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Toronto, May 6, 2011

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

Dear Ms. Walli:

**RE: Natural Resource Gas Limited 2011 Rates (EB-2010-0018)
Revised IR Plan**

Please find attached NRG's revised IR Plan, for consideration as part of Phase 2 of the above-noted proceeding. The enclosed documentation includes:

- a revised Exhibit H1, Tab 1, Schedule 2 (company evidence); and,
- a revised Exhibit H2, Tab 1, Schedule 1 (IR Plan proposal prepared by Elenchus Research Associates).

Please contact me if you have any questions.

Yours very truly,

Richard J. King

RK/mnm
Encl.
cc. All Intervenors and Observers

NATURAL RESOURCE GAS LIMITED
INCENTIVE REGULATION PLAN

In the Board's Phase I Decision in EB-2010-0018 dated December 6, 2010, the Board indicated its expectation that NRG would file an incentive regulation plan ("IR Plan") as part of Phase 2 of this proceeding.

By way of this document, and the evidence of Elenchus, NRG is proposing an IR Plan based on the Board's multi-year electricity distribution rate-setting plan – the 3rd Generation Incentive Rate Mechanism. This proposal replaces the IR Plan initially proposed by NRG, which was essentially a simplified version of the IR Plan utilized by Union Gas Limited. The original IR Plan filed in January 2010 was, although based on the Union Gas IR Plan, nevertheless unique and never tested by the Board. It was not the subject of cross-examination at the oral phase of the proceeding in Phase 1, so is to a large extent "untested".

One of the reasons for NRG to come forward with an alternative IR Plan for Phase 2 is purely practical – namely, it is a model that is familiar to both intervenors and the Board, and has been thoroughly vetted by intervenors and the Board. The goal is to propose a model that might therefore lend itself to settlement or at least quicker disposition in the event that it proceeds to be heard as a contested issue. Given NRG's limited resources and small customer base, NRG's proposal is a simplified IRM that will provide its customers with the same incentive regulation benefits that are available to other natural gas and electricity consumers in Ontario without having to expend all of the resources that went into the Union and Enbridge settlement agreements.

Apart from that purely practical consideration, the IR Plan being proposed at this point (based on the 3rd Generation IRM) is also legitimately applicable to NRG. As noted in the Elenchus evidence, NRG is in many ways (revenues, customer count, etc.) more like a number of smaller electricity distributors than it is like either Union Gas Limited or Enbridge Gas Distribution Inc.

Background

In 2008, the Board announced the establishment of a new multi-year electricity distribution rate-setting plan, the 3rd Generation Incentive Rate Mechanism ("IRM") process, which would be used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. The basis of the IRM process provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

The key component of the Boards electricity IRM process is the application of an annual price cap adjustment. This price cap adjustment is based on inflation less a prescribed productivity factor less a utility unique stretch factor, based on a Board benchmarking analysis. In March 2010 the Board's price cap adjustment was announced for application of rates effective May 1, 2011. The price cap adjustment set uses a GDP-IPI inflation factor of 1.3% less productivity of 0.72% less one of three stretch factors of 0.2%, 0.4% or 0.6%. In electricity, this factor is applied against current distribution rates.

Included in electricity IRM is Z-factor adjustments which includes a 50/50 sharing of changes to income taxes. Applications can also include other considerations such as LRAM/SSM, deferral and variance account adjustments, plus other adjustments unique to electricity distributors. The Board also has consideration for implementation of large capital expenditure projects within an IRM period, to ward off the impact of lumpy capital investment requirements. Under this process the Board applies a principle of incremental revenue requirement, which is an extension of rate revenue recovery for specific projects.

The electricity IRM uses the ±300 basis point principle for off-ramp consideration. As noted above, NRG compares more favourably to a number of smaller electricity distributors in Ontario both in size and in level of risk, than to Union and Enbridge. This was recognized by the Board at page 26 of its decision:

The Board has a Cost of Capital policy in place that is applicable to all electric utilities and NRG's size and profile is similar to a number of electric utilities as opposed to the other two large gas utilities (Enbridge and Union). The Board policy on the appropriate equity ratio is 40% and is not considerably different from the ratio sought by NRG.

Considerations to Adopting Electricity IRM

To date the Board has only calculated the electricity price escalator for rates effective May 1 of each year. This will likely change to include rates effective January 1 of each year as distributors now have the option to implement that date. NRG would consider applying the most recently calculated price cap adjustment prepared by the Board, currently being the price escalator released March 2, 2011.

