

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2010-0366 Decision and Order dated December 21, 2010 the Board approved a Purchased Gas Commodity Variance Account ("PGCVA") reference price of \$0.228146 per m³ and a gas supply charge of \$0.225547 per m³, both effective January 1, 2011.

In RP-2002-0147/EB-2003-0286 (Accounting Order dated January 30, 2004), the Board approved a Gas Purchase Rebalancing Account ("GPRA") to record the increase (decrease) in the value of the gas inventory available for sale to sales service customers due to changes in NRG's PGCVA reference price. This account was maintained in the EB-2010-0018 Rate Order dated February 17, 2011. In EB-2010-0366, the Board approved a GPRA rate of (\$0.004427) per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 1, 2011 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

PGCVA

Updated Forecasts

Based on actual and forecast costs, the PGCVA account balance totals a charge of \$19.31 per residential customer for the twelve month period ending March, 2011 (Schedule 2).

The current forecast reflects the forecast for natural gas prices over the relevant period. These gas prices reflect current market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels.

The PGCVA balance has been calculated using the most recent information available, including actual volumes and costs through January, 2011. The remaining months in the

March, 2011

1 twelve-month period ending March, 2011 are calculated using estimated prices based on
2 the best information available at the time of filing.

3
4 Forecast prices have been used for the period April, 2011 through March, 2012 period,
5 except where actual contracted prices are available.

6
7 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
8 by NRG for system gas purchases.

9
10 Gas Supply Portfolio

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

16
17 NRG is required to balance its total supply with its total demand on the Union Gas
18 system on an annual basis, at the time that the direct purchase contract with Union Gas is
19 renewed. This may entail NRG purchasing gas or shedding excess gas.

20
21 NRG is a direct purchase customer on the Union Gas system. Under its bundled
22 transportation contract, NRG is obligated to deliver a fixed amount of gas each day to
23 Union. This amount is determined by Union and is based on the expected annual volume
24 divided by 365.

25
26 Additional gas may be purchased in the period leading up to the end of February of each
27 year if required for NRG to meet its forecast banked gas account winter balancing
28 checkpoint on the Union Gas system if consumption is greater than forecast. The Board
29 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063
30 (Decisions with Reasons, dated March 18, 2004). As shown in Schedule 3, NRG is

1 forecast to purchase additional gas at Dawn in February, 2011 in order to meet its
2 balancing requirements with Union.

3
4 Effective October 1, 2010, the obligated deliveries to Union by NRG on behalf of both
5 system gas customers and direct purchase customers is 1,791 GJ/day. The direct
6 purchase customer assignment rose from 203 GJ/day in December, 2010 to 207 GJ/day in
7 January, 2011, and to 211 GJ/day in February, 2011. This results in December, 2010
8 deliveries for system gas customers of 1,588 GJ/day, 1,584 GJ/day in January, 2011,
9 1,580 GJ/day in February, 2011 and subsequent months.

10
11 The composition of these obligated system gas deliveries over the December, 2010
12 through March, 2011 period is 654 GJ/day at AECO. Over the same period, the Parkway
13 deliveries were 934 GJ/day for December, 2010, 930 GJ/day for January, 2011 and 926
14 GJ/day in February, 2011 and March, 2011. Beginning April, 2011, the composition of
15 the obligated system gas deliveries is forecast to change to 352 GJ/day at AECO and
16 1,228 GJ/day at Parkway.

17
18 The change in the direct purchase assignment in January and February, 2011 would
19 normally be reflected in a reduction of the same amount in the AECO purchases since the
20 direct purchase customers are assigned TCPL capacity and required to deliver gas at
21 AECO to be transported using this TCPL capacity allocated to NRG by Union Gas. This
22 allows NRG to reduce the TCPL capacity assigned to it by Union Gas from 563 GJ/day
23 to 352 GJ/day to transport gas for system sales customers effective November, 2010.

24
25 However, NRG has firm purchase contracts in place through March of 2011 for its
26 AECO deliveries in the amount of 654 GJ/day. As a result, NRG has reduced its system
27 gas purchases at Parkway by an amount of 294 GJ/day in November and December,
28 2010, 298 GJ/day in January, 2011, and 302 GJ/day in February and March, 2011. As
29 noted above, NRG is still required to deliver these amounts to Parkway under its DCQ
30 obligations with Union Gas.

Union Gas has a service to accommodate this transfer of purchases from AECO to Parkway. The cost of this service has is estimated to be \$1.44/GJ in February, 2011 and at \$1.50/GJ in March, 2011. As of April, 2011 NRG expects that the volume of gas purchased at AECO will drop to 352 GJ/day, to match the TCPL capacity held by NRG to serve system gas customers.

