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Toronto, January 18, 2011

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

Dear Ms. Walli:

**RE: Natural Resource Gas Limited ("NRG")
2011 Rates Application (EB-2010-0018)
NRG Responses to Comments on Draft Rate Order**

NRG has reviewed the comments of Board Staff, the Vulnerable Energy Consumers Coalition ("VECC"), IGPC Ethanol Inc. and Integrated Grain Processors Co-operative Inc. ("IGPC"), and the Town of Aylmer (which was in agreement with IGPC's submissions), in respect of the draft Rate Order ("DRO") filed on December 29, 2010. We have arranged our responses into the main issues identified.

Rate Base

1. Board Staff seeks clarification on how NRG derived the \$4.8 million for the revised value of the IGPC Pipeline (and in particular, how the \$4.8 million figure compares to the value of the IGPC Pipeline given in the response to Undertaking J2.4 of \$4.905 million).

***NRG Response:** See Attachment G for an explanation as to how the \$4.8 million was derived. This \$4.8 million figure takes into account additional adjustments made during the course of the hearing, whereas the \$4.905 million in Undertaking J2.4 was a hypothetical that did not take into account the full reductions agreed to during the course of the hearing. Attachment G provides an itemization of the amounts that factored into the reduction to the amount closed to*

rate base in respect of the IGPC Pipeline. Please also note NRG's response to item 5 below in this Rate Base section.

2. VECC seeks an explanation as to how the \$13,674,994 figure was derived. IGPC seeks similar clarification at the end of its letter.

NRG Response: *VECC's response refers to \$13,618,731 as the amount accepted in the Settlement Agreement. However, as noted on Attachment B (filed December 29, 2010), this is the amount of rate base per NRG's April evidentiary filing. As noted in the Attachment B (filed December 29, 2010), the rate base amount per the Settlement Agreement was \$13,916,015.*

3. Both Board Staff and IGPC noted that a digit was missing from the rate base figure on page 2 of the Draft Rate Order letter.

NRG Response: *The amount should have read \$4,820,064 and not \$4,820,04.*

4. IGPC notes a \$5 discrepancy between Notes 10 and 12 in Attachment B (i.e., the difference between \$226,936 and \$226,941).

NRG Response: *The \$5 discrepancy is due to rounding (entering \$5,047,005 for the IGPC Pipeline rate base versus rounding to \$5,047,000 for the IGPC Pipeline rate base). This is immaterial. Please note NRG's response to item 5 below, which will change these two figures in Attachment B (see revised version attached) to \$174,823.*

5. IGPC has asked for an explanation as to how the reductions to the IGPC Pipeline capital costs match the Board's Decision and Order, and why the reductions in costs are solely reflected in the amount closed to rate base and not the contribution in aid of construction.

NRG Response: *Attachment G reflects how the balance of \$4,820,064 was derived (based on the Board Decision and Order). NRG agrees that these reductions in costs should have been reflected in the total cost of the pipeline (and not solely the amount closed to rate base). When this is done, and the numbers re-calculated in accordance with EBO 188, the amount closed to rate base is \$4,872,182. The revised numbers are shown in Attachment H and have been adopted for rate-making purposes. As a result, we have revised Attachments A and B to reflect this change.*

6. IGPC requests detail of the \$202,581 "All Other Changes" on Attachment B

NRG Response: *This detail was provided in Response to VECC Interrogatory #9 (Exhibit I/Tab 3/page 9 and the schedules that followed).*

Revenue Deficiency

7. Board Staff seeks details or reasons for the increase in residential rates from 2.7% (per Settlement Agreement) to 5.9% (per December 29th DRO).

NRG Response: Please see Attachment L. Note that the revised rates per adjustments made in this filing indicates an increase for residential customers of 5.5% (previously 5.9%). The increase of 2.8% (i.e., from 2.7% to 5.5%) is attributable to: (a) impact of the decrease in percent of A&G allocated to IGPC; (b) correction to the tier quantities; and (c) an increase in the REVENUE to COST ratio.

8. VECC seeks clarification of the deficiency/sufficiency figures noted in Attachment B of the December 29th DRO.

NRG Response: Attachment B has been updated. See the January 17th version attached hereto. In addition, the Attachment B has been formatted to use brackets instead of negatives to make it clearer, and the descriptions changed to more accurately reflect the items noted. The amounts now show a net sufficiency of \$3,462 (grossed up to \$5,244).

9. VECC asks for the amount shown on the first page of Attachment D of the DRO (at the bottom of the Table entitled “Revenue Deficiency Recovery by Rate Class 2011 Test Year”) reconciled with the amounts noted in item 2 immediately above.

NRG Response: Please refer to Attachment I for the reconciliation (numbers per Revised Schedules in this filing).

System Gas Over-Recovery Rate Rider

10. Board Staff states that NRG should calculate the rate rider on the basis of the amount noted in the Board Decision (\$97,000), and capture any difference in the Purchased Gas Commodity Variance Account (for clearance at a later date).

NRG Response: This is acceptable to NRG. The actual amount was used because NRG had indicated that the \$97,000 was an estimate (as no final numbers were available at the time of the hearing). See attached updated rate rider at Attachment E.

11. IGPC states that Draft Rate Schedule for Rate 6 (page 2) should read \$21,008.13 per customer.

NRG Response: As IGPC notes, NRG and IGPC discussed this matter a couple of weeks ago, and NRG agrees with the change. This is reflected in the revised Draft Rate Schedule for Rate 6 (shown in the updated Attachment A).

Error in Volumes Allocated to Various Tiers

12. Board Staff has asked that details be provided (in a table format) providing details that would assist the Board Panel to make a decision on the matter (e.g., impacts on revenue deficiency).

***NRG Response:** Attachment J provides the requested information in tabular format. This Attachment shows that the proposed rates in the updated Attachment A (draft Rate Schedules) which are derived using the correct tiering, recover NRG's revenue requirement, and that rates derived using the incorrect tiering do not. In NRG's submission, it is appropriate to utilize the correct figures to allow NRG to recover its revenue requirement. Further, as Board Staff notes the overall volume throughput has not changed. Further, NRG believes the amounts indicated in Attachment K do not have a material impact on bills.*

Reduction in OM&A

13. IGPC notes a \$3 discrepancy in the reduction of OM&A on the IGPC Pipeline (\$81,632 versus \$81,635), and seeks clarification.

***NRG's Response:** NRG confirms that the amount of the reduction is \$81,632. Again, this is immaterial.*

14. IGPC has requested NRG to confirm whether NRG has taken into account the \$3,189 PST reduction.

NRG's Response: Please refer to Attachment K, which shows that the PST reduction was taken into account.

As a result of the adjustments made to respond to some of the above items, NRG is filing updated Attachments A through F (i.e., updates to those included with the December 29th DRO filing). The updated Attachments are as follows:

Attachment A	Draft Rate Schedules
Attachment B	Revenue Requirement and Revenue Deficiency Continuity
Attachment C	Allocation of the Revenue Requirement to Customer Classes
Attachment D	Estimated Bill Impacts
Attachment E	Derivation of Authorized Rate Riders
Attachment F	Draft Accounting Orders (unchanged from previous filing)

In addition, NRG is filing several new Attachments, as referenced above, in order to be responsive to the comments on the DRO. These new attachments are:

- Attachment G: This shows the calculation of amount closed to rate base for the IGPC Pipeline in the December 29th DRO filing.
- Attachment H: This shows the amount that should be closed to rate base for the IGPC Pipeline (based on reductions from the total cost of the IGPC Pipeline and not solely the amount closed to rate base), after re-running EBO 188.
- Attachment I: This shows the reconciliation of deficiency amounts shown on Attachments B and D of the December 29th DRO filing.
- Attachment J: This shows the impact of the corrections made based on the appropriate volumes being allocated to the tiers.
- Attachment K: This shows that NRG took into account the PST reduction of \$3,189 on OM&A for the IGPC Pipeline.
- Attachment L: This shows the difference between the impact on residential rates post-Settlement Agreement and at conclusion of this proceeding.

Should you have any questions, please contact me directly.

Yours very truly,



for: Richard J. King

RK/mnm

Enclosure

c.c. Jack Howley (NRG)
Laurie O'Meara (Ayerswood)
Kathi Litt (Elenchus)
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)

NATURAL RESOURCE GAS LIMITED

PROPOSED RATE TARIFFS

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

All customers.

Rate

a)	Monthly Fixed Charge	\$13.50
b)	Delivery Charge	
	First 1,000 m ³ per month	15.4682 cents per m ³
	All over 1,000 m ³ per month	10.1055 cents per m ³
c)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A
d)	Rate Riders	
	Forgone Revenue Rate Rider - effective until September 30, 2011	\$ 1.11/customer
	PGTVA/REDA Rate Rider - effective until September 30, 2011	\$ 2.19/customer
	System Gas Over-Recovery Rate Rider - effective until September 30, 2011	\$ (0.009727)/m ³
	Applies to System Gas Supply deliveries	

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: October 01, 2010

Implementation: All bills rendered on or after February 1, 2011

EB-2010-0018

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	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m ³ per month	14.7900 cents per m ³	18.9361 cents per m ³
Next 24,000 m ³ per month	10.3444 cents per m ³	17.1242 cents per m ³
All over 25,000 m ³ per month	6.7380 cents per m ³	16.6811 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A
d) Rate Riders		
Forgone Revenue Rate Rider - effective until September 30, 2011		\$ 1.67/customer
PGTVA/REDA Rate Rider - effective until September 30, 2011		\$12.25/customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011		\$ (0.009727)/m ³
Applies to System Gas Supply deliveries		

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: October 01, 2010

Implementation: All bills rendered on or after February 01, 2011

EB-2010-0018

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 27.3817 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 10.9612 cents per m³ and not to be less than 7.9412 per m³.

d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) 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.