The Board applies a cohort benchmarking process to electricity distributors to establish stretch factors. Distributors who are evaluated as efficient receive a stretch factor of 0.2% while those evaluated as being inefficient receive a stretch factor or 0.6%. The majority of distributors are evaluated and assigned a stretch factor of 0.4%. NRG would propose that in-lieu of any cohorts that the Board assign NRG a stretch factor of 0.4%

A Proposed Incentive Regulation Mechanism for Natural Resource Gas Limited

A Report Prepared by
Martin Benum, Senior Consultant
Elenchus Research Associates Inc.

On Behalf of
Natural Resource Gas Limited

April 2011

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1 INTRODUCTION

Natural Resource Gas Limited ("NRG") has asked Elenchus Research Associates Inc.[1] (ERA) to assist it in developing a multi-year incentive regulation mechanism ("IRM") that would be appropriate for NRG to adopt commencing in 2011.

The primary basis of the proposed IRM for NRG is the Ontario Energy Board's (the "Board" or "OEB") multi-year electricity distribution rate-setting plan, the 3rd Generation Incentive Rate Mechanism ("IRM") process. This process is used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. The basis of the IRM process provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

The OEB's report on the Natural Gas Forum entitled "Natural Gas Regulation in Ontario: A Renewed Policy Framework" which is dated on March 30, 2005 ("NGF Report") introduced the process of incentive rate mechanism for gas distributors. However, the Natural Gas Forum focussed on the two larger distributors of natural gas in Ontario, Union Gas Limited ("Union") and Enbridge Gas Distribution Inc. ("Enbridge"). The general principles contained in the rate regulation section of the NGF Report may appear to be relevant to NRG, as they are to Union and Enbridge, but may not be equally relevant to NRG given its small customer and revenue base.

The Boards 3rd Generation Incentive Rate Mechanism is designed for electricity distributors ranging in size from a very small customer base of just over one thousand to customer bases exceeding one million. The key point is that NRG would find distributors more comparable in size in this process.

1.1 THE OEB'S 3RD GENERATION INCENTIVE RATE MECHANISM

The OEB's vision of the rate regulation regime for natural gas utilities is set out at pages 14 through 36 of the NGF Report. A key conclusion of the Board on the regulatory framework appears at page 22.

> *The Board believes that a multi-year incentive regulation (IR) plan can be developed that will meet its criteria for an effective ratemaking framework: sustainable gains in efficiency, appropriate quality of service and an attractive investment environment. A properly designed plan will ensure downward pressure on rates by encouraging new levels of efficiency in Ontario's gas utilities – to the benefit of customers and shareholders. By implementing a multi-year IR framework, the Board also intends to provide the regulatory stability needed for investment in Ontario. The Board will establish the key parameters that will underpin the IR framework to ensure that its criteria are met and that all stakeholders have the same expectations of the plan.*

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[1] The evidence was prepared by Martin Benum, Senior Consultant of ERA, whose curriculum vitae is available at www.era-inc.ca.

The 3rd Generation Incentive Rate Mechanism or related requirements of electricity distributors contains several of the "key parameters of the ratemaking framework" as found in the NGF Report: These are:

- *annual adjustment mechanism*
- *rebasing*
- *the term of the plan*
- *off-ramps, z-factors and deferral or variance accounts*
- *service quality monitoring*
- *financial reporting*
- *filing guidelines*

1.2 UNIQUE CHARACTERISTICS OF NRG

In order to achieve the objectives of introducing an incentive regulation mechanism, it is necessary to take into account certain unique characteristics of NRG, in the context of Ontario's three natural gas utilities that are actively regulated by the Ontario Energy Board. In particular, NRG operating scale is comparatively small, as can be seen from Table 1, below. As a result, NRG revenue risk associated with the loss of customers is comparatively high and the value of minimizing regulatory costs is increased since the per-customer cost of similar regulatory activities is significantly higher.

Table1: Scale of Ontario Natural Gas Distributors

	NRG (2009)	Union (2008)	Enbridge (2008)
Customers	6,870	1,309,430	1,865,020
Rate Base ($ million)	14	3,348	3,779
Throughput ($10^6 m^3$)	53	13,843	11,908

NRG compares more favourably to a number of smaller electricity distributors in Ontario both in size and in level of risk, than to Union and Enbridge.

In the Board's Decision EB-2010-0018 dated December 6, 2010 the Board agreed that NRG was more comparable to an electricity distributor when determining the applicants cost of capital. Page 26 of the decision noted the following:

> *The Board has a Cost of Capital policy in place that is applicable to all electric utilities and NRG's size and profile is similar to a number of electric utilities as opposed to the other two large gas utilities (Enbridge and Union). The Board*

policy on the appropriate equity ratio is 40% and is not considerably different from the ratio sought by NRG.

1.3 RECOMMENDATION

The primary recommendation of this evidence is propose using a similar version of the 3rd Generation Incentive Rate Mechanism based IRM that relies on a price cap index and productivity adjustments currently being used by electricity distributors.