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

GJ/s per Day

Delivery Point	Feb., 2011 - Mar., 2011	Apr., 2011 - Mar., 2012
Direct Purchase	211	211
AECO	654	352
Parkway	926	1,228
Dawn	<u>0</u>	<u>0</u>
Total	1,791	1,791

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

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

The composition of the gas supply portfolio volumes for the April, 2010 through March, 2011 period is shown on the top of Schedule 3. This schedule shows the monthly volume of gas purchased or forecast to be purchased from local producers, obligated deliveries at

1 Parkway and the Alberta border (Western), and balancing gas (purchased at Dawn or
2 Ontario delivered gas). Similarly, the composition of the gas supply portfolio volumes
3 for the April, 2011 through March, 2012 period is shown on the top of Schedule 6.

4
5 Gas Costs

6 NRG's actual and forecast gas costs for the April, 2010 through March, 2011 period, by
7 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
8 middle section of Schedule 3 in $\$/m^3$. The conversion factor used is based on the heat
9 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
10 The conversion factors used are also shown in Schedule 4. All prices shown are actual
11 prices paid in April, 2010 through January, 2011. Prices for the remaining months in this
12 period are based on estimated and contracted prices to be paid in these months.

13
14 Prices for April, 2011 through March, 2012 are based on prices averaged over 10 days in
15 the period February 7, 2010 through February 28, 2011 (pricing reports were not
16 available for the dates of February 15, 18, 21, 23, 24, or 25). These prices have been
17 utilized in calculating the prices shown in Schedule 7 in \$/GJ and in the middle section of
18 Schedule 6 in $\$/m^3$. Gas prices for each of the sources of supply are described below. In
19 addition to the above, contracted prices have been used where purchase decisions have
20 been made.

21
22 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This
23 refers to gas that is produced in NRG's franchise area and purchased from a related
24 company. This gas has been forecasted at a price of $\$0.241357/m^3$ effective November 1,
25 2010 (Schedule 3). This price is equivalent to $\$6.80/mcf$ which is the price to be used for
26 the first 2.4 million cubic metres of gas purchased from NRG Corp. as set out in the EB-
27 2010-0018 Decision and Order dated December 6, 2010. NRG will also track the
28 October, 2010 amount purchased from NRG Corp. in the PGCVA, as directed in the
29 Decision. The amount, total cost and price for this gas is shown in Schedule 3.

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

The Empress price over the April, 2011 through March, 2012 period shown in Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices and forecasted prices. The average Empress delivery rate is \$4.883/GJ in April, \$4.874 in May, \$4.914/GJ in June through October, 2011 and \$3.953/GJ in November, 2011 through March, 2012. Fuel costs of 4% are included in these rates.

The average Empress delivery price includes a mix of fixed price contracts over the April, 2011 through March, 2012 period. Over this period, the Empress delivery price includes one fixed price contract and a forecast price for the remainder of the purchases.

The following table shows the current mix of volumes and prices over the forecast period.

<u>Contracted?</u>	<u>Empress Deliveries</u>							
	<u>Apr</u>		<u>May</u>		<u>Jun-Oct</u>		<u>Nov-Mar</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	189	6.040	189	6.040	189	6.040		
No	163	3.135	163	3.118	163	3.201	352	3.801
Total	352	4.695	352	4.687	352	4.725	352	3.801
with Fuel (4%)		4.883		4.874		4.914		3.953

The prices shown for the 163 GJ/day that has not been contracted for in the April through October, 2011 period and the 352 GJ/day that has not been contracted for in the November, 2011 through March, 2012 period are based on the average price forecasts for the February 7, 2011 through February 28, 2011 period.

The Parkway price over the April, 2011 through March, 2012 period shown in Schedule 7 is based on a combination of forecast prices and actual contracted prices. The average Parkway delivery rate forecast is \$4.804/GJ in April, \$4.917/GJ in May, \$4.853 in June through October, and \$4.843/GJ in November through March.

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

<u>Contracted?</u>	<u>Parkway Deliveries</u>							
	<u>Apr</u>		<u>May</u>		<u>Jun-Oct</u>		<u>Nov-Mar</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	280	6.850	280	6.850	280	6.850		
No							1228	4.843
No	<u>948</u>	<u>4.200</u>	<u>948</u>	<u>4.346</u>	<u>948</u>	<u>4.263</u>		
Total	1228	4.804	1,228	4.917	1,228	4.853	1,228	4.843

The price shown for the 948 GJ/day that has not been contracted for in the April through October period is based on the average price forecasts for the February 7, 2011 through February 28, 2011 period, as is the forecast price for the 1,228 GJ/day that has not been contracted for in the November through March period.

NRG is forecasting the need to purchase gas in September, 2011. This gas is required to ensure that NRG remains within its contract parameters with Union Gas. The forecasted price for this Ontario delivered gas is \$4.240/GJ and is based on price forecasts for the February 7, 2011 through February 28, 2011 period for September, 2011 deliveries.

Other Forecast Assumptions

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

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

PGCVA Balance

The projected March, 2011 balance in the PGCVA is a debit of \$196,230.50 including a debit of \$44,243.54 in accumulated interest, based on the Board's prescribed interest rate.

1 This estimate is based on actual and forecasted purchases and the balance brought
2 forward from March, 2010. The PGCVA debit amounts to a charge of approximately
3 \$19.31 for a typical residential customer consuming approximately 1,933 m³ per year.
4 These figures are shown on Schedule 2.