- f) Rate Riders
- | | |
|--|------------------------------|
| Rate Rider for Foregone Revenue effective until September 30, 2011 | \$ 47.94/customer |
| Rate Rider for PGTVA/REDA effective until September 30, 2011 | \$105.00/customer |
| System Gas Over-Recovery Rate Rider - effective until September 30, 2011 | \$ (0.009727)/m ³ |
- Applies to System Gas Supply deliveries

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- The volume of gas for which the customer is willing to contract;
- 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;
- Interruptible or curtailment provisions;
- 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 3.1530 cents per m³ for firm gas and 5.4412 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 5.7163 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: October 01, 2010

Implementation: All bills rendered on or after February 01, 2011

EB-2010-0018

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	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m ³ per month	14.4487 cents per m ³	18.5629 cents per m ³
All over 1,000 m ³ per month	10.3467 cents per m ³	16.6237 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A
d) Rate Riders		
Rate Rider for Foregone Revenue - effective until September 30, 2011		\$1.10/customer
Rate Rider for PGTVA/REDA - effective until September 30, 2011		\$8.32/customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011		\$(0.009727)/m ³
Applies to System Gas Supply deliveries		

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: October 01, 2010

Implementation: All bills rendered on or after February 01, 2011

EB-2010-0018

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) Monthly Fixed Charge \$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 8.4612 cents per m³ and not to be less than 5.4612 per m³.

c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) 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.

- e) Rate Riders
- | | |
|--|-----------------------------|
| Rate Rider for Foregone Revenue effective until September 30, 2011 | \$62.38/customer |
| Rate Rider for PGTVA/REDA effective until September 30, 2011 | \$82.58/customer |
| System Gas Over-Recovery Rate Rider - effective until September 30, 2011 | \$(0.009727)/m ³ |
- Applies to System Gas Supply deliveries

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 5.6702 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: October 01, 2010

Implementation: All bills rendered on or after February 01, 2011

EB-2010-0018

NATURAL RESOURCE GAS LIMITED

RATE 6 – Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility

Rate Availability

Rate 6 is available to the Integrated Grain Processors Co-Operative, Aylmer Ethanol Production Facility only.

Eligibility

Integrated Grain Processors Co-Operative's ("IGPC") ethanol production facility located in the Town of Aylmer

Rate

1. Bills will be rendered monthly and shall be the total of:

a) Monthly Customer Charge of \$150.00 for firm services

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.1692 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 IGPC not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.

d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) 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, IGPC 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 IGPC on such day, or if, on any day, IGPC fails to comply with any curtailment notice reducing IGPC'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 6 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, IGPC 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.

f) Rate Riders

Rate Rider for Foregone Revenue effective until September 30, 2011

\$(4,011.83) /customer

Rate Rider for PGTVA/REDA effective until September 30, 2011	\$(21,008.13) /customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011	\$(0.009727)/m ³
Applies to System Gas Supply deliveries	

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 IGPC is willing to contract;
- b) The load factor of IGPC's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which IGPC is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, IGPC shall take delivery from the company, or in any event pay for it if available and not accepted by the IGPC, 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 3.1530 cents per m³ for firm gas and 5.4412 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 IGPC 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 5.7163 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 IGPC elects under this rate schedule to directly purchase its gas from a supplier other than NRG, IGPC or its 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 IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by NRG, IGPC, when 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: October 01, 2010

Implementation: All bills rendered on or after February 01, 2011

EB-2010-0018

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, 5 and 6.

Rate

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2010-0366)	22.8146 cents per m ³
GPRA Recovery Rate	(EB-2010-0366)	(0.4427) cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0352</u> cents per m ³
Total Gas Supply Charge		<u>22.4077</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Deferral and Variance Accounts

Rate Rider for System Gas Refund effective until September 30, 2011 (0.9727) cents per m³

Effective: January 01, 2011

Implementation: All bills rendered on or after February 01, 2011

EB-2010-0018

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: October 01, 2010

Implementation: All bills rendered on or after February 01, 2011

NATURAL RESOURCE GAS LIMITED

Transmission Service

Availability

Transmission Service charges shall be applied to Natural Resource Gas Corp.

Eligibility

Only Natural Resource Gas Corp. shall be charged the Transmission Service Rate. Fees and Charges will be applied only in those months that NRG Corp. delivers gas to a delivery point on NRG's system.

Rate

Administrative Charge	\$250/month
Transportation Rate	\$ 0.95/mcf

Effective: October 01, 2010

Implementation: All bills rendered on or after February 01, 2011

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after February 1, 2011, the price we charge for the distribution of natural gas will change. The Ontario Energy Board (OEB) has approved this change to reflect the costs that NRG expects to incur to provide delivery service.

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 2,000 cubic meters of gas annually, this rate change will cause your annual heating costs to increase by approximately 5.4% or \$24 per year.

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.

Natural Resource Gas Limited
EB-2010-0018: 2011 Rates
Net Deficiency Continuity

	Feb 1 Filing	Change	Update	Change (15)	Settlement Agreement	Change	OEB D&O
Revenue							
Distribution Revenue	\$ 5,480,613	\$ -	\$ 5,480,613	\$ 4,194	\$ 5,484,808	\$ -	\$ 5,484,808
Ancillary Service Revenue	641,948	22,212 (1)	664,160	187,708	851,867	0	851,867
Total	<u>6,122,561</u>	<u>22,212</u>	<u>6,144,773</u>	<u>191,902</u>	<u>6,336,675</u>	<u>0</u>	<u>6,336,675</u>
Costs							
Union Transmission	733,850	(1,520) (2)	732,331	30	732,360	0	732,360
OM&A	2,874,860	(15,562) (3)	2,859,299	(148,460)	2,710,839	(81,632) (9)	2,629,207
Depreciation	1,200,009	6,514 (4)	1,206,523	(23,591)	1,182,932	(8,741) (10)	1,174,191
Property Tax	421,250	(20,474) (5)	400,776	0	400,776	0	400,776
Income Tax	50,052	200	50,252	163,535	213,787	41,390	255,177
Total	<u>5,280,022</u>	<u>(30,841)</u>	<u>5,249,180</u>	<u>(8,487)</u>	<u>5,240,694</u>	<u>(48,983)</u>	<u>5,191,711</u>
Utility Income	<u>842,539</u>	<u>53,053</u>	<u>895,593</u>	<u>200,389</u>	<u>1,095,981</u>	<u>48,983</u>	<u>1,144,964</u>
Cost of Capital							
Allowed RoE	10.25%	0.10% (6)	10.35%	0.00%	0.1035	-0.50%	0.0985
Weighting	42.00%		42.00%	0.00%	0.4200	-2.00%	0.4000
Cost of Long Term Debt	6.17%	0.52% (7)	6.69%	0.00%	0.0669	0.98%	0.0767
Weighting	74.64%		72.80%	0.00%	0.7280	-16.80%	0.5600
Cost of Compensating Balance	0.50%	0.00%	0.50%	0.00%	0.0050	-0.50%	0.0000
Weighting	-16.60%		-14.80%	0.00%	(0)	14.80%	0.0000
Cost of Deemed Short Term Debt	0.50%	0.00% (8)	0.50%	0.00%	0.0050	1.57%	0.0207
Weighting	0.02%		0.03%	0.00%	0.0003	3.97%	0.0400
Total Cost of Capital	8.83%		9.14%	0.00%	9.14%		8.32%

(11)

	Feb 1 Filing	Change	Update	Change (15)	Settlement Agreement	Change	OEB D&O
Rate Base							
Total	13,274,579						
Gross PPE						(174,823)	(12)
Franchises		65,696					
Plastic Mains		55,750					
Franchise Amortization		(4,734)					
Plastic Mains Amortization		117,909					
Disposition Adjustment	96,968						
HWH Disposition Adjustment Impact on Accumulated I		(52,525)					
Security Deposits		148,742		94,703			
Inventory		1,007					
Working Cash		6,991				(2,469)	(13)
Accumulated Depreciation						(18,385)	(14)
All Other Changes		5,322		202,581			
		<u>344,158</u>		<u>297,284</u>	(16)	<u>(195,677)</u>	
Revised Total			13,618,731		13,916,015		13,719,974
Deficiency							
Total Revenue	\$ 6,122,561	\$ 22,212	\$ 6,144,773	\$ 191,902	\$ 6,336,675	\$ -	\$ 6,336,675
Cost of Service	<u>5,280,022</u>	<u>(30,841)</u>	<u>5,249,180</u>	<u>(8,487)</u>	<u>5,240,694</u>	<u>(48,983)</u>	<u>5,191,711</u>
Utility Income	<u>842,539</u>	<u>53,053</u>	<u>895,593</u>	<u>200,389</u>	<u>1,095,981</u>	<u>48,983</u>	<u>1,144,964</u>
Rate Base	13,274,579	344,152	13,618,731	297,284	13,916,015	(196,041)	13,719,974
Cost of Capital	<u>8.83%</u>	<u>0.32%</u>	<u>9.14%</u>	<u>-0.09%</u>	<u>9.05%</u>	<u>-0.73%</u>	<u>8.32%</u>
Return	<u>1,171,772</u>	<u>73,432</u>	<u>1,245,204</u>	<u>14,195</u>	<u>1,259,399</u>	<u>(117,898)</u>	<u>1,141,502</u>
Net (Deficiency)/Sufficiency	(329,233)	(20,379)	(349,612)	186,194	(163,418)	166,880	3,462
Tax	<u>(105,547)</u>	<u>(7,258)</u>	<u>(112,805)</u>	<u>47,185</u>	<u>(65,620)</u>	<u>67,402</u>	<u>1,781</u>
Gross (Deficiency)/Sufficiency	<u>(434,780)</u>	<u>(27,637)</u>	<u>(462,417)</u>	<u>233,379</u>	<u>(229,038)</u>	<u>234,282</u>	<u>5,244</u>