2 THE PROPOSED NRG INCENTIVE REGULATION MECHANISM

This section outlines the proposed NRG IRM using the electricity 3rd Generation Incentive Rate Mechanism

2.1 *ANNUAL ADJUSTMENT MECHANISM*

The key component of the Boards electricity IRM process is the application of an annual price cap adjustment. This price cap adjustment is based on inflation less a prescribed productivity factor less a utility unique stretch factor, based on a Board benchmarking analysis. In March 2010 the Boards price cap adjustment was announced for application of rates effective May 1, 2011. The price cap adjustment set uses a GDP-IPI inflation factor of 1.3% less productivity of 0.72% less one of three stretch factors of 0.2%, 0.4% or 0.6%. In electricity this factor is applied against current distribution rates.

The Board applies a cohort benchmarking process to electricity distributors to establish stretch factors. Distributors who are evaluated as more efficient receive a stretch factor of 0.2% while those evaluated as being less efficient receive a stretch factor or 0.6%. The majority of distributors are evaluated and assigned a stretch factor of 0.4%. Hydro One Remote Communities Inc. (a first nation distributor) is a unique case as they are not included in the benchmarking process. The Board has allowed Hydro One Remotes a 0.2% stretch factor.

The challenge in adopting 3rd Generation Incentive Rate Mechanism's price cap index design for NRG would be the determination of the appropriate stretch factor. Without a cohort comparator the Board may wish to consider applying the average stretch factor, being 0.4% as a reasonable measure for NRG.

NRG rate adjustments normally coincide with its fiscal calendar year end with rate adjustments effective October 1. To date the Board has only calculated the electricity price cap adjustment for rates effective May 1 of each year. This will likely change to include rates effective January 1 of each year as electricity distributors now have the option to implement that date. For NRG this would require consideration of applying one or the other of these rates or having to prepare a separate calculation.

2.2 *REBASING*

In 2008, the Board announced the establishment of a new multi-year electricity distribution rate-setting plan, the 3rd Generation Incentive Rate Mechanism ("IRM") process, which would be used to adjust electricity distribution rates starting in 2009 for those distributors whose 2008 rates were rebased through a cost of service review. The basis of the IRM process provides for a mechanistic and formulaic adjustment to distribution rates and charges between cost of service applications.

NRG's rebased application for the 2010/2011 test year should serve as the rebasing that the Board expects to be undertaken to establish base rates for an IR period.

2.3 *THE TERM OF THE PLAN*

The term of the 3rd Generation Incentive Rate Mechanism is four years, the first being a re-basing followed by three years on IRM.

This may be considered an appropriate term to be applied to NRG.

2.4 *OFF-RAMPS, Z-FACTORS AND DEFERRAL OR VARIANCE ACCOUNTS*

The electricity IRM uses the ±300 basis point principle for off-ramp consideration.

Included in electricity IRM is Z-factor adjustments which includes a 50/50 sharing of changes to income taxes. Applications can also include other considerations such as LRAM/SSM, deferral and variance account adjustments, plus other adjustments unique to electricity distributors. The Board also has consideration for implementation of large capital expenditure projects within an IRM period, to ward off the impact of lumpy capital investment requirements. Under this process the Board applies a principle of incremental revenue requirement, which is an extension of rate revenue recovery for specific projects.

A factor that is unique to NRG that would be appropriate to identify explicitly as a Z-factor is the possible decommissioning costs associated with the IGPC ethanol plant, should it be shut down due to economic conditions. This factor is unique to NRG and is consistent with the general Z-factor criteria.

2.5 *SERVICE QUALITY MONITORING*

Service quality monitoring has been addressed outside of the IRM framework. This issue is therefore not addressed as part of the NRG IRM proposal on the expectation that service quality monitoring will be addressed in a similar fashion at NRG.

2.6 *FINANCIAL REPORTING*

As both Union and Enbridge agreed to make their RRR filings available to intervenors it would be appropriate for NRG to make the same commitment. Given the importance of minimizing NRG's regulatory costs given its small scale, it would be appropriate to avoid any additional filing requirements.

2.7 *FILING GUIDELINES*

The Board updates its 3rd Generation Incentive Rate Mechanism filing guidelines annually.