6 Proposed PGCVA Rate Changes

7 NRG proposes to adjust the reference price effective April 1, 2011 based on the projected
8 accumulated balance in the PGCVA as of the end of March, 2011 and the forecasted cost
9 of gas over the 12 month period beginning April, 2011 and ending March, 2012. The
10 reference price is set such that the projected PGCVA balance at the end of March, 2012 is
11 close to zero.

12
13 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
14 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
15 applications, which have been accepted by the Board.

16
17 NRG proposes to change the reference price by \$0.018939 per m³ effective April 1, 2011,
18 from \$0.228146 per m³ to \$0.209207 per m³. The derivation of this rate is shown in
19 Schedule 5. This is the reference price required to bring the PGCVA balance close to
20 zero on a twelve month forecast basis. This change will also be reflected in the gas
21 commodity charge.

23 **GAS PURCHASE REBALANCING ACCOUNT**

24 The impact on the GPRA of the proposed April 1, 2011 PGCVA reference price from
25 \$0.228146 per m³ to \$0.209207 per m³ is a credit of \$98,417.97, as shown on Schedule 8.
26 This figure is shown in column (J) of Schedule 8 and on the March, 2011 line. It is
27 calculated as the change in the PGCVA reference price between March and April,
28 multiplied by the cumulative inventory balance at the end of March. This cumulative
29 inventory balance is the sum of the actual monthly inventory balances for January, 2011
30 and forecasts for the subsequent months. These forecasts will be replaced with actual

1 balances for these months in subsequent QRAM applications as this information becomes
2 available. As well, the monthly inventory balances are based on a deemed level of
3 unaccounted for gas ("UFG") of the total throughput volume, as shown in column (E) of
4 Schedule 8. The 0.0% is the Board approved level of UFG from EB-2010-0018.

5
6 NRG proposes to adjust the gas commodity charge effective April 1, 2011 based on the
7 projected accumulated balance in the GPRA. The adjustment to the gas commodity
8 charge will be set such that the projected GPRA balance at the end of March, 2012, will
9 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
10 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
11 \$(0.007679) per m³ over the April, 2011 through March, 2012 period.

12
13 NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need
14 for retroactive adjustments. This is consistent with NRG's proposal for the continued
15 prospective clearance of the PGCVA. This change will also be reflected in the gas
16 commodity charge.

17 18 **GAS COMMODITY CHARGE**

19 The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved
20 in EB-2010-0018. This figure represents the incremental costs over and above the
21 commodity and transportation costs that form the PGCVA reference price to the gas
22 supply function. These incremental costs are portions administrative and general
23 expenses, regulatory and consulting fees associated with the QRAM applications, return
24 on rate base (working cash allowance related to gas commodity) and income taxes. This
25 functionalization is unchanged from that approved in EB-2010-0018.

26
27 The change in the gas commodity charge proposed for April 1, 2011 is summarized
28 below. The change in the gas commodity charge reflects both the change in the PGCVA
29 reference price and the change in the recovery of the inventory revaluation amount in the
30 GPRA. The change in the gas commodity charge is as follows:

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	EB-2010-0366 Jan. 1, 2011	Proposed Apr. 1, 2011	Difference
PGCVA Reference Price	\$0.228146	\$0.209207	\$(0.018939)
GPRA Recovery	\$(0.004427)	\$(0.007679)	\$(0.003252)
System Gas Supply Cost	<u>\$0.001828</u>	<u>\$0.000363</u>	<u>\$(0.001465)</u>
Gas Commodity Charge	\$0.225547	\$0.201891	\$(0.023656)

SUMMARY

10 In summary, NRG proposes to change the reference price for amounts to be recorded in
11 the Purchased Gas Commodity Variance Account from \$0.228146 by \$0.018939 to
12 \$0.209207 per m³ effective April 1, 2011. Appendix B contains the accounting entries
13 related to the PGCVA.

14

15 NRG also proposes to change the gas supply charge from \$0.225547 to \$0.201891 per m³
16 effective April 1, 2011. This change reflects the change related to the change in the
17 PGCVA reference price, as described above, the change related to the recovery of the
18 GPRA balance, also as described above, and the change to the system gas supply cost.
19 These changes apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.
20 There are no other changes to these rate schedules. The proposed rate schedules are
21 attached as Appendix A. The proposed customer notices are attached as Appendix C.

22

23 Schedule 9 provides a residential bill comparison showing the impact of the proposed
24 changes on a year over year basis for the appropriate quarter as well as the annual bill
25 impact of the most recent quarterly change. The annual bill impact related to the change
26 in the commodity charges on a customer consuming approximately 1,943 m³ is a
27 decrease of \$45.96.

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE!

