



Natural Resource Gas Limited

January 28, 2011

Ontario Energy Board
P.O. Box 2319, 27th Floor
2300 Yonge Street
Toronto, Ontario M4P 1E4

Attention: Kirsten Walli, Board Secretary

**Re: Decision and Order EB-2010-0018
Terms of Reference / Maintaining System Integrity**

Pursuant to OEB Decision and Order EB-2010-0018, and an extension granted by the Board on December 23, 2010, Natural Resource Gas Limited ("NRG") is providing the attached Terms of Reference (including map) for a system integrity study.

Upon receipt of approval from the OEB for the Terms of Reference, NRG will provide a request for cost estimates from pre-qualified engineering consultants to undertake and successfully complete the study.

Should you have any questions, please contact me.

Yours truly,

For: Jack Howley, General Manager

Natural Resource Gas Limited
P.O. Box 307, 39 Beech Street
Aylmer, ON N5H 2S1

cc. All parties to EB-2010-0018

TERMS OF REFERENCE SYSTEM INTEGRITY STUDY

NRG wishes to pre-qualify and select an independent consulting engineering firm with expertise in gas flow systems analysis. The selected engineering firm will conduct a study of NRG's southern service area, to determine alternative solutions which would allow NRG's natural gas distribution system to maintain system pressures and volumes, as required for seasonal demands, independently and without the input of gas production wells owned by NRG Corp.

The engineering study produced should identify multiple options (including least-cost to high-cost estimates) to maintain required system pressures in the absence of any gas supply from NRG Corp. wells. Each option should outline any physical system changes (including new construction) and/or operational changes, and include reasonably detailed cost estimates for any such changes.

To further delineate the scope of the Terms of Reference, NRG has provided a copy of a system map prepared by NRG to assist potential firms. This system map illustrates the following information relevant to the study:

- I) Routing of System Mains
- II) Main Pipe Diameters
- III) NRG Corp. Well locations
- IV) Area of concern (triangular shaded area in southeast part of franchise area)
- V) Existing location of Union Gas Stations presently inputting gas into NRG's system.

Schedule

NRG will hold an information meeting for invited, pre-qualified consultants on site at NRG's Aylmer office. At this meeting, NRG will provide detailed system information required in order for the invited consultants to submit fees for services to complete the study. Within 21 days of the information meeting, the invited consultants shall submit a bid for their services to successfully complete the engineering study as outlined in these Terms of Reference. The selected consultant will be required to submit a draft study (inclusive of cost estimates for the options) to NRG within 90 days from date of acceptance.

NRG System Map

Pipe diameters and wells locations