Adapting this process to be consistent with NRG's rate year and proposed IRM, it would be appropriate for NRG's annual rate adjustments to be made in accordance with the following process:

1. NRG will make application for Z factor adjustments, any structural rate design changes or the pricing of new regulated services in a time frame that will

enable these issues to be resolved in sufficient time to be reflected prospectively in the next year's rates;

2. NRG will file a draft rate order with supporting documentation by July 31 which reflects the impact of the fixed price escalator, Z factors, and fixed monthly charge changes;

3. A final rate order will be issued by September 7 for implementation by October 1.

Distributor Information

Distributor Name	Natural Resource Gas Limited
OEB Application Number	EB-2010-0018

Name of LDC: Natural Resource Gas Limited
OEB Application Number: EB-2010-0018

Current Distribution Tariff Sheet Rates

Rate Group	Monthly Service Charge	Delivery First 1,000 m^3	Delivery Over 1,000 m^3	Delivery Next 24,000 m^3	Delivery Over 25,000 m^3	Delivery - Firm	Demand - Firm	Commodity	Delivery - Int - Lower	Delivery - Int - Upper
RATE 1 - General Service Rate - Residential	13.50	15.2693	10.5114					0.0363		
RATE 1 - General Service Rate - Commercial	13.50	15.2693	10.5114					0.0363		
RATE 1 - General Service Rate - Industrial	13.50	15.2693	10.5114					0.0363		
RATE 2 - Seasonal Service - Apr to Oct	15.00	13.6663		9.4656	6.1649			0.0363		
RATE 2 - Seasonal Service - Nov to Mar	15.00	17.4955		15.6678	15.2624			0.0363		
RATE 3 - Special Large Volume Contract Rate	150.00					3.7310	29.0451	0.0363	7.9412	10.9612
RATE 4 - General Service Peaking - Apr to Dec	15.00	14.6669	10.5029					0.0363		
RATE 4 - General Service Peaking - Jan to Mar	15.00	18.8433	16.8748					0.0363		
RATE 5 - Interruptible Peaking Contract Rate	150.00					6.8736 [1]		0.0363	5.4612	8.4612
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	150.00					3.7310	18.1692		7.9412	10.9612

[1] Placeholder rate for average application

Name of LDC: **Natural Resource Gas Limited**

OEB Application Number: **EB-2010-0018**

Re-Basing Billing Determinants

Rate Group	Monthly Service Charge	Delivery First 1,000 m^3	Delivery Over 1,000 m^3	Delivery Next 24,000 m^3	Delivery Over 25,000 m^3	Delivery - Firm	Demand - Firm	Commodity	Delivery - Int - Lower	Delivery - Int - Upper
RATE 1 - General Service Rate - Residential	6,560	12,369,781	733,800					13,103,581		
RATE 1 - General Service Rate - Commercial	414	1,760,200	2,371,550					4,131,750		
RATE 1 - General Service Rate - Industrial	42	131,100	466,928					598,028		
RATE 2 - Seasonal Service - Apr to Oct	73	123,779		329,621	-			453,400		
RATE 2 - Seasonal Service - Nov to Mar	73	5,688		43,772	-			49,460		
RATE 3 - Special Large Volume Contract Rate	4					2,195,299	256,932	2,195,299		
RATE 4 - General Service Peaking - Apr to Dec	23	215,710	221,214					436,924		
RATE 4 - General Service Peaking - Jan to Mar	23	4,368	12,970					17,338		
RATE 5 - Interruptible Peaking Contract Rate	5					947,162		947,162		
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	1					33,416,816	1,298,256			
	7,122	14,610,626	3,806,462	373,393	-	36,559,277	1,555,188	21,932,942	-	-

GD Rate Generator *release 1.0* © Elenchus Research Associates

Name of LDC: **Natural Resource Gas Limited**

OEB Application Number: **EB-2010-0018**

Revenue Requirement from Rates

Rate Group	Monthly Service Charge	Delivery First 1,000 m^3	Delivery Over 1,000 m^3	Delivery Next 24,000 m^3	Delivery Over 25,000 m^3	Demand - Firm	Delivery - Firm	Commodity	Delivery - Int - Lower	Delivery - Int - Upper	Total
RATE 1 - General Service Rate - Residential	$ 1,062,707	$ 1,888,779	$ 77,133	$ -	$ -	$ -	$ -	$ 4,757	$ -	$ -	$ 3,033,375
RATE 1 - General Service Rate - Commercial	$ 67,068	$ 268,770	$ 249,283	$ -	$ -	$ -	$ -	$ 1,500	$ -	$ -	$ 586,621
RATE 1 - General Service Rate - Industrial	$ 6,804	$ 20,018	$ 49,081	$ -	$ -	$ -	$ -	$ 217	$ -	$ -	$ 76,120
RATE 2 - Seasonal Service - Apr to Oct	$ 7,665	$ 16,916	$ -	$ 31,201	$ -	$ -	$ -	$ 165	$ -	$ -	$ 55,946
RATE 2 - Seasonal Service - Nov to Mar	$ 5,475	$ 995	$ -	$ 6,858	$ -	$ -	$ -	$ 18	$ -	$ -	$ 13,346
RATE 3 - Special Large Volume Contract Rate	$ 7,200	$ -	$ -	$ -	$ -	$ 81,907	$ 74,626	$ 797	$ -	$ -	$ 164,530
RATE 4 - General Service Peaking - Apr to Dec	$ 3,105	$ 31,638	$ 23,234	$ -	$ -	$ -	$ -	$ 159	$ -	$ -	$ 58,136
RATE 4 - General Service Peaking - Jan to Mar	$ 1,035	$ 823	$ 2,189	$ -	$ -	$ -	$ -	$ 6	$ -	$ -	$ 4,053
RATE 5 - Interruptible Peaking Contract Rate	$ 9,000	$ -	$ -	$ -	$ -	$ 65,104	$ -	$ 344	$ -	$ -	$ 74,448
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	$ 1,800	$ -	$ -	$ -	$ -	$ 1,246,781	$ 235,883	$ -	$ -	$ -	$ 1,484,464
	$ 1,171,859	$ 2,227,939	$ 400,919	$ 38,059	$ -	$ 1,393,792	$ 310,509	$ 7,962	$ -	$ -	$ 5,551,038

