR.

RESPONSE: NRG has reviewed the transcript in order to try to best respond to this question, and would note the following:

1. It is not possible to break down the actual equity of NRG into a “utility” component and a “non-utility” component. It is possible to attribute earnings to NRG’s utility and non-utility business; however, the same attribution cannot be done with respect to costs.

To the best of our knowledge, NRG has never indicated that it has a different capital structure for the non-utility business than it does for the utility business. Consequently, the most appropriate basis for deriving an “actual” equity figure for the utility business is to calculate it based on the share of rate base that is utility-related out of total rate base (i.e., utility plus non-utility rate base). Based on Exhibit G3, Tab 1, Schedule 1, Sheet 1.1, the total rate base is about \$13.6 million with \$11.9 million being utility-related and \$1.7 million being ancillary-related. As a result, about 87.5% of rate base is utility-related. Applying this percentage to the total equity for the company would result in an actual equity for the test year of \$5,004,883.60 (i.e., 87.5% of \$5.719 million per Exhibit E8, Tab 1, Schedule 2).

2. Please see the attached Deficit Continuity Schedule which breaks out of total earnings the portion relating to ancillary sales and the impact on equity accordingly.

Deficit Continuity Schedule

Natural Resource Gas Limited Corporate Results

	2006	(1)	2007	(2)	2008	(3)	2009	(4)	2010 Bridge Year	2011 Test Year	2006-2011 Change
Opening Deficit	(9,362,117)		(9,090,159)		(8,707,086)		(8,810,029)		(8,329,982)	(7,821,580)	
Net Income	271,958		383,073		(102,943)		480,047		508,402 (5)	242,998 (6)	
Closing Deficit	(9,090,159)		(8,707,086)		(8,810,029)		(8,329,982)		(7,821,580)	(7,578,582)	(1,511,577)
Share Capital	13,461,439		13,461,439		13,461,439		13,461,439		13,461,439 (4)	13,461,439 (4)	
Shareholders' Equity per Audited Financial Statements	<u>\$4,371,280</u>		<u>\$4,754,353</u>		<u>\$4,651,410</u>		<u>\$5,131,457</u>		<u>\$5,639,859</u>	<u>\$5,882,857</u>	

Natural Resource Gas Limited Utility Operations - Estimate

	2006	2007	2008	2009	2010 Bridge Year	2011 Test Year	
Opening Deficit	<u>(9,362,117)</u>	<u>(9,294,391)</u>	<u>(9,095,904)</u>	<u>(9,337,641)</u>	<u>(9,040,791)</u>	<u>(8,788,803)</u>	
Net Income	271,958	383,073	(102,943)	480,047	508,402	242,998	
Loss from Non-Utility Operations			(439,833) (3)	(177,612) (4)			
Ancillary Services - Income After Tax	204,232 (7)	184,586 (8)	138,794 (9)	183,197 (10)	256,414 (11)	213,583 (12)	
NI Regulated Services (computed)	<u>67,726</u>	<u>198,487</u>	<u>198,096</u>	<u>474,462</u>	<u>251,988</u>	<u>29,415</u>	
Revised Closing Deficit	(9,294,391)	(9,095,904)	(9,337,641)	(9,040,791)	(8,788,803)	(8,759,388)	(535,003)
Share Capital	13,461,439	13,461,439	13,461,439	13,461,439	13,461,439 (4)	13,461,439 (4)	
Shareholders' Equity Revised	<u>\$4,167,048</u>	<u>\$4,365,535</u>	<u>\$4,123,798</u>	<u>\$4,420,648</u>	<u>\$4,672,636</u>	<u>\$4,702,051</u>	

Notes

(1)	Source: Ex A3/T1/S4/p4	(7)	Source: Ex C3/T3/S1
(2)	Source: Ex A3/T1/S3/p4	(8)	Source: Ex C4/T3/S1
(3)	Source: Ex A3/T1/S2/p4	(9)	Source: Ex I/T3/p54 of 90
(4)	Source: Ex A3/T1/S1/p4	(10)	Source: Ex I/3/p55 of 90
(5)	Sources: Ex F7/T1/S1, Ex E7/T1/S2	(11)	Source: Ex I/T3/p56 of 90
(6)	Sources: Ex F8/T1/S1, Ex E8/T1/S2	(12)	Source: Ex I/T3/p57 of 90

UNDERTAKING NO. J3.2: TO PROVIDE BREAKDOWN IN THE EVIDENCE OF PRINCIPAL AND INTEREST PAYMENTS BEING MADE ON LONG-TERM DEBT LEADING TO 2011 TEST YEAR.

RESPONSE: The table below summarizes IGPC's 2011 Test Year Interest Expense and repayment of Long Term Debt per the application.

	ScotiaBank Loan #1	ScotiaBank Loan #2
2011 Test Year Interest Expense	162,565	450,263
2010 Closing Balance	4,225,000	6,033,163
2011 Closing Balance	<u>3,705,000</u>	<u>5,905,412</u>
Principal Payments	520,000	127,751
Total Principal and Interest	682,565	578,014

UNDERTAKING NO. J3.3: TO CONFIRM INTEREST RATE AND MATURITY DATE FOR FIRST AND THIRD GIC CITED IN UNDERTAKING RESPONSE J1.2.

RESPONSE: The first GIC listed in Undertaking Response J1.2 was replaced by a GIC for \$1,811,528.58 at an interest rate of 1.03%. It has a term of 90 days (maturing on November 30, 2010).

NRG can confirm that the maturity date for the third GIC listed in Undertaking Response J1.2 contains a typo. The maturity date is February 19, 2011.

UNDERTAKING NO. J3.4: TO PROVIDE REVENUE-TO-COST RATIO ON APPLICATION FOR RATE 6.

RESPONSE: The Revenue-to-Cost ratio for Rate 6 at current rates is provided at Ex G3, Tab 2, Schedule 1, Sheet 3.3, line 22. The Revenue-to-Cost ratio for Rate 6 at rates proposed (prior to the Settlement Agreement) is provided at Exhibit H1, Tab 1, Schedule 4, page 2, line "R:C" at the bottom.