NOTES:

- (1) Adjustment to Accumulated Depreciation to complete accounting entries to reflect Disposition.
- (2) Reflects changes in the Cost of Gas based on updated data.
- (3) Elimination of Business Cessation Insurance from 2010 data, \$259 unexplained variance.
- (4) Net effect of HWH disposition, change in franchises, elimination of double counting of IGPC depreciation.
- (5) Net effect of correction to expense and correcting the formula.
- (6) Reflects OEB increase is Allowed Return for electric LDCs.
- (7) Impact of increase in floating rate debt
- (8) Impact of adopting OEB authorized Cost of Short Term Debt
- (9) Impact of OEB disallowance of premium for Business Cessation Insurance Policy and deferral of 50% of the costs of the MIG Engineering Maintenance IGPC Pipeline maintenance contract.
- (10) Impact of Reduction in Gross value of IGPC pipeline by \$174,823 ($174,823 \times .05 = 8,741$)
- (11) Per Decision findings on hypothetical capital structure and authorized cost of capital.
- (12) Changes to the gross value of the IGPC Pipeline: previously \$5,047,005 vs current \$4,872,182.
- (13) Change to Working Cash Allowance associated with non-recovery through rates of Business Cessation Insurance and 50% of MIG Engineering costs.
- (14) Change due to Board finding that the IGPC Pipeline is to be included in Rate Base as of August 1, 2008 and using EBO 188 data.
- (15) All changes are documented in the Settlement Agreement.
- (16) Per Changes identified at Exhibit I/Tab 3/page9.

1 SHEET 3.3

ANALYSIS OF ALLOCATED COSTS

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6 REVENUES

7 Current Rates

8 Gas Supply

9 Transportation & Distribution

10 Ancillary Services

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12 Cost based rates

13 Gas Supply

14 Transportation & Distribution

15 Ancillary Services

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17 (Deficiency)/Sufficiency

18 Gas Supply

19 Transportation & Distribution

20 Ancillary Services

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22 R/C @ current rates - total

23 R/C @ current rates - gas supply

24 R/C @ current rates - distribution

25 R/C @ current rates - ancillary

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27 SUMMARY OF COSTS

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29 Total

30 Supply

31 Demand

32 Customer

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34 Costs by Function

35 Gas Supply

36 Union Transportation

37 Commodity

38 Demand

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40 Distribution

41 Commodity

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43 Customer

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44 SUMMARY OF UNIT COSTS

45 Total - \$/m^3

46 Supply - \$/m^3

47 Demand - \$/m^3

48 Cust - \$/m^3

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50 UNIT COSTS BY FUNCTION

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52 Gas Supply - \$/m^3

53

54 Total Union Transportation

55 Transport Commodity - \$/m^3

56 Transport Demand - \$/m^3

57

58

59 Distribution - \$/m^3

60 Commodity - \$/m^3

61 Demand - \$/m^3

62 Customer - \$/m^3

63 Cust - \$/customer/mth

64

Total	Residential	Commercial	Industrial	Seasonal	Firm	Interruptible	Int. Fall	Int. Fall	Firm	Ancillary Services
6,253.3	2,898.0	579.5	75.5	68.4	157.9	0.5	61.5	62.9	1,580.6	768.5
37.9	23.8	6.3	1.1	0.9	3.5	0.0	0.8	1.5	0.0	
5,446.9	2,874.3	573.2	74.4	67.5	154.4	0.5	60.7	61.4	1,580.6	
768.5										768.5
6,248.1	3,066.2	391.3	104.3	183.0	167.2	0.0	53.5	101.3	1,484.2	696.9
7.5	4.7	1.2	0.2	0.2	0.7	0.0	0.2	0.3	0.0	
5,543.7	3,061.5	390.1	104.1	182.9	166.5	0.0	53.3	101.0	1,484.2	
696.9										696.9
5.2	(168.2)	188.1	(28.8)	(114.7)	(9.3)	0.5	8.1	(38.4)	96.3	71.6
30.4	19.0	5.0	0.9	0.7	2.8	0.0	0.7	1.2	0.0	0.0
(96.7)	(187.3)	183.1	(29.7)	(115.3)	(12.2)	0.5	7.4	(39.6)	96.3	0.0
71.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	71.6
100.08%	94.51%	148.07%	72.40%	37.36%	94.42%	NA	115.10%	62.08%	106.49%	110.28%
504.12%	504.12%	504.12%	504.12%	504.12%	504.12%	NA	504.12%	504.12%	-	
98.26%	93.88%	146.94%	71.51%	36.92%	92.70%	NA	113.90%	60.75%	106.49%	
110.28%	NA	NA	NA	NA	NA	NA	NA	NA	NA	110.28%
5,551.2	3,066.2	391.3	104.3	183.0	167.2	0.0	53.5	101.3	4.4	1,149.4
99.2	59.5	18.5	2.7	2.3	9.9	0.0	2.1	4.3	0.0	0.0
1,307.1	742.2	221.4	53.9	60.6	139.8	0.0	14.0	75.1	0.0	0.0
4,144.8	2,264.5	151.4	47.7	120.1	17.5	0.0	37.4	21.9	4.4	1,149.4
7.5	4.7	1.2	0.2	0.2	0.7	0.0	0.2	0.3	0.0	0.0
167.6	34.9	11.0	1.6	1.3	5.8	0.0	1.2	2.5	0.0	109.3
564.5	223.9	67.0	16.3	0.5	35.6	0.0	0.0	0.0	0.0	221.2
33.3	19.9	6.3	0.9	0.8	3.3	0.0	0.7	1.4	0.0	0.0
963.8	518.3	154.4	37.6	60.2	104.2	0.0	14.0	75.1	0.0	0.0
4,144.8	2,264.5	151.4	47.7	120.1	17.5	0.0	37.4	21.9	4.4	1,149.4
0.268185	0.234004	0.094777	0.174465	0.364002	0.076211	0.000000	0.117707	0.106994	0.000131	0.044285
0.009526	0.004545	0.004545	0.004545	0.004545	0.004545	0.000000	0.004545	0.004545	0.000000	0.003270
0.069680	0.056641	0.053593	0.090193	0.120557	0.063683	0.000000	0.030731	0.079321	0.000000	0.006620
0.188978	0.172818	0.036639	0.079726	0.238900	0.007983	0.000000	0.082431	0.023128	0.000131	0.034396
0.000363	0.000363	0.000363	0.000363	0.000363	0.000363	0.000000	0.000363	0.000363	0.000000	0.000000
0.033380	0.019748	0.018881	0.029934	0.003583	0.018878	0.000000	0.002662	0.002662	0.000000	0.009889
0.007644	0.002662	0.002662	0.002662	0.002662	0.002662	0.000000	0.002662	0.002662	0.000000	0.003270
0.025736	0.017086	0.016218	0.027271	0.000921	0.016215	0.000000	0.000000	0.000000	0.000000	0.006620
0.234442	0.213893	0.075534	0.144168	0.360056	0.056971	0.000000	0.114682	0.103970	0.000131	0.034396
0.001520	0.001520	0.001520	0.001520	0.001520	0.001520	0.000000	0.001520	0.001520	0.000000	0.000000
0.043944	0.039555	0.037375	0.062922	0.119636	0.047468	0.000000	0.030731	0.079321	0.000000	0.000000
0.188978	0.172818	0.036639	0.079726	0.238900	0.007983	0.000000	0.082431	0.023128	0.000131	0.034396
\$48.51	\$28.77	\$30.47	\$94.60	\$137.14	\$365.10	\$0.00	\$135.67	\$365.10	\$365.10	\$95,782.80

NATURAL RESOURCE GAS LIMITED

Revenue Deficiency Recovery by Rate Class
2011 Test Year

<u>Revenue Requirement</u>		<u>Current Revenues</u>	<u>Proposed Revenues</u>	<u>Change</u>	<u>Percent Change</u>
Rate 1	Residential	2,898,012	3,054,921	156,909	5%
	Commercial	579,473	580,205	732	0%
	Industrial	75,543	74,468	(1,075)	-1%
Rate 1	Total	3,553,028	3,709,594	156,566	4%
Rate 2		68,376	71,201	2,824	4%
Rate 3	Firm	157,877	160,161	2,284	1%
	Interruptible	503	0	(503)	-100%
Rate 3	Total	158,380	160,161	1,781	1%
Rate 4		61,544	61,537	(7)	0%
Rate 5		62,891	64,321	1,430	2%
Rate 6		1,580,588	1,484,307	(96,281)	-6%
Total		5,484,808	5,551,122	66,314	1%

<u>Rates</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$11.50 per month	\$13.50 per month
Block 1	\$0.152999 per m ³ first 1,000 m ³	\$0.154682 per m ³ first 1,000 m ³
Block 2	\$0.104073 per m ³ over 1,000 m ³	\$0.101055 per m ³ over 1,000 m ³
Gas Commodity	\$0.001828 per m ³	0.000297 per m ³