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Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Current Rate Riders

Description	Foregone Revenue	PGTVA/REDA	System Gas Over-Recovery
Effective Until	September 30, 2011	September 30, 2011	September 30, 2011
	per customer per month	per customer per month	per m^3
Rate Group			
RATE 1 - General Service Rate - Residential	1.41	2.50	(0.141340)
RATE 1 - General Service Rate - Commercial	1.41	2.50	(0.141340)
RATE 1 - General Service Rate - Industrial	1.41	2.50	(0.141340)
RATE 2 - Seasonal Service - Apr to Oct	0.24	14.00	(0.141340)
RATE 2 - Seasonal Service - Nov to Mar	0.24	14.00	(0.141340)
RATE 3 - Special Large Volume Contract Rate	132.09	120.00	(0.141340)
RATE 4 - General Service Peaking - Apr to Dec	5.56	9.51	(0.141340)
RATE 4 - General Service Peaking - Jan to Mar	5.56	9.51	(0.141340)
RATE 5 - Interruptible Peaking Contract Rate	359.58	94.37	(0.141340)
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	(5,731.18)	(24,009.29)	

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Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 1 Price Cap Adjustment

GDP-IPI	1.30%
Less Productivity	0.72%
Less Stretch Factor	0.40%
Price Cap Adjustment	0.18%

	Current Rate	Price Cap	Adjusted Rates	Billing Determinants	Revenue Requirement		Balanced Rates	Revenue Requirement
Monthly Service Charge	13.50	0.18%	13.52	7,016	1,138,624	No Change	13.50	1,136,579
Delivery First 1,000 m3	15.2693	0.18%	15.2968	14,261,081	2,181,487	Re-Balance	15.3111	2,183,527
Delivery Over 1,000 m3	10.5114	0.18%	10.5303	3,572,277	376,172	Change	10.5303	376,172
Commodity	0.0363	0.18%	0.0364	17,833,358	6,485	Change	0.0364	6,491
					3,702,769			3,702,769
								-

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 2 Price Cap Adjustment

GDP-IPI	1.30%
Less Productivity	0.72%
Less Stretch Factor	0.40%
Price Cap Adjustment	0.18%

	Current Rate	Price Cap	Adjusted Rates	Billing Determinants	Revenue Requirement		Balanced Rates	Revenue Requirement
Monthly Service Charge	15.00	0.18%	15.03	73	13,164	No Change	15.00	13,140
Delivery First 1,000 m3 - Apr To Oct	13.6663	0.18%	13.6909	123,779	16,946	Re-Balance	13.7100	16,970
Delivery Next 24,000 m3 - Apr To Oct	9.4656	0.18%	9.4826	329,621	31,257	Change	9.4826	31,257
Delivery Over 25,000 m3 - Apr To Oct	6.1649	0.18%	6.1760	-	-	Change	6.1760	-
Delivery First 1,000 m3 - Nov To Mar	17.4955	0.18%	17.5270	5,688	997	Change	17.5270	997
Delivery Next 24,000 m3 - Nov To Mar	15.6678	0.18%	15.6960	43,772	6,870	Change	15.6960	6,870
Delivery Over 25,000 m3 - Nov To Mar	15.2624	0.18%	15.2899	-	-	Change	15.2899	-
Commodity	0.0363	0.18%	0.0364	502,860	183	Change	0.0364	183
					69,417			69,417
								-

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 3 Price Cap Adjustment

GDP-IPI	1.30%
Less Productivity	0.72%
Less Stretch Factor	0.40%
Price Cap Adjustment	0.18%