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2010 TO MARCH, 2011

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s)</u> (1)	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</u> (2)	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
Actual	April	483,618	1,646,194	0.293779	0.307476	0.013697	22,547.92	159,611.91	62.82	-45,861.43	22,610.74	113,750.48	129.9	0.55%
Actual	May	419,394	1,416,703	0.296035	0.307476	0.011441	16,208.50	175,820.41	73.16	-45,788.27	16,281.66	130,032.14	79.1	0.55%
Actual	June	395,431	1,333,963	0.296434	0.307476	0.011042	14,729.62	190,550.03	80.58	-45,707.69	14,810.20	144,842.34	39.8	0.55%
Actual	July	405,452	1,370,077	0.295934	0.292662	(0.003272)	-4,482.89	186,067.14	141.32	-45,566.37	-4,341.57	140,500.77	32.9	0.89%
Actual	August	402,667	1,359,935	0.296092	0.292662	(0.003430)	-4,664.58	181,402.56	138.00	-45,428.37	-4,526.58	135,974.19	34.3	0.89%
Actual	September	585,716	2,494,662	0.234788	0.292662	0.057874	144,376.05	325,778.61	134.54	-45,293.83	144,510.59	280,484.78	48.9	0.89%
Actual	October	462,022	1,647,340	0.280466	0.267163	(0.013303)	-21,914.56	303,864.05	325.78	-44,968.05	-21,588.78	258,896.00	105.6	1.20%
Actual	November	449,532	1,420,622	0.316433	0.267163	(0.049270)	-69,994.04	233,870.01	303.86	-44,664.19	-69,690.18	189,205.82	202.0	1.20%
Actual	December	451,500	1,375,304	0.328291	0.267163	(0.061128)	-84,069.56	149,800.45	233.87	-44,430.32	-83,835.69	105,370.13	316.8	1.20%
Actual	January	451,056	1,379,735	0.326915	0.228146	(0.098769)	-136,275.06	13,525.39	183.51	-44,246.81	-136,091.55	-30,721.42	358.0	1.47%
Forecast	February	661,384	2,792,074	0.236879	0.228146	(0.008733)	-24,383.18	-10,857.79	16.57	-44,230.24	-24,366.61	-55,088.03	318.0	1.47%
Forecast	March	<u>463,539</u>	<u>1,413,171</u>	<u>0.328013</u>	0.228146	(0.099867)	<u>-141,129.17</u>	<u>-151,986.96</u>	<u>-13.30</u>	<u>-44,243.54</u>	<u>-141,142.47</u>	<u>-196,230.50</u>	<u>268.0</u>	1.47%
	Total	5,631,312	19,649,780	0.286584			-289,050.95	-151,986.96	1,680.71	-44,243.54	-287,370.24	-196,230.50	1,933.3	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.009986)
Forecast Average Residential Consumption per Customer 1,933.3 M*3
Estimated Impact on Average Residential Customer \$19.31 Customer Charge

(1) Includes balance of 137,063.99 as of March, 2010
(2) Includes balance of -45,924.25 as of March, 2010

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2010 TO MARCH, 2011

<u>Volumes (m3)</u>	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Total</u>
Local Production (A)	377,608	148,986	107,568	99,511	90,100	85,057	85,088	157,112	73,506	80,718	115,000	115,000	1,535,255
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	1,504,532	0	1,504,532
Parkway Delivery	748,100	771,297	707,261	732,734	732,313	701,811	801,153	743,147	765,667	762,680	687,199	760,827	8,914,189
Western Delivery	520,487	496,420	519,134	537,832	537,522	519,801	538,493	520,362	536,131	536,336	485,343	537,344	6,285,206
Ontario Delivered Gas	0	0	0	0	0	1,187,992	222,606	0	0	0	0	0	1,410,598
Total	1,646,194	1,416,703	1,333,963	1,370,077	1,359,935	2,494,662	1,647,340	1,420,622	1,375,304	1,379,735	2,792,074	1,413,171	19,649,780

Price (\$/m3)

Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.159221	0.000000	0.000000
Parkway Delivery	0.276228	0.268092	0.283024	0.282628	0.282720	0.283501	0.273937	0.327395	0.340111	0.338041	0.320365	0.318969	0.318969
Western Delivery	0.251873	0.276013	0.256444	0.255964	0.256299	0.257015	0.251279	0.289448	0.289231	0.290264	0.325082	0.326100	0.326100
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.166834	0.230453	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Total Gas Cost (\$)

Local Production (A)	113,735	44,875	32,400	29,973	27,138	25,619	25,629	37,920	17,741	19,482	27,756	27,756	430,023
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	239,553	0	239,553
Parkway Delivery	206,646	206,779	200,172	207,091	207,039	198,964	219,465	243,302	260,412	257,817	220,154	242,680	2,670,523
Western Delivery	131,097	137,018	133,129	137,666	137,766	133,597	135,312	150,618	155,066	155,679	157,776	175,228	1,739,952
Ontario Delivered Gas	0	0	0	0	0	198,197	51,300	0	0	0	0	0	249,497
TCPL Transportation	32,140	30,723	29,732	30,723	30,723	29,338	30,316	17,691	18,281	18,078	16,145	17,875	301,764
Total	483,618	419,394	395,431	405,452	402,667	585,716	462,022	449,532	451,500	451,056	661,384	463,539	5,631,312