NATURAL RESOURCE GAS LIMITED

Class Revenue Calculation - Rate 2
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>
<u>Gas Throughput Volumes by Block - 10*3 m*3</u>													
Block 1	4.9	7.1	2.1	1.9	0.9	1.5	1.5	0.5	0.1	0.1	15.2	30.1	65.8
Block 2	37.4	19.0	5.6	5.0	2.4	4.0	11.3	3.5	0.7	0.8	116.8	230.7	437.1
Block 3	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>(0.0)</u>	<u>(0.0)</u>	<u>0.0</u>	<u>(0.0)</u>	<u>0.0</u>	<u>0.0</u>
Total	42.3	26.2	7.6	6.8	3.3	5.5	12.7	3.9	0.8	0.9	132.0	260.8	502.9

<u>Customers</u>	73	73	73	73	73	73	73	73	73	73	73	73	
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Revenues ('000's)

Current	5.5	5.5	2.3	2.1	1.5	1.9	2.3	1.4	1.0	1.0	15.1	28.9	68.4
Proposed	\$5.70	\$5.70	\$2.44	\$2.30	\$1.68	\$2.07	\$2.48	\$1.52	\$1.18	\$1.19	\$15.46	\$29.48	71.2
% Change													4.2%

Rates

	<u>Current Rates</u>			<u>Proposed Rates</u>		
	<u>Off Peak</u>	<u>Peak</u>		<u>Off Peak</u>	<u>Peak</u>	
Customer Charge	\$12.75	\$12.75	per month	\$15.00	\$15.00	per month
Block 1	\$0.145000	\$0.185648	per m*3 first 1,000 m*3	\$0.147900	\$0.189361	per m*3 first 1,000 m*3
Block 2	\$0.100431	\$0.166254	per m*3 next 24,000 m*3	\$0.103444	\$0.171242	per m*3 next 24,000 m*3
Block 3	\$0.065417	\$0.161952	per m*3 over 25,000 m*3	\$0.067380	\$0.166811	per m*3 over 25,000 m*3
Gas Commodity	\$0.001828	\$0.001828	per m*3	0.000297	\$0.000363	per m*3
				\$0.000363		

NATURAL RESOURCE GAS LIMITED

Class Revenue Calculation - Rate 3
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>
<u>Gas Throughput Volumes - 10*3 m*3</u>													
Firm	128.4	218.3	283.8	307.7	278.9	289.0	177.9	127.8	112.6	117.3	98.5	55.2	2,195.3
Interruptible	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>
Total	128.4	218.3	283.8	307.7	278.9	289.0	177.9	127.8	112.6	117.3	98.5	55.2	2,195.3
Firm Demand (m*3 per month)													
	21,411.0	21,411.0	21,411.0	21,411.0	21,411.0	21,411.0	21,411.0	21,411.0	21,411.0	21,411.0	21,411.0	21,411.0	
<u>Customers</u>	4	4	4	4	4	4	4	4	4	4	4	4	
<u>Revenues ('000's)</u>													
Current	11.2	14.5	17.0	17.9	16.8	17.2	13.0	11.1	10.6	10.7	10.0	8.4	158.4
Proposed	11.3	14.7	17.2	18.1	17.0	17.4	13.2	11.3	10.7	10.9	10.2	8.5	160.2
% Change													1.2%

Rates

<u>Current Rates</u>	
Customer Charge	\$150.00 per month
Demand Charge	\$0.255904 per m*3 per month
Firm Delivery	\$0.037310 per m*3
Interruptible Delivery	\$0.060992 per m*3
Gas Commodity	\$0.001828 per m*3

Proposed Rates

<u>Proposed Rates</u>	
Customer Charge	\$150.00 per month
Demand Charge	\$0.273817 per m*3 per month
Firm Delivery	\$0.037310 per m*3
Interruptible Delivery	\$0.092249 per m*3
Gas Commodity	\$0.000363 per m*3

NATURAL RESOURCE GAS LIMITED

Class Revenue Calculation - Rate 4
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>
<u>Gas Throughput Volumes by Block - 10*3 m*3</u>													
Block 1	67.2	74.0	18.5	6.0	3.9	3.1	1.5	0.6	0.2	5.4	10.2	38.0	228.7
Block 2	68.9	75.9	19.0	2.0	1.3	1.0	1.6	0.6	0.2	5.6	10.4	39.0	225.6
Total	136.1	150.0	37.5	8.0	5.2	4.1	3.1	1.3	0.4	11.0	20.6	77.0	454.3

<u>Customers</u>	23	23	23	23	23	23	23	23	23	23	23	23	
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Revenues ('000's)

Current	15.7	21.1	5.6	1.9	1.2	1.0	0.6	0.4	0.3	1.8	2.8	9.2	61.5
Proposed	17.2	19.0	5.0	1.8	1.3	1.1	0.7	0.5	0.4	1.7	2.9	9.9	61.5
% Change													-0.1%

Rates

	<u>Current Rates</u>			<u>Proposed Rates</u>		
	<u>Off Peak</u>	<u>Peak</u>		<u>Off Peak</u>	<u>Peak</u>	
Customer Charge	\$12.75	\$12.75	per month	\$15.00	\$15.00	per month
Block 1	\$0.144501	\$0.185648	per m*3 first 1,000 m*3	\$0.144487	\$0.185629	per m*3 first 1,000 m*3
Block 2	\$0.103477	\$0.166254	per m*3 all over 1,000 m*3	\$0.103467	\$0.166237	per m*3 all over 1,000 m*3
Gas Commodity	\$0.001828	\$0.001828	per m*3	\$0.000363	\$0.000363	per m*3

[illegible]

<u>Rates</u>	<u>Current Rates</u>	<u>Proposed Rates</u>
Customer Charge	\$150.00 per month	\$150.00 per month
Demand Charge	\$0.255904 per m*3 per month	\$0.181692 per m*3 per month
Delivery Commodity	\$0.037310 per m*3	\$0.037310 per m*3
Gas Commodity	\$0.001828 per m*3	\$0.000297 per m*3

NATURAL RESOURCE GAS LIMITED

Typical Bill Comparisons - Rate 1 Residential
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>	
<u>M*3 per Customer - Current Block Structure</u>														
Block 1	106.8	215.6	330.6	358.2	318.5	268.1	154.8	79.8	43.4	37.8	35.8	52.6	2,002.0	
Block 2	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	
Total	106.8	215.6	330.6	358.2	318.5	268.1	154.8	79.8	43.4	37.8	35.8	52.6	2,002.0	
<u>EB-2005-0544 - October 2006</u>														
Customer	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	138.00	Charge
Block 1	16.34	32.99	50.58	54.80	48.73	41.02	23.68	12.21	6.64	5.78	5.48	8.05	306.30	\$11.50
Block 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.152999
System Gas Charge	<u>0.20</u>	<u>0.39</u>	<u>0.60</u>	<u>0.65</u>	<u>0.58</u>	<u>0.49</u>	<u>0.28</u>	<u>0.15</u>	<u>0.08</u>	<u>0.07</u>	<u>0.07</u>	<u>0.10</u>	<u>3.66</u>	\$0.104073
Total Bill	28.04	44.88	62.69	66.96	60.81	53.01	35.47	23.86	18.22	17.35	17.04	19.64	447.96	\$0.001828
<u>EB-2010-0018 - October 2010 (Proposed)</u>														
Customer	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	162.00	Charge
Block 1	16.52	33.35	51.14	55.41	49.27	41.47	23.94	12.34	6.71	5.85	5.54	8.14	309.67	\$13.50
Block 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.154682
System Gas Charge	<u>0.04</u>	<u>0.08</u>	<u>0.12</u>	<u>0.13</u>	<u>0.12</u>	<u>0.10</u>	<u>0.06</u>	<u>0.03</u>	<u>0.02</u>	<u>0.01</u>	<u>0.01</u>	<u>0.02</u>	<u>0.73</u>	\$0.101055
Total Bill	30.06	46.93	64.76	69.04	62.88	55.07	37.50	25.87	20.23	19.36	19.05	21.66	472.40	\$0.000363
Percent Change													5.5%	

Note: System Gas Charge does not apply to direct purchase customers.

NATURAL RESOURCE GAS LIMITED

Typical Bill Comparisons - Rate 1 Commercial
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>
<u>M³ per Customer - Current Block Structure</u>													
Block 1	536.4	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	717.6	374.5	210.7	203.6	183.3	269.2	7,495.3
Block 2	<u>0.0</u>	<u>56.6</u>	<u>641.6</u>	<u>825.5</u>	<u>620.6</u>	<u>340.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>2,484.7</u>
Total	536.4	1,056.6	1,641.6	1,825.5	1,620.6	1,340.4	717.6	374.5	210.7	203.6	183.3	269.2	9,980.0

EB-2005-0544 - October 2006													Charge	
Customer	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	138.00	\$11.50
Block 1	82.07	153.00	153.00	153.00	153.00	153.00	109.79	57.30	32.24	31.15	28.04	41.19	1,146.77	\$0.152999
Block 2	0.00	5.89	66.77	85.91	64.59	35.43	0.00	0.00	0.00	0.00	0.00	0.00	258.59	\$0.104073
System Gas Charge	<u>0.98</u>	<u>1.93</u>	<u>3.00</u>	<u>3.34</u>	<u>2.96</u>	<u>2.45</u>	<u>1.31</u>	<u>0.68</u>	<u>0.39</u>	<u>0.37</u>	<u>0.34</u>	<u>0.49</u>	<u>18.24</u>	\$0.001828
Total Bill	94.55	172.32	234.27	253.75	232.05	202.38	122.60	69.48	44.12	43.02	39.88	53.18	1,561.60	

EB-2010-0018 - October 2010 (Proposed)														Charge
Customer	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	162.00	\$13.50
Block 1	82.97	154.68	154.68	154.68	154.68	154.68	111.00	57.93	32.59	31.49	28.35	41.64	1,159.39	\$0.154682
Block 2	0.00	5.72	64.84	83.42	62.71	34.40	0.00	0.00	0.00	0.00	0.00	0.00	251.09	\$0.101055
System Gas Charge	<u>0.19</u>	<u>0.38</u>	<u>0.60</u>	<u>0.66</u>	<u>0.59</u>	<u>0.49</u>	<u>0.26</u>	<u>0.14</u>	<u>0.08</u>	<u>0.07</u>	<u>0.07</u>	<u>0.10</u>	<u>3.62</u>	\$0.000363
Total Bill	96.67	174.28	233.61	252.26	231.48	203.07	124.76	71.56	46.17	45.07	41.92	55.24	1,576.10	
Percent Change													0.9%	

Note: System Gas Charge does not apply to direct purchase customers.