	Current Rate	Price Cap	Adjusted Rates	Billing Determinants	Revenue Requirement		Balanced Rates	Revenue Requirement
Monthly Service Charge	150.00	0.18%	150.27	4	7,213	No Change	150.00	7,200
Delivery Firm	3.7310	0.18%	3.7377	2,195,299	82,054	Re-Balance	3.7383	82,066
Demand Firm	29.0451	0.18%	29.0974	256,932	74,760	Change	29.0974	74,761
Commodity	0.0363	0.18%	0.0364	2,195,299	798	Change	0.0364	799
					164,826			164,826
								-

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Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 4 Price Cap Adjustment

GDP-IPI	1.30%
Less Productivity	0.72%
Less Stretch Factor	0.40%
Price Cap Adjustment	0.18%

	Current Rate	Price Cap	Adjusted Rates	Billing Determinants	Revenue Requirement		Balanced Rates	Revenue Requirement
Monthly Service Charge	15.00	0.18%	15.03	23	4,147	No Change	15.00	4,140
Delivery First 1,000 m3 - Apr To Dec	14.6669	0.18%	14.6933	215,710	31,695	Re-Balance	14.6967	31,702
Delivery Over 1,000 m3 - Apr To Dec	10.5029	0.18%	10.5218	221,214	23,276	Change	10.5218	23,276
Delivery First 1,000 m3 - Jan To Mar	18.8433	0.18%	18.8772	4,368	825	Change	18.8772	825
Delivery Over 1,000 m3 - Jan To Mar	16.8748	0.18%	16.9052	12,970	2,193	Change	16.9052	2,193
Commodity	0.0363	0.18%	0.0364	454,263	165	Change	0.0364	165
					62,301			62,301
								-

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 5 Price Cap Adjustment

GDP-IPI	1.30%
Less Productivity	0.72%
Less Stretch Factor	0.40%
Price Cap Adjustment	0.18%

	Current Rate	Price Cap	Adjusted Rates	Billing Determinants	Revenue Requirement		Balanced Rates	Revenue Requirement
Monthly Service Charge	150.00	0.18%	150.27	5	9,016	No Change	150.00	9,000
Delivery Firm	6.8736	0.18%	6.8860	947,162	65,221	Re-Balance	6.8876	65,237
Commodity	0.0363	0.18%	0.0364	947,162	344	Change	0.0364	345
					74,582			74,582
								-

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 6 Price Cap Adjustment

GDP-IPI	1.30%
Less Productivity	0.72%
Less Stretch Factor	0.40%
Price Cap Adjustment	0.18%

	Current Rate	Price Cap	Adjusted Rates	Billing Determinants	Revenue Requirement		Balanced Rates	Revenue Requirement
Monthly Service Charge	150.00	0.18%	150.27	1	1,803	No Change	150.00	1,800
Delivery Firm	3.7310	0.18%	3.7377	33,416,816	1,249,026	Re-Balance	3.7377	1,249,029
Demand Firm	18.1692	0.18%	18.2019	1,298,256	236,307	Change	18.2019	236,307
					1,487,136			1,487,136
								-

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Proposed Distribution Tariff Sheet Rates

Rate Group	Monthly Service Charge	Delivery First 1,000 m^3	Delivery Over 1,000 m^3	Delivery Next 24,000 m^3	Delivery Over 25,000 m^3	Delivery - Firm	Demand - Firm	Commodity	Delivery - Int Lower	Delivery - Int Upper
RATE 1 - General Service Rate - Residential	13.50	15.3111	10.5303					0.0364		
RATE 1 - General Service Rate - Commercial	13.50	15.3111	10.5303					0.0364		
RATE 1 - General Service Rate - Industrial	13.50	15.3111	10.5303					0.0364		
RATE 2 - Seasonal Service - Apr to Oct	15.00	13.7100		9.4826	6.1760			0.0364		
RATE 2 - Seasonal Service - Nov to Mar	15.00	17.5270		15.6960	15.2899			0.0364		
RATE 3 - Special Large Volume Contract Rate	150.00					3.7383	29.0974	0.0364	7.9412	10.9612
RATE 4 - General Service Peaking - Apr to Dec	15.00	14.6967	10.5218					0.0364		
RATE 4 - General Service Peaking - Jan to Mar	15.00	18.8772	16.9052					0.0364		
RATE 5 - Interruptible Peaking Contract Rate	150.00					6.8876 [1]		0.0364	5.4612	8.4612
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	150.00					3.7377	18.2019		7.9412	10.9612

[1] Placeholder rate for average application

Name of LDC: **Natural Resource Gas Limited**
OEB Application Number: **EB-2010-0018**