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2010 TO MARCH, 2011

	<u>Apr-10</u>	<u>May-10</u>	<u>Jun-10</u>	<u>Jul-10</u>	<u>Aug-10</u>	<u>Sep-10</u>	<u>Oct-10</u>	<u>Nov-10</u>	<u>Dec-10</u>	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.990	7.972	7.970	7.990	7.986	7.980	8.000	6.401	6.383	6.385	6.397	6.397
Local Production (B) (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Dawn</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	4.220	0.000
<u>Parkway</u> (\$/GJ)	7.328	7.096	7.489	7.498	7.496	7.511	7.276	8.683	8.994	8.943	8.491	8.454
<u>Western Deliveries</u> (\$/GJ)	6.682	7.306	6.785	6.790	6.795	6.809	6.674	7.677	7.648	7.679	8.616	8.643
Fuel Ratio (%)	2.60%	2.60%	2.91%	2.75%	2.75%	2.60%	2.60%	0.92%	1.22%	1.99%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.638100	1.638100	1.638100	1.638100	1.638100	1.638100	1.638100	1.638100	1.638100	1.638100	1.638100	1.638100
GJ/day (TCPL)	654	605	605	605	605	597	597	360	360	356	352	352
Delivery Commitment Credit (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GJ/day (Obligated)	1,594	1,545	1,545	1,545	1,545	1,537	1,627	1,588	1,588	1,584	1,580	1,580
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	4.420	6.121	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m ³)	37.70	37.78	37.79	37.70	37.72	37.75	37.65	37.70	37.82	37.80	37.73	37.73

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2011 TO MARCH, 2012
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
April	273,598	1,371,295	0.199518	0.209207	0.009689	13,286.47	-138,700.49	-186.18	-44,429.72	13,100.29	-183,130.21	155.0	1.47%
May	285,996	1,413,171	0.202379	0.209207	0.006828	9,649.13	-129,051.36	-169.91	-44,599.63	9,479.22	-173,650.99	80.0	1.47%
June	275,731	1,371,295	0.201073	0.209207	0.008134	11,154.11	-117,897.25	-158.09	-44,757.72	10,996.02	-162,654.97	43.0	1.47%
July	283,997	1,413,171	0.200964	0.209207	0.008243	11,648.77	-106,248.48	-144.42	-44,902.14	11,504.35	-151,150.62	38.0	1.47%
August	283,997	1,413,171	0.200964	0.209207	0.008243	11,648.77	-94,599.71	-130.15	-45,032.29	11,518.62	-139,632.00	36.0	1.47%
September	297,042	1,504,508	0.197435	0.209207	0.011772	17,711.07	-76,888.64	-115.88	-45,148.17	17,595.19	-122,036.81	53.0	1.47%
October	283,997	1,413,171	0.200964	0.209207	0.008243	11,648.77	-65,239.87	-94.19	-45,242.36	11,554.58	-110,482.23	118.7	1.47%
November	265,214	1,371,295	0.193404	0.209207	0.015803	21,670.57	-43,569.30	-79.92	-45,322.28	21,590.65	-88,891.58	202.7	1.47%
December	273,129	1,413,171	0.193274	0.209207	0.015933	22,516.06	-21,053.24	-53.37	-45,375.65	22,462.69	-66,428.89	321.8	1.47%
January	273,129	1,413,171	0.193274	0.209207	0.015933	22,516.06	1,462.82	-25.79	-45,401.44	22,490.27	-43,938.62	355.2	1.47%
February	256,722	1,329,418	0.193109	0.209207	0.016098	21,400.97	22,863.79	1.79	-45,399.65	21,402.76	-22,535.86	293.2	1.47%
March	<u>273,129</u>	<u>1,413,171</u>	<u>0.193274</u>	0.209207	0.015933	<u>22,516.06</u>	<u>45,379.85</u>	<u>28.01</u>	<u>-45,371.64</u>	<u>22,544.07</u>	<u>8.21</u>	<u>246.2</u>	1.47%
Total	3,325,681	16,840,009	0.197487			197,366.81	45,379.85	-1,128.10	-45,371.64	196,238.71	8.21	1,942.8	

PGCVA Balance per M*3 Purchased (\$/M*3)

\$0.000000
1.942.8 M*3

Forecast Average Residential Consumption per Customer

\$0.00 Customer Rebate

(1) Includes March, 2011 year-to-date balance of (\$151,986.96)

(See Schedule 2)

(2) Includes March, 2011 year-to-date balance of (\$44,243.54)

(See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2011 TO MARCH, 2012

Volumes (m3)	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Total
Local Production (A)	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	115,000	1,380,000
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	976,411	1,008,958	976,411	1,008,958	1,008,958	976,411	1,008,958	976,411	1,008,958	1,008,958	943,864	1,008,958	11,912,218
Western Delivery	279,883	289,213	279,883	289,213	289,213	279,883	289,213	279,883	289,213	289,213	270,554	289,213	3,414,577
Ontario Delivered Gas	0	0	0	0	0	133,213	0	0	0	0	0	0	133,213
Total	1,371,295	1,413,171	1,371,295	1,413,171	1,413,171	1,504,508	1,413,171	1,371,295	1,413,171	1,413,171	1,329,418	1,413,171	16,840,009