NATURAL RESOURCE GAS LIMITED

Typical Bill Comparisons - Rate 1 Industrial
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>	
<u>M*3 per Customer - Current Block Structure</u>														
Block 1	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	1,000.0	980.4	492.6	309.3	247.8	224.3	419.6	8,674.0	
Block 2	<u>940.7</u>	<u>2,276.8</u>	<u>877.3</u>	<u>520.2</u>	<u>421.4</u>	<u>528.4</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>5,564.8</u>	
Total	1,940.7	3,276.8	1,877.3	1,520.2	1,421.4	1,528.4	980.4	492.6	309.3	247.8	224.3	419.6	14,238.8	
<u>EB-2005-0544 - October 2006</u>														
Customer	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	11.50	138.00	Charge
Block 1	153.00	153.00	153.00	153.00	153.00	153.00	150.00	75.36	47.33	37.91	34.32	64.20	1,327.11	\$11.50
Block 2	97.90	236.95	91.30	54.13	43.86	54.99	0.00	0.00	0.00	0.00	0.00	0.00	579.14	\$0.152999
System Gas Charge	<u>3.55</u>	<u>5.99</u>	<u>3.43</u>	<u>2.78</u>	<u>2.60</u>	<u>2.79</u>	<u>1.79</u>	<u>0.90</u>	<u>0.57</u>	<u>0.45</u>	<u>0.41</u>	<u>0.77</u>	<u>26.02</u>	\$0.104073
Total Bill	265.95	407.44	259.23	221.41	210.95	222.28	163.29	87.76	59.39	49.86	46.23	76.47	2,070.28	\$0.001828
<u>EB-2010-0018 - October 2010 (Proposed)</u>														
Customer	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	13.50	162.00	Charge
Block 1	154.68	154.68	154.68	154.68	154.68	154.68	151.65	76.19	47.85	38.33	34.69	64.90	1,341.71	\$13.50
Block 2	95.06	230.08	88.66	52.56	42.59	53.40	0.00	0.00	0.00	0.00	0.00	0.00	562.35	\$0.154682
System Gas Charge	<u>0.70</u>	<u>1.19</u>	<u>0.68</u>	<u>0.55</u>	<u>0.52</u>	<u>0.55</u>	<u>0.36</u>	<u>0.18</u>	<u>0.11</u>	<u>0.09</u>	<u>0.08</u>	<u>0.15</u>	<u>5.16</u>	\$0.101055
Total Bill	263.95	399.45	257.52	221.30	211.28	222.13	165.51	89.87	61.46	51.92	48.27	78.56	2,071.22	\$0.000363
Percent Change													0.0%	

Note: System Gas Charge does not apply to direct purchase customers.

NATURAL RESOURCE GAS LIMITED

Typical Bill Comparisons - Rate 2 Seasonal
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>
<u>M³ per Customer - Current Block Structure</u>													
Block 1	579.4	358.6	104.7	93.4	45.2	75.7	174.5	53.9	11.1	12.3	1,000.0	1,000.0	3,508.8
Block 2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	807.9	2,571.9	3,379.8
Block 3	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	579.4	358.6	104.7	93.4	45.2	75.7	174.5	53.9	11.1	12.3	1,807.9	3,571.9	6,888.6

EB-2005-0544 - October 2006

														Summer	Winter
Customer	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	153.00	\$12.75	\$12.75
Block 1	84.01	66.57	19.44	17.34	8.39	14.05	25.30	7.82	1.61	1.78	145.00	145.00	536.32	\$0.145000	\$0.185648
Block 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	81.14	258.30	339.44	\$0.100431	\$0.166254
Block 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.065417	\$0.161952
System Gas Charge	1.06	0.66	0.19	0.17	0.08	0.14	0.32	0.10	0.02	0.02	3.30	6.53	12.59	\$0.001828	\$0.001828
Total Bill	97.82	79.98	32.38	30.26	21.22	26.94	38.37	20.66	14.38	14.56	242.19	422.58	1,041.35		

EB-2010-0018 - October 2010 (Proposed)

														Summer	Winter
Customer	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	180.00	\$15.00	\$15.00
Block 1	85.69	67.90	19.83	17.69	8.56	14.33	25.81	7.97	1.64	1.82	147.90	147.90	547.05	\$0.147900	\$0.189361
Block 2	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	83.57	266.05	349.62	\$0.103444	\$0.171242
Block 3	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.067380	\$0.166811
System Gas Charge	0.21	0.13	0.04	0.03	0.02	0.03	0.06	0.02	0.00	0.00	0.66	1.30	2.50	\$0.000363	\$0.000363
Total Bill	100.90	83.03	34.86	32.72	23.58	29.36	40.87	22.99	16.65	16.82	247.13	430.24	1,079.16		
Percent Change													3.6%		

Note: System Gas Charge does not apply to direct purchase customers.

NATURAL RESOURCE GAS LIMITED

Typical Bill Comparisons - Rate 3 Firm
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>	
<u>M³ per Customer</u>														
Total	32,087.6	54,577.1	70,954.2	76,923.1	69,720.6	72,247.3	44,466.8	31,940.2	28,147.6	29,318.5	24,631.3	13,810.5	548,824.8	
Firm CD	5,352.8	5,352.8	5,352.8	5,352.8	5,352.8	5,352.8	5,352.8	5,352.8	5,352.8	5,352.8	5,352.8	5,352.8		
<u>EB-2005-0544 - October 2006</u>														Charge
Customer	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	\$150.00
Demand	1,369.79	1,369.79	1,369.79	1,369.79	1,369.79	1,369.79	1,369.79	1,369.79	1,369.79	1,369.79	1,369.79	1,369.79	16,437.48	\$0.255904
Delivery	1,197.18	2,036.25	2,647.27	2,869.97	2,601.25	2,695.51	1,659.04	1,191.67	1,050.18	1,093.86	918.98	515.26	20,476.41	\$0.037310
System Gas Charge	<u>58.65</u>	<u>99.75</u>	<u>129.68</u>	<u>140.59</u>	<u>127.43</u>	<u>132.04</u>	<u>81.27</u>	<u>58.38</u>	<u>51.44</u>	<u>53.58</u>	<u>45.02</u>	<u>25.24</u>	<u>1,003.08</u>	\$0.001828
Total Bill	2,775.61	3,655.79	4,296.74	4,530.35	4,248.46	4,347.35	3,260.10	2,769.84	2,621.41	2,667.24	2,483.79	2,060.29	39,716.96	
<u>EB-2010-0018 - October 2010 (Proposed)</u>														Charge
Customer	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	\$150.00
Demand	1,465.68	1,465.68	1,465.68	1,465.68	1,465.68	1,465.68	1,465.68	1,465.68	1,465.68	1,465.68	1,465.68	1,465.68	17,588.11	\$0.273817
Delivery	1,197.19	2,036.27	2,647.30	2,870.00	2,601.28	2,695.55	1,659.06	1,191.69	1,050.19	1,093.87	918.99	515.27	20,476.65	\$0.037310
System Gas Charge	<u>11.64</u>	<u>19.79</u>	<u>25.73</u>	<u>27.89</u>	<u>25.28</u>	<u>26.20</u>	<u>16.12</u>	<u>11.58</u>	<u>10.21</u>	<u>10.63</u>	<u>8.93</u>	<u>5.01</u>	<u>199.01</u>	\$0.000363
Total Bill	2,824.50	3,671.74	4,288.70	4,513.57	4,242.23	4,337.42	3,290.86	2,818.95	2,676.07	2,720.18	2,543.60	2,135.95	40,063.77	
Percent Change													0.9%	

Note: System Gas Charge does not apply to direct purchase customers.