Re-Basing Billing Determinants

Rate Group	Monthly Service Charge	Delivery First 1,000 m^3	Delivery Over 1,000 m^3	Delivery Next 24,000 m^3	Delivery Over 25,000 m^3	Delivery - Firm	Demand - Firm	Commodity	Delivery - Int - Lower	Delivery - Int - Upper
RATE 1 - General Service Rate - Residential	6,560	12,369,781	733,800	-	-	-	-	13,103,581	-	-
RATE 1 - General Service Rate - Commercial	414	1,760,200	2,371,550	-	-	-	-	4,131,750	-	-
RATE 1 - General Service Rate - Industrial	42	131,100	466,928	-	-	-	-	598,028	-	-
RATE 2 - Seasonal Service - Apr to Oct	73	123,779	-	329,621	-	-	-	453,400	-	-
RATE 2 - Seasonal Service - Nov to Mar	73	5,688	-	43,772	-	-	-	49,460	-	-
RATE 3 - Special Large Volume Contract Rate	4	-	-	-	-	2,195,299	256,932	2,195,299	-	-
RATE 4 - General Service Peaking - Apr to Dec	23	215,710	221,214	-	-	-	-	436,924	-	-
RATE 4 - General Service Peaking - Jan to Mar	23	4,368	12,970	-	-	-	-	17,338	-	-
RATE 5 - Interruptible Peaking Contract Rate	5	-	-	-	-	947,162	-	947,162	-	-
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	1	-	-	-	-	33,416,816	1,298,256	-	-	-

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Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Revenue Requirement from Rates

Rate Group	Monthly Service Charge	Delivery First 1,000 m^3	Delivery Over 1,000 m^3	Delivery Next 24,000 m^3	Delivery Over 25,000 m^3	Demand - Firm	Delivery - Firm	Commodity	Delivery - Int - Lower	Delivery - Int - Upper	Total
RATE 1 - General Service Rate - Residential	$ 1,062,707	$ 1,893,949	$ 77,271	$ -	$ -	$ -	$ -	$ 4,770	$ -	$ -	$ 3,038,696
RATE 1 - General Service Rate - Commercial	$ 67,068	$ 269,506	$ 249,731	$ -	$ -	$ -	$ -	$ 1,504	$ -	$ -	$ 587,809
RATE 1 - General Service Rate - Industrial	$ 6,804	$ 20,073	$ 49,169	$ -	$ -	$ -	$ -	$ 218	$ -	$ -	$ 76,263
RATE 2 - Seasonal Service - Apr to Oct	$ 7,665	$ 16,970	$ -	$ 31,257	$ -	$ -	$ -	$ 165	$ -	$ -	$ 56,057
RATE 2 - Seasonal Service - Nov to Mar	$ 5,475	$ 997	$ -	$ 6,870	$ -	$ -	$ -	$ 18	$ -	$ -	$ 13,360
RATE 3 - Special Large Volume Contract Rate	$ 7,200	$ -	$ -	$ -	$ -	$ 82,066	$ 74,761	$ 799	$ -	$ -	$ 164,826
RATE 4 - General Service Peaking - Apr to Dec	$ 3,105	$ 31,702	$ 23,276	$ -	$ -	$ -	$ -	$ 159	$ -	$ -	$ 58,242
RATE 4 - General Service Peaking - Jan to Mar	$ 1,035	$ 825	$ 2,193	$ -	$ -	$ -	$ -	$ 6	$ -	$ -	$ 4,059
RATE 5 - Interruptible Peaking Contract Rate	$ 9,000	$ -	$ -	$ -	$ -	$ 65,237	$ -	$ 345	$ -	$ -	$ 74,582
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Produ	$ 1,800	$ -	$ -	$ -	$ -	$ 1,249,029	$ 236,307	$ -	$ -	$ -	$ 1,487,136
	$ 1,171,859	$ 2,234,021	$ 401,640	$ 38,127	$ -	$ 1,396,332	$ 311,068	$ 7,984	$ -	$ -	$ 5,561,030

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Tax Sharing Rate Rider

	2010	**2011**	**2012**	**2013**	**2014**
Regulatory Taxable Income	793,363	793,363	793,363	793,363	793,363
Federal Income Tax Rate	16.875%	15.375%	15.000%	15.000%	15.000%
Federal Income Tax	133,880	121,980	119,004	119,004	119,004
Provincial Income Tax					
Provincial Income Tax Rate - First $500,000	4.50%	4.50%	4.50%	4.50%	4.50%
Provincial Income Tax - First $500,000	22,500	22,500	22,500	22,500	22,500
Provincial Income Tax Rate - Over $500,000	11.875%	11.625%	11.063%	10.375%	10.000%
Provincial Income Tax - Over $500,000	34,837	34,103	32,453	30,436	29,336
Total Income Taxes Payable	191,217	178,583	173,958	171,941	170,841
Effective Tax Rate	24.1%	22.5%	21.9%	21.7%	21.5%
Grossed up Income Tax	251,939	230,458	222,813	219,515	217,725
Change in Income Taxes		21,481	29,126	32,424	34,214
50 % Change in Taxes		**10,741**	**14,563**	**16,212**	**17,107**