Price (\$/m3)

Local Production (A)	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000
Parkway Delivery	0.181255	0.185518	0.183104	0.183104	0.183104	0.183104	0.183104	0.182726	0.182726	0.182726	0.182726	0.182726	0.182726
Western Delivery	0.184236	0.183896	0.185405	0.185405	0.185405	0.185405	0.185405	0.149147	0.149147	0.149147	0.149147	0.149147	0.149147
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.159975	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000

Total Gas Cost (\$)

Local Production (A)	27,756	27,756	27,756	27,756	27,756	27,756	27,756	27,756	27,756	27,756	27,756	27,756	333,073
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	176,979	187,180	178,785	184,744	184,744	178,785	184,744	178,416	184,363	184,363	172,469	184,363	2,179,935
Western Delivery	51,565	53,185	51,892	53,622	53,622	51,892	53,622	41,744	43,135	43,135	40,352	43,135	580,899
Ontario Delivered Gas	0	0	0	0	0	21,311	0	0	0	0	0	0	21,311
TCPL Transportation	17,298	17,875	17,298	17,875	17,875	17,298	17,875	17,298	17,875	17,875	16,145	17,875	210,463
Total	273,598	285,996	275,731	283,997	283,997	297,042	283,997	265,214	273,129	273,129	256,722	273,129	3,325,681

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2010 THROUGH MARCH, 2012

Month	Purchase Volume (M ³) A	Throughput Volume (M ³) B	Direct Purchase Volume (M ³) C	System Sales Volume (M ³) D=B-C	Deemed U.F.G. (M ³) E	System Sales + U.F.G. (M ³) F=D+E	Monthly Inventory Balance (M ³) G=A-F	Cumulative Inventory (M ³) H (1)	Reference Price (\$/M ³) I	Inventory Revaluation (\$\$) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$\$) L=KxD	Y-T-D GPRA Balance (\$\$) M (2)	Monthly Interest (\$\$) N	Y-T-D Interest (\$\$) O (3)	Total Y-T-D GPRA P=M+O	Monthly Interest Rate
April	1,646,194	3,928,806	2,681,144	1,247,662	0	1,247,662	398,532	-3,732,726	0.307476	0.00	0.003407	4,250.78	-57,780.24	-28.43	4,273.47	-53,506.77	0.55%
May	1,416,703	3,520,002	2,728,304	791,698	0	791,698	625,005	-3,107,721	0.307476	0.00	0.003407	2,697.32	-55,082.92	-26.48	4,246.99	-50,835.93	0.55%
June	1,333,963	3,116,917	2,676,819	440,098	0	440,098	893,865	-2,213,856	0.307476	32,796.06	0.003407	1,499.41	-20,787.45	-25.25	4,221.74	-16,565.71	0.55%
July	1,370,077	3,360,537	2,974,447	386,090	0	386,090	983,987	-1,229,869	0.292862	0.00	0.001462	564.46	-20,222.98	-15.42	4,206.32	-16,016.66	0.89%
August	1,359,935	3,734,011	2,966,524	767,487	0	767,487	592,448	-637,421	0.292862	0.00	0.001462	1,122.07	-19,100.91	-15.00	4,191.32	-14,909.59	0.89%
September	2,494,662	4,227,930	2,966,577	1,261,353	0	1,261,353	1,233,309	595,888	0.292862	-15,194.55	0.001462	1,844.10	-32,451.36	-14.17	4,177.15	-28,274.21	0.89%
October	1,647,340	4,630,565	2,819,104	1,811,461	0	1,811,461	-164,121	431,767	0.267163	0.00	0.001434	2,597.64	-29,853.72	-32.45	4,144.70	-25,709.02	1.20%
November	1,420,622	5,249,153	3,010,191	2,238,962	0	2,238,962	-818,340	-386,573	0.267163	0.00	0.001434	3,210.67	-26,643.05	-29.85	4,114.85	-22,528.20	1.20%
December	1,375,304	5,956,911	2,977,748	2,979,163	0	2,979,163	-1,603,859	-1,990,433	0.267163	77,660.71	0.001434	4,272.12	55,289.78	-26.64	4,088.21	59,377.99	1.20%
January	1,379,735	6,682,388	3,103,242	3,579,146	0	3,579,146	-2,199,410	-4,189,843	0.228146	0.00	(0.004427)	-15,844.88	39,444.90	67.73	4,155.94	43,600.84	1.47%
February	2,792,074	5,909,822	2,807,462	3,102,360	0	3,102,360	-310,286	-4,500,129	0.228146	0.00	(0.004427)	-13,734.15	25,710.75	48.32	4,204.26	29,915.01	1.47%
March	1,413,171	4,854,580	2,744,961	2,109,619	0	2,109,619	-696,448	-5,196,577	0.228146	98,417.97	(0.004427)	-9,339.28	114,789.44	31.50	4,235.76	119,025.20	1.47%
April	1,371,295	3,797,735	2,685,665	1,112,070	0	1,112,070	259,225	-4,937,352	0.209207	0.00	(0.007679)	-8,539.59	106,249.85	140.62	4,376.38	110,626.23	1.47%
May	1,413,171	3,053,506	2,661,298	392,208	0	392,208	1,020,963	-3,916,389	0.209207	0.00	(0.007679)	-3,011.77	103,238.08	130.16	4,506.54	107,744.62	1.47%
June	1,371,295	2,843,877	2,638,035	205,842	0	205,842	1,165,453	-2,750,936	0.209207	0.00	(0.007679)	-1,580.66	101,657.42	126.47	4,633.01	106,290.43	1.47%
July	1,413,171	2,759,968	2,646,622	113,346	0	113,346	1,299,825	-1,451,111	0.209207	0.00	(0.007679)	-870.38	100,787.04	124.53	4,757.54	105,544.58	1.47%
August	1,413,171	2,852,465	2,639,204	213,261	0	213,261	1,199,910	-251,201	0.209207	0.00	(0.007679)	-1,637.63	99,149.41	123.46	4,881.00	104,030.41	1.47%
September	1,504,508	2,861,595	2,699,547	162,048	0	162,048	1,342,460	1,091,259	0.209207	0.00	(0.007679)	-1,244.37	97,905.04	121.46	5,002.46	102,907.50	1.47%
October	1,413,171	4,036,595	2,783,246	1,253,349	0	1,253,349	159,822	1,251,081	0.209207	0.00	(0.007679)	-9,624.47	88,280.57	119.93	5,122.39	93,402.96	1.47%
November	1,371,295	4,836,595	2,807,687	2,028,908	0	2,028,908	-657,613	593,468	0.209207	0.00	(0.007679)	-15,579.98	72,700.59	108.14	5,230.53	77,931.12	1.47%
December	1,413,171	5,336,595	2,795,357	2,541,238	0	2,541,238	-1,128,067	-534,599	0.209207	0.00	(0.007679)	-19,514.17	53,186.42	89.06	5,319.59	58,506.01	1.47%
January	1,413,171	5,836,595	2,824,409	3,012,186	0	3,012,186	-1,599,015	-2,133,613	0.209207	0.00	(0.007679)	-23,130.58	30,055.84	65.15	5,384.74	35,440.58	1.47%
February	1,329,418	5,336,595	2,807,462	2,529,133	0	2,529,133	-1,199,715	-3,333,328	0.209207	0.00	(0.007679)	-19,421.21	10,634.63	36.82	5,421.56	16,056.19	1.47%
March	1,413,171	4,836,595	2,744,961	2,091,634	0	2,091,634	-678,463	-4,011,791	0.209207	0.00	(0.007679)	-16,061.66	-5,427.03	13.03	5,434.59	7.56	1.47%