NATURAL RESOURCE GAS LIMITED

Typical Bill Comparisons - Rate 4
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>
<u>M³ per Customer - Current Block Structure</u>													
Block 1	1,000.0	1,000.0	1,000.0	349.8	225.1	179.0	133.3	55.0	17.6	479.2	894.7	1,000.0	6,333.6
Block 2	4,917.9	5,520.8	6,29.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,348.7	13,417.0
Total	5,917.9	6,520.8	1,629.7	349.8	225.1	179.0	133.3	55.0	17.6	479.2	894.7	3,348.7	19,750.6

EB-2005-0544 - October 2006

														Summer	Winter
Customer	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	12.75	153.00	\$12.75	\$12.75
Block 1	144.50	144.50	144.50	64.93	41.78	33.23	19.26	7.95	2.54	69.24	129.28	144.50	946.23	\$0.144501	\$0.185648
Block 2	508.89	571.27	65.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	243.04	1,388.35	\$0.103477	\$0.166254
System Gas Charge	10.82	11.92	2.98	0.64	0.41	0.33	0.24	0.10	0.03	0.88	1.64	6.12	36.10	\$0.001828	\$0.001828
Total Bill	676.95	740.44	225.38	78.32	54.94	46.31	32.26	20.80	15.32	82.86	143.67	406.41	2,523.67		

EB-2010-0018 - October 2010 (Proposed)

														Summer	Winter
Customer	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	15.00	180.00	\$15.00	\$15.00
Block 1	144.49	144.49	144.49	64.93	41.78	33.23	19.26	7.95	2.54	69.23	129.27	144.49	946.13	\$0.144487	\$0.185629
Block 2	508.84	571.22	65.15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	243.01	1,388.22	\$0.103467	\$0.166237
System Gas Charge	2.15	2.36	0.59	0.13	0.08	0.06	0.05	0.02	0.01	0.17	0.32	1.21	7.16	\$0.000363	\$0.000363
Total Bill	670.47	733.07	225.23	80.05	56.86	48.30	34.31	22.97	17.55	84.40	144.59	403.72	2,521.51		
Percent Change													-0.1%		

Note: System Gas Charge does not apply to direct purchase customers.

NATURAL RESOURCE GAS LIMITED

Typical Bill Comparisons - Rate 5
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>	
<u>M*3 per Customer</u>														
Total	60,042.0	106,051.8	13,676.3	1,510.8	1,010.6	361.6	74.4	25.6	2.2	4,143.7	2,256.4	276.9	189,432.3	
<u>EB-2005-0544 - October 2006</u>														Charge
Customer	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	\$150.00
Delivery	3,319.42	5,863.08	756.09	83.52	55.87	19.99	4.11	1.41	0.12	229.09	124.74	15.31	10,472.77	\$0.055285
System Gas Charge	<u>109.74</u>	<u>193.83</u>	<u>25.00</u>	<u>2.76</u>	<u>1.85</u>	<u>0.66</u>	<u>0.14</u>	<u>0.05</u>	<u>0.00</u>	<u>7.57</u>	<u>4.12</u>	<u>0.51</u>	<u>346.22</u>	\$0.001828
Total Bill	3,579.16	6,206.90	931.09	236.28	207.72	170.65	154.25	151.46	150.13	386.66	278.87	165.82	12,618.99	
<u>EB-2010-0018 - October 2010 (Proposed)</u>														Charge
Customer	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	\$150.00
Delivery	3,484.72	6,155.04	793.75	87.68	58.65	20.98	4.32	1.48	0.13	240.49	130.96	16.07	10,994.27	\$0.058038
System Gas Charge	<u>21.77</u>	<u>38.46</u>	<u>4.96</u>	<u>0.55</u>	<u>0.37</u>	<u>0.13</u>	<u>0.03</u>	<u>0.01</u>	<u>0.00</u>	<u>1.50</u>	<u>0.82</u>	<u>0.10</u>	<u>68.69</u>	\$0.000363
Total Bill	3,656.49	6,343.49	948.70	238.23	209.02	171.12	154.35	151.49	150.13	392.00	281.77	166.17	12,862.97	
Percent Change														1.9%

Note: System Gas Charge does not apply to direct purchase customers.

NATURAL RESOURCE GAS LIMITED

Typical Bill Comparisons - Rate 6
2011 Test Year

	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>	<u>July</u>	<u>Aug.</u>	<u>Sep.</u>	<u>Total</u>	
<u>M*3 per Customer</u>														
Total	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	2,784,734.7	33,416,816.0	
Firm CD	108,118.0	108,118.0	108,118.0	108,118.0	108,118.0	108,118.0	108,118.0	108,118.0	108,118.0	108,118.0	108,118.0	108,118.0		
<u>EB-2005-0544 - October 2006</u>														
Customer	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	Charge \$150.00
Demand	27,667.83	27,667.83	27,667.83	27,667.83	27,667.83	27,667.83	27,667.83	27,667.83	27,667.83	27,667.83	27,667.83	27,667.83	332,013.94	\$0.255904
Delivery	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	1,246,766.37	\$0.037310
System Gas Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.000000
Total Bill	131,715.03	131,715.03	131,715.03	131,715.03	131,715.03	131,715.03	131,715.03	131,715.03	131,715.03	131,715.03	131,715.03	131,715.03	1,580,580.31	
<u>EB-2010-0018 - October 2010 (Proposed)</u>														
Customer	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	150.00	1,800.00	Charge \$150.00
Demand	19,644.18	19,644.18	19,644.18	19,644.18	19,644.18	19,644.18	19,644.18	19,644.18	19,644.18	19,644.18	19,644.18	19,644.18	235,730.11	\$0.181692
Delivery	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	103,897.20	1,246,766.37	\$0.037310
System Gas Charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	\$0.000000
Total Bill	123,691.37	123,691.37	123,691.37	123,691.37	123,691.37	123,691.37	123,691.37	123,691.37	123,691.37	123,691.37	123,691.37	123,691.37	1,484,296.48	
Percent Change													-6.1%	

Note: System Gas Charge does not apply to direct purchase customers.

Natural Resource Gas Limited
EB-2010-0018: 2011 Rates
Forgone Revenue Rate Rider Derivation

Estimate of Foregone Revenue October 1, 2010 - January 31, 2011

	Volumes			
	Oct	Nov	De c	Jan
R1-Residential	693,114	1,404,325	2,154,698	2,343,817
R1-Commercial	222,058	437,433	679,627	755,757
R1-Industrial	81,510	137,626	78,847	63,847
R2	42,299	26,176	7,643	6,816
R3	128,351	218,308	283,817	307,692
R4	136,111	149,978	37,482	8,045
R5	300,210	530,259	68,382	7,554
R6	2,784,735	2,784,735	2,784,735	2,784,735
Total	4,388,387	5,688,840	6,095,229	6,278,262

		Volumes - by Tier			
		Oct	Nov	De c	Jan
R1-Residential	Tier 1	654,300	1,325,683	2,034,035	2,212,563
	Tier 2	38,814	78,642	120,663	131,254
R1-Commercial	Tier 1	94,597	186,346	289,521	321,952
	Tier 2	127,461	251,086	390,106	433,804
R1-Industrial	Tier 1	17,851	30,140	17,267	13,982
	Tier 2	63,659	107,486	61,579	49,864
R2	Tier 1	4,877	7,146	2,086	1,861
	Tier 2	37,422	19,030	5,556	4,955
	Tier 3	0	0	0	0
R3	Commod	128,351	218,308	283,817	307,692
R3	Demand	21,411	21,411	21,411	21,411
R4	Tier 1	67,198	74,044	18,505	6,018
R4	Tier 2	68,913	75,934	18,977	2,026
R5	Tier 1	300,210	530,259	68,382	7,554
R6	Commod	2,784,735	2,784,735	2,784,735	2,784,735
R6	Demand	108,118	108,118	108,118	108,118
Total m3		4,388,387	5,688,840	6,095,229	6,278,262
Total Demand		129,529	129,529	129,529	129,529

	Customer Count				
	Oct	Nov	De c	Jan	
R1-Residential	6,489	6,513	6,518	6,544	
R1-Commercial	414	414	414	414	
R1-Industrial	42	42	42	42	
R2	73	73	73	73	
R3	4	4	4	4	
R4	23	23	23	23	
R5	5	5	5	5	
R6	1	1	1	1	
Total	7,051	7,075	7,080	7,106	

	Fixed Monthly Charges			Rate Differential								
	Existing Monthly Charge	Proposed Monthly Charge	Differential	Variable Charges								
				Existing Variable Rate	Proposed Variable Rate	Differential	Existing Variable Rate	Proposed Variable Rate	Differential	Existing Variable Rate	Proposed Variable Rate	Differential
R1-Residential	11.50	13.50	2.00	Tier 1	0.152999	0.154682	0.001683					
				Tier 2	0.104073	0.101055	(0.003018)					
R1-Commercial	11.50	13.50	2.00	Tier 1	0.152999	0.154682	0.001683					
				Tier 2	0.104073	0.101055	(0.003018)					
R1-Industrial	11.50	13.50	2.00	Tier 1	0.152999	0.154682	0.001683					
				Tier 2	0.104073	0.101055	(0.003018)					
				April - October			November - March					
R2	12.75	15.00	2.25	Tier 1	0.145	0.1479	0.002900	Tier 1	0.185648	0.189361	0.003713	
				Tier 2	0.100431	0.1034439	0.003013	Tier 2	0.166254	0.1712416	0.004988	
				Tier 3	0.065417	0.0673795	0.001963	Tier 3	0.161952	0.1668106	0.004859	
R3	150.00	150.00	0.00	Commod	0.03731	0.03731	0.000000					
				Demand	0.255904	0.2738173	0.0179133					
				April - December			January - March					
R4	12.75	15.00	2.25	Tier 1	0.144501	0.144487	(0.000014)	Tier 1	0.185648	0.185629	(0.000019)	
				Tier 2	0.103477	0.103467	(0.000010)	Tier 2	0.166254	0.166237	(0.000017)	
R5	150.00	150.00	0.00	Tier 1	0.055285	0.058038	0					
R6	150.00	150.00	0.00	Commod	0.03731	0.03731	0					
				Demand	0.255904	0.181692	(0.074212)					

Forgone Revenue - Monthly Charge					
	Oct	Nov	De c	Jan	
R1-Residential	12,978	13,026	13,036	13,088	
R1-Commercial	828	828	828	828	
R1-Industrial	84	84	84	84	
R2	164	164	164	164	
R3	0	0	0	0	
R4	52	52	52	52	
R5	0	0	0	0	
R6	0	0	0	0	
Total	14,106	14,154	14,164	14,216	
Cumulative	14,106	28,260	42,424	56,640	