(1) Includes balance of -4,131,258 as of March, 2010
(2) Includes balance of -62,031.02 as of March, 2010
(3) Includes balance of 4,301.90 as of March, 2010

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-10 EB-2010-0049	Quarter Starting 01-Apr-11 EB-2011-0059	\$ Change	Percent Change
Average Residential Consumption for Quarter	278	278		
Monthly Charges	\$34.50	\$40.50	\$6.00	17.4%
Delivery Charges	\$42.53	\$42.45	(\$0.09)	-0.2%
Total Commodity Charges	\$86.93	\$56.13	(\$30.81)	-35.4%
Total Customer Charges	\$163.97	\$139.07	(\$24.89)	-15.2%

ANNUAL BILL IMPACT

	01-Jan-11 EB-2010-0366	01-Apr-11 EB-2011-0059	\$ Change	Percent Change
Average Residential Consumption	1,942.8	1,942.8		
Monthly Charges	\$138.00	\$162.00	\$24.00	17.4%
Delivery Charges	\$297.25	\$296.65	(\$0.59)	-0.2%
Total Commodity Charges	\$438.19	\$392.23	(\$45.96)	-10.5%
Total Customer Charges	\$873.44	\$850.89	(\$22.55)	-2.6%

RATES USED

	01-Apr-10 EB-2010-0049	01-Jan-11 EB-2010-0366	01-Apr-11 EB-2011-0059
Monthly charge	11.50	11.50	13.50
Delivery Charge	0.152999	0.152999	0.152693
Total Commodity Charge	0.312711	0.225547	0.201891

**APPENDIX “A” TO
DECISION AND ORDER
BOARD FILE No. EB-2011-0059
DATED MARCH XX, 2011**

NATURAL RESOURCE GAS LIMITED

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

All customers.