Forgone Revenue - Variable Charge					
	Oct	Nov	De c	Jan	
R1-Residential	984	1,994	3,059	3,328	
R1-Commercial	(225)	(444)	(690)	(767)	
R1-Industrial	(162)	(274)	(157)	(127)	
R2	127	121	35	32	
R3	384	384	384	384	
R4	(2)	(2)	(0)	(0)	
R5	826	1,460	188	21	
R6	(8,024)	(8,024)	(8,024)	(8,024)	
Total	(6,092)	(4,785)	(5,205)	(5,155)	
Cumulative	(6,092)	(10,877)	(16,081)	(21,236)	

Total Forgone Revenue					
	Oct	Nov	De c	Jan	
R1-Residential	13,962	15,020	16,095	16,416	
R1-Commercial	603	384	138	61	
R1-Industrial	(78)	(190)	(73)	(43)	
R2	291	286	200	196	
R3	384	384	384	384	
R4	50	50	51	52	
R5	826	1,460	188	21	
R6	(8,024)	(8,024)	(8,024)	(8,024)	
Total	8,014	9,369	8,959	9,061	
Cumulative	8,014	17,383	26,343	35,404	

Proposed Rate Rider - per customer, per month	
R1	1.11
R2	1.67
R3	47.94
R4	1.1
R5	62.38
R6	(4,011.83)

Natural Resource Gas Limited
EB-2010-0018: 2011 Rates
Derivation of PGTV/REDA Rate Rider

Customer Count

	Feb	Mar	Apr	May	June	July	Aug	Sept	Customers Feb thru Sept
R1-Residential	6550	6563	6577	6581	6594	6595	6596	6599	52,655
R1-Commercial	414	414	414	414	414	414	414	414	3,312
R1-Industrial	42	42	42	42	42	42	42	42	336
R1-Total	7006	7019	7033	7037	7050	7051	7052	7055	56,303
R2	73	73	73	73	73	73	73	73	584
R3	4	4	4	4	4	4	4	4	32
R4	23	23	23	23	23	23	23	23	184
R5	5	5	5	5	5	5	5	5	40
R6	1	1	1	1	1	1	1	1	8
Total	7112	7125	7139	7143	7156	7157	7158	7161	57,151

Customer Class	Amount to be Returned	Customers Feb thru Sept	Proposed Rate Rider - per customer, per month
R1	123,330.00	56,303.00	2.19
R2	7,156.00	584.00	12.25
R3	3,360.00	32.00	105.00
R4	1,531.00	184.00	8.32
R5	3,303.00	40.00	82.58
R6	(168,065.00)	8.00	(21,008.13)
Total	(29,385.00)	57,151.00	

Natural Resource Gas Limited
EB-2010-0018: 2011 Rates
Derivation of System Gas Refund Rate Rider

	System Gas Volumes							
	Feb	Mar	Apr	May	June	July	Aug	Sept
R1-Residential	2,085,901	1,731,999	1,008,902	520,601	283,303	247,149	234,288	336,032
R1-Commercial	670,925	351,038	222,641	111,672	64,146	71,480	64,184	88,631
R1-Industrial	59,699	64,192	41,177	20,688	12,992	10,407	9,420	17,617
R2	3,300	3,670	12,145	3,782	807	897	131,976	249,625
R3	278,883	183,438	137,062	109,189	109,843	114,559	96,630	52,580
R4	5,176	4,117	3,066	1,265	405	11,020	20,578	77,020
R5	5,053	1,808	372	128	11	16,535	7,735	0
R6	0	0	0	0	0	0	0	0
Total	3,108,936	2,340,262	1,425,365	767,324	471,506	472,048	564,810	821,505
Cumulative Total	3,108,936	5,449,199	6,874,563	7,641,888	8,113,394	8,585,442	9,150,253	9,971,758

Amount to be Returned 97,000

Derivation of Rate Rider
Amount (97,000)
Volumes 9,971,758
Rate Rider (0.009727) per m3

ATTACHMENT F

DRAFT ACCOUNTING ORDERS

Accounting Order

Deferral Account to Record

Revenues Recovered Through the Transportation Service Charges

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

As indicated in its Decision dated December 6, 2010, the Board authorized NRG to establish a deferral account to record the revenues recovered through the Board authorized Transportation service Charges.

Accounting Entries for Transportation Service Charges Revenues

Deferral Account No. 179-xxx Other Deferred Revenues – Transportation Service Charge Revenues

To record, as a debit (credit) in Deferral Account No. 179-xxx the actual revenues recovered through the operation of the Board authorized Transportation Service Charge and the Transportation Service Administration Fee.

Debit/Credit - Account No. 179-xxx Other Deferred Revenues- Transportation Service Revenues

Credit/Debit - Account No. 251 Miscellaneous Revenues

To record, as a debit (credit) in Deferral Account No. 179, interest on the balance in Deferral Account

Debit/Credit - Account No.179-xxx Other Deferred Revenues- Transportation Service Revenues

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Order

Deferral Account to Record the Costs Incurred to Convert to the International Financial Reporting Standard

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

As indicated in its Decision dated December 6, 2010, the Board authorized NRG to establish a deferral account to record the costs incurred to convert to the International Financial Reporting Standard ("IFRS").

Accounting Entries for IFRS Conversion Costs

Deferral Account No. 179-xxx Other Deferred Charges - IFRS Conversion Costs

To record, as a debit (credit) in Deferral Account No. 179-xxx the actual costs incurred to convert accounting policies and processes from their current compliance with Canadian Generally Accepted Accounting Principles to their future compliance with International Financial Reporting Standards (IFRS).

Debit/Credit - Account No. 179-xxx Other Deferred Charges- IFRS Conversion Costs

Credit/Debit - Account No. 251 Accounts Payable

To record, as a debit (credit) in Deferral Account No. 179, interest on the balance in Deferral Account

Debit/Credit - Account No. 179-xxx Other Deferred Charges- IFRS Conversion Costs

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Order

Deferral Account to Record IGPC Pipeline Maintenance Deferral 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.

As indicated in its Decision dated December 6, 2010, the Board authorized NRG to establish the IGPC Pipeline Maintenance Deferral Account to record 50% of the forecast MIG Engineering maintenance costs for the IGPC pipeline.

Accounting Entries for IGPC Pipeline Maintenance Deferral Account

Deferral Account No. 179-xxx Other Deferred Charges - IGPC Pipeline Maintenance

To record, as a debit in Deferral Account No. 179-xxx 50%, \$56,055 being the remaining balance of the forecast MIG Engineering Ltd. costs to provide administration, engineering and maintenance services for the IGPC pipeline.

Debit/Credit - Account No. 179-xxx Other Deferred Charges - IGPC Pipeline Maintenance

Credit/Debit - Account No. 251 Accounts Payable

To record, as a debit (credit) in Deferral Account No. 179, interest on the balance in Deferral Account

Debit/Credit - Account No. 179-xxx Other Deferred Charges - IGPC Pipeline Maintenance

Credit/Debit - Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

Accounting Entries for the Purchased Gas Transportation 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-xxx Purchased Gas Transportation Variance Account (PGTVA)

Credit/Debit Account No. 623 Gas Purchases

Effective October 1, 2010 NRG is authorized to reset the reference price for the PGTVA Fiscal 2011. Whereas formerly a single reference price was used effective October 1, 2010 two reference prices will be relied on:

A reference price of \$0.023909/m³ applicable to all customers in classes 1 through 5;

A reference price of \$0.0105000/m³ applicable to IGPC exclusively.

To record, as a debit (credit) in Deferral Account No. 179, interest on the balance in Deferral Account

Debit/Credit Account No. 179-xxx Interest on PGTVA

Credit/Debit Account No. 323 Other Interest Expense

Simple interest to be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

To dispose of the balance recorded in the account as of September 30, 2009:

Debit Account No. 179-xxx Purchased Gas Transportation Variance Account (PGTVA)
by \$198,811

Credit/Debit Account No. xxx PGTVA Rate Rider Revenue Account

To dispose of the associated carrying charges recorded as of September 30, 2009:

Debit Account No. 179-xxx Other Interest Expense by \$3,390

Credit/Debit Account No. xxx PGTVA Rate Rider Revenue Account

Accounting Entries for the Regulatory Expense Deferral Account

To dispose of the balance recorded in the account as of September 30, 2009:

Credit Account No. 179-xxx Regulatory Expense Deferral Account (REDA) by \$172,801

Credit/Debit Account No. xxx REDA Rate Rider Revenue Account

To dispose of the associated carrying charges recorded as of September 30, 2009:

Debit Account No. 179-xxx Other Interest Expense by \$1,106

Credit/Debit Account No. xxx REDA Rate Rider Revenue Account

ATTACHMENT G
RATE BASE - IGPC PIPELINE

Draft Rate Order

IPGC Pipeline Value for Rate Base - April Filing	\$ 5,073,005
Settlement Conference - agreed reduction (interest on M. Bristoll's time)	(26,000) x
	<hr/> 5,047,005
Interest Adjustment (Note 1)	(468) X
OEB Hearing - Undertaking J1.8 (legal fees adjustment)	(5,600) x
OEB Hearing - Para. 27 Argument-in-Chief (double counting of M. Bristoll's time)	(3,540) x
OEB Hearing - Undertaking J1.5 (correction to interest)	(77,333) x
OEB Hearing - Reference to the removal of the administrative penalty	(140,000) x
	<hr/> \$ 4,820,064 <hr/>

Note 1 - Page 9 of the Settlement Agreement notes that the agreed reduction of interest on Mark Bristoll's management time was \$26,000. This was a rounded amount. The actual amount is \$26,468, so we have adjusted for an additional reduction of \$468.

x - The sum of all amounts denoted with an "x" totals \$252,941 (less \$26,000 reduction previously taken = \$226,941 reduction)

ATTACHMENT H
RATE BASE per EBO-188

	Application (A)	Undertaking J2.4	Original Draft Rate Order	Updated Draft Rate Order (B)	(A) - (B) Note 1
Capital Cost of Pipeline	8,652,814	8,626,353		8,399,873	252,941
Amount Closed to Rate Base	5,073,000	4,905,251	4,820,064	4,872,182	
Annual Depreciation (5%)	253,650	245,262	241,003	243,609	
Accum Depreciation prior to Oct 1/2010	528,438	510,964	522,174	527,820	
Opening Balance 2011 Test Year	4,544,563	4,394,287	4,297,890	4,344,362	
Closing Balance 2011 Test Year	4,312,050	4,169,463	4,056,887	4,100,753	
Average During 2011 Test Year	4,428,307	4,281,875	4,177,389	4,222,558	

Note 1 - difference agrees with "x" total on Attachment G

ATTACHMENT I
RECONCILIATION OF (DEFICIENCY)/SUFFICIENCY ON ATTACHMENTS

Revised Draft Rate Order - Attachment B

- Rate Base	\$ 13,719,974
- Cost of Capital	8.32%
	(\$000's)
- Return	1,141.5
- Utility Income	1,145.0
Net Sufficiency	<u>3.5</u>
Tax on Sufficiency	<u>1.8</u>
Gross Sufficiency	<u>5.3</u> A

Revised Draft Rate Order - Attachment C

(Deficiency)/Sufficiency	
Line 18 - Gas Supply	30.4
Line 19 - Transportation & Distribution	<u>(96.7)</u>
Subtotal	(66.3) B
Line 20 - Ancillary	<u>71.6</u>
Total	<u>5.3</u> A

Revised Draft Rate Order - Attachment D

Revenue (Deficiency)/Sufficiency Total	<u>(66.3) B</u>
--	-----------------

A - Attachment B and Attachment C agree

B - Attachment C and Attachment D agree

ATTACHMENT J
Adjustment to Volumes

Customer Class	Volume			Revenues \$			Estimated Average Bill Impact \$		
	Incorrect Tiering	Correct Tiering	Change	@ Proposed Rates Based on Correct Tiering	@ Proposed Rates Based on Incorrect Tiering	Change	Average Annual Impact	Average Monthly Impact	Average Monthly Bill
R1-Residential									
Block 1	12,867,716	12,369,780	(497,936)	1,911,490	1,892,564	(18,926)	2.89	0.24	0.61%
Block 2	235,864	733,801	497,936	74,154	69,878	(4,277)	0.65	0.05	0.14%
R1-Commercial									
Block 1	1,888,210	1,760,126	(128,084)	271,990	269,297	(2,693)	0.41	0.03	0.03%
Block 2	2,243,540	2,371,625	128,084	239,665	225,843	(13,822)	2.11	0.18	0.13%
R1-Industrial									
Block 1	153,095	130,968	(22,127)	20,238	20,038	(200)	0.03	-	0.00%
Block 2	444,933	467,060	22,127	47,199	44,477	(2,722)	0.41	0.03	0.02%
R2									
Block 1	104,752	65,779	(38,973)	10,289	7,580	(2,709)	0.41	0.03	0.12%
Block 2	398,107	437,079	38,973	47,651	40,285	(7,366)	1.12	0.09	0.32%
R3									
Total	2,195,299	2,195,299	-	81,907	81,907	-	-	-	0.00%
Firm CD	22,650	21,411	(1,239)	70,352	70,352	-	-	-	0.00%
R4									
Block 1	242,159	228,680	(13,479)	33,575	31,167	(2,408)	0.37	0.03	0.01%
Block 2	212,104	225,582	13,479	23,614	22,888	(726)	0.11	0.01	0.00%
R5									
Delivery	947,162	947,162	-	54,971	54,971	-	-	-	0.00%
R6									
Delivery	33,416,816	33,416,816	-	1,246,781	1,246,781	-	-	-	0.00%
Demand	108,118	108,118	-	238,120	238,120	-	-	-	0.00%
Total	55,480,525	55,479,286	1,239	4,371,997	4,316,148	(55,849)			
Commodity	55,349,757	55,349,757							
Demand	130,768	129,529							
	55,480,525	55,479,286							
Monthly Charge				1,171,859	1,171,859	-			
				5,543,856	5,488,007	(55,849)			

ATTACHMENT K
IGPC OM&A

	After Settlement Agreement (\$000's)	Per Draft Rate Order (\$000's)	Change (\$000's)	Notes	Per Updated Draft Rate Order	Change (\$000's)	Notes
Depreciation	252.4	241.0	11.4	1	243.6	8.8	1
Union Gas Delivery	109.3	109.3	-		109.3	-	
Union Gas Demand	221.2	221.2	-		221.2	-	
Insurance	198.0	147.5	50.5	2	147.5	50.5	2
R&M	154.0	97.9	56.1	3	97.9	56.1	3
Property Taxes	60.0	60.0	-		60.0	-	
Utilities	0.7	-	0.7		-	0.7	
A&G Allocated	260.1	170.0	90.1	4	171.1	89.0	4
Allocated Common Costs	4.3	4.0	0.3		4.4	(0.1)	
Return	398.5	347.5	51.0	5	351.3	47.2	5
Income Tax	88.5	77.3	11.2	6	78.0	10.5	6
Revenue Requirement	<u>\$ 1,747.0</u>	<u>\$ 1,475.7</u>			<u>\$ 1,484.3</u>		

Attachment C

- Line 37	109.3
- Line 38	221.2
- Line 42	1,141.2
- Error (deducted twice in error)	4.0
	<u>1,475.7</u>

Notes

1. Change in annual Depreciation

	After Settlement Agreement	Per Draft Rate Order	Change	Per Updated Draft Rate Order	Change
Capital Cost	\$ 5,047,005	\$ 4,820,064		\$ 4,872,182	
Annual Depreciation	\$ 252,350	\$ 241,003	\$ 11,347	\$ 243,609	\$ 8,741

2. \$147.5k per Decision and Order

	After Settlement Agreement	Per Draft Rate Order	Change
3. R&M			
- MIG Contract	\$ 112,107	\$ 56,055	
- Lakeside	43,050	43,050	
- Spare Parts	2,000	2,000	
- PST	(3,189)	(3,189)	
	<u>\$ 153,968</u>	<u>\$ 97,916</u>	<u>\$ 56,052</u>

4. Calculation thru Cost Allocation Model A&G

	After Settlement Agreement (\$000's)	Per Draft Rate Order (\$000's)	Per Updated Draft Rate Order (\$000's)	
Amount Allocated	797.8	708.7	699.4	A
Percent Allocation	32.6%	24.0%	24.5%	B
A&G Allocated	260.1	170.0	171.1	

A - the after settlement amount allocated included insurance that was not directly allocated

B - % decreased as a result of an Undertaking during the Hearing

5. Return

	After Settlement Agreement	Per Draft Rate Order	Per Updated Draft Rate Order
Rate Base	\$ 5,047,005	\$ 4,820,064	\$ 4,872,182
Accumulated Depreciation	(504,701)	(522,174)	(527,820)
Opening Rate Base (Oct 1/10)	4,542,305	4,297,890	4,344,362
Depreciation	(252,350)	(241,003)	(243,609)
Closing Rate Base (Sept 30/11)	<u>\$ 4,289,954</u>	<u>\$ 4,056,887</u>	<u>\$ 4,100,753</u>
Average Rate Base	<u>\$ 4,416,129</u>	<u>\$ 4,177,389</u>	<u>\$ 4,222,558</u>
% Return	9.04%	8.32%	8.32%
Return	\$ 399,218	\$ 347,559	\$ 351,317

6. Calculation dependent on Return

ATTACHMENT L

R1-Residential Revenue Requirement

> Affect of decrease in % allocated to IGPC of A&G (per Attachment L - portion related to Rate 1 Residential is \$44.3k broken down as follows:

	After Settlement Agreement (\$000's)	Per Draft Rate Order (\$000's)	Change (\$000's)	% Change in Bill
Gas Supply	4.0	4.7	0.7	
Union Demand	223.9	223.9	0.0	
Union Commodity	34.9	34.9	0.0	
Delivery Commodity	20.4	19.9	(0.5)	
Delivery Demand	527.4	518.3	(9.1)	
Weighted Customer - Services	592.4	626.9	34.5	
Weighted Customer - Meters	149.9	148.0	(1.9)	
Weighted Customer - Billing	862.2	885.1	22.9	
Unweighted Customer	567.9	564.4	(3.5)	
Bad Debt/Collection	48.9	48.8	(0.1)	
Direct Assignment	-	-	-	
Security Deposits	(9.9)	(8.6)	1.3	
Revenue Requirement	<u>\$ 3,021.9</u>	<u>\$ 3,066.2</u>	<u>\$ 44.3</u>	1.5%

> Change in Volume (refer to Attachment K) 0.7%

> Increase in Revenue:Cost Ratio

0.6%
<u>2.8%</u>

Bill impact - after Settlement 2.7%

Bill impact - per Revised Draft Rate Order 5.5%

Increase

<u>2.8%</u>