Rate

a)	Monthly Fixed Charge	\$13.50
b)	Delivery Charge	
	First 1,000 m ³ per month	15.2693 cents per m ³
	All over 1,000 m ³ per month	10.5114 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	\$ 1.41/customer
	PGTVA/REDA Rate Rider - effective until September 30, 2011	\$ 2.50/customer
	System Gas Over-Recovery Rate Rider - effective until September 30, 2011	\$(0.014134)/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: April 01, 2011

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

EB-2011-0059

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	13.6663 cents per m ³	17.4955 cents per m ³
Next 24,000 m ³ per month	9.4656 cents per m ³	15.6678 cents per m ³
All over 25,000 m ³ per month	6.1649 cents per m ³	15.2624 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		\$ 0.24/customer
PGTVA/REDA Rate Rider - effective until September 30, 2011		\$14.00/customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011		\$ (0.014134)/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: April 01, 2011

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

EB-2011-0059

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 29.0451 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 | \$132.09/customer |
| Rate Rider for PGTVA/REDA effective until September 30, 2011 | \$120.00/customer |
| System Gas Over-Recovery Rate Rider - effective until September 30, 2011 | \$ (0.014134)/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 the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 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: April 01, 2011

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

EB-2011-0059

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	14.6669 cents per m ³	18.8433 cents per m ³
All over 1,000 m ³ per month	10.5029 cents per m ³	16.8748 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		\$ 5.56/customer
Rate Rider for PGTVA/REDA - effective until September 30, 2011		\$ 9.51/customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011		\$(0.014134)/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: April 01, 2011

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

EB-2011-0059

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 \$359.58/customer
 - Rate Rider for PGTV/REDA effective until September 30, 2011 \$ 94.37/customer
 - System Gas Over-Recovery Rate Rider - effective until September 30, 2011 \$ (0.014134)/m³
 - 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: April 01, 2011

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

EB-2011-0059

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 \$ (5,731.18) /customer

Rate Rider for PGTVA/REDA effective until September 30, 2011	\$(24,009.29) /customer
System Gas Over-Recovery Rate Rider - effective until September 30, 2011	\$ (0.014134)/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: April 01, 2011

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

EB-2011-0059

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)	20.9207 cents per m ³
GPRA Recovery Rate	(EB-2010-0366)	(0.7679) cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>20.1891</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 (1.4134) cents per m³

Effective: April 01, 2011

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

EB-2011-0059

NATURAL RESOURCE GAS LIMITED

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

Rate BT1 is available to all customers or their agent, who enter into a Receipt Contract for delivery of gas to NRG. The availability of this option is subject to NRG obtaining a satisfactory agreement or arrangement with Union Gas and NRG's gas supplier for direct purchase volume and DCQ offsets.

Eligibility

All customers electing to purchase gas directly from a supplier other than NRG must enter into a Bundled T-Service Receipt Contract with NRG either directly or through their agent, for delivery of gas to NRG at a mutually acceptable delivery point.

Rate

For gas delivered to NRG at any point other than the Ontario Point of Delivery, NRG will charge a customer or their agent, all approved tolls and charges incurred by NRG to transport the gas to the Ontario Point of Delivery.

Note:

Ontario Point of Delivery means Dawn or Parkway on the Union Gas System as agreed to by NRG and NRG's customer or their agent.

Effective: April 01, 2011

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

EB-2011-0059

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: April 01, 2011

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

EB-2011-0059

**APPENDIX “B” TO
DECISION AND ORDER
BOARD FILE No. EB-2011-0059
DATED MARCH XX, 2011**

NATURAL RESOURCE GAS LIMITED

Accounting Entries for the Purchased Gas Commodity Variance Account

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

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the decrease (increase) to reflect the projected changes in gas costs and prospective recovery of the balances of the gas supply deferral accounts approved by the Board for rate making purposes.

Debit/Credit Account No. 179-27 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 623 Cost of Gas

To record as a debit (credit) in Deferral Account No. 179-28, interest on the balance in Deferral Account

Debit/Credit Account No. 179-28 Purchased Gas Commodity Variance Account (PGCVA)

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.

**APPENDIX “C” TO
DECISION AND ORDER
BOARD FILE No. EB-2011-0059
DATED MARCH XX, 2011**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after April 1, 2011, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.023656 per cubic meter to \$0.201891 per cubic meter. The Ontario Energy Board (OEB) has approved this change to reflect the prices that NRG expects that it will be paying to its gas suppliers through to the end of March, 2012. On your gas bill this cost is on the line entitled "Gas Commodity".

As a regulated utility, NRG is permitted to recover what it pays for the purchase of gas plus any costs reasonably associated with this purchase but with no mark up or 'profit'. The price the utility charges you is based on the forecasted gas and transportation costs to NRG, which are periodically reviewed by the OEB and reconciled with actual costs. The gas commodity portion gets adjusted regularly throughout the year as the price of the gas commodity changes.

How will this price change impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 1,943 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$46 per year. For customers who have arranged to have their gas supplied by a gas marketer/broker, the price may or may not change depending on the terms of the contract the customer has with the gas marketer/broker.

If you have any questions about this rate change, please do not hesitate to contact us at 519-773-5321. We thank you for continuing to make natural gas your fuel of choice.