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Allocation of Shared Tax Sharing

Rate Group	Revenue By Rate Class	Proportionate Revenue	Shared Tax Sharing	Number of Customers	Number of Months	Fixed Rate Rider
RATE 1 - General Service Rate	3,696,116	66.6%	(7,152)	7,016	12	(0.08)
RATE 2 - Seasonal Service	69,292	1.2%	(134)	73	12	(0.15)
RATE 3 - Special Large Volume Contract Rate	164,530	3.0%	(318)	4	12	(6.63)
RATE 4 - General Service Peaking	62,189	1.1%	(120)	23	12	(0.44)
RATE 5 - Interruptible Peaking Contract Rate	74,448	1.3%	(144)	5	12	(2.40)
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	1,484,464	26.7%	(2,872)	1	12	(239.35)
	5,551,038	100.0%	(10,741)	7,122		

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Proposed Rate Riders

Description	Shared Tax Savings
Effective Until	September 30, 2012
	Per Customer Per Month
Rate Group	
RATE 1 - General Service Rate - Residential	(0.08)
RATE 1 - General Service Rate - Commercial	(0.08)
RATE 1 - General Service Rate - Industrial	(0.08)
RATE 2 - Seasonal Service - Apr to Oct	(0.15)
RATE 2 - Seasonal Service - Nov to Mar	(0.15)
RATE 3 - Special Large Volume Contract Rate	(6.63)
RATE 4 - General Service Peaking - Apr to Dec	(0.44)
RATE 4 - General Service Peaking - Jan to Mar	(0.44)
RATE 5 - Interruptible Peaking Contract Rate	(2.40)
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	(239.35)

Name of LDC: **Natural Resource Gas Limited**

OEB Application Number: **EB-2010-0018**

Rate 1 Delivery Bill Impact

Rate 1 - Residential

		Current Rate	Proposed Rate
Customer		13.50	13.50
Block 1 (First 1,000 m^3 per month)		15.2693	15.3111
Block 2 (Over 1,000 m^3 per month)		10.5114	10.5303
System Gas Charge		0.0363	0.0364
Rate Riders			
Foregone Revenue		1.41	
PGTVA/REDA		2.50	
System Gas Over-Recovery		(0.141340)	
Shared Tax Savings			(0.08)
Average Annual Consumption			
Block 1 (First 1,000 m^3 per month)	2,002		
Block 2 (Over 1,000 m^3 per month)	-		

Delivery	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	12	162.00	162.00	-	0.0%
Block 1 (First 1,000 m^3 per month)	2,002	305.69	306.53	0.84	0.3%
Block 2 (Over 1,000 m^3 per month)	-	-	-	-	0.0%
System Gas Charge	2,002	0.73	0.73	-	0.0%
Total Delivery		**468.42**	**469.26**	**0.84**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	7	9.87	0.00	(9.87)	-100.0%
PGTVA/REDA	7	17.50	0.00	(17.50)	-100.0%
System Gas Over-Recovery	2002	(2.83)	0.00	2.83	-100.0%
Shared Tax Savings	12	0.00	(0.96)	(0.96)	100.0%
Total Rate Riders		**24.54**	**(0.96)**	**(25.50)**	**-103.9%**
Total Bill Impact		**492.96**	**468.30**	**(24.66)**	**-5.0%**

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 1 - Commercial

	Current Rate	Proposed Rate
Customer	13.50	13.50
Block 1 (First 1,000 m^3 per month)	15.2693	15.3111
Block 2 (Over 1,000 m^3 per month)	10.5114	10.5303
System Gas Charge	0.0363	0.0364
Rate Riders		
Foregone Revenue	1.41	
PGTVA/REDA	2.50	
System Gas Over-Recovery	(0.141340)	
Shared Tax Savings		(0.08)

Average Annual Consumption	
Block 1 (First 1,000 m^3 per month)	7,495
Block 2 (Over 1,000 m^3 per month)	2,485

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	12	162.00	162.00	-	0.0%
Block 1 (First 1,000 m^3 per month)	7,495	1,144.48	1,147.61	3.13	0.3%
Block 2 (Over 1,000 m^3 per month)	2,485	261.18	261.65	0.47	0.2%
System Gas Charge	9,980	3.62	3.63	0.01	0.3%
Total Delivery		**1,571.28**	**1,574.89**	**3.61**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	7	9.87	0.00	(9.87)	-100.0%
PGTVA/REDA	7	17.50	0.00	(17.50)	-100.0%
System Gas Over-Recovery	9,980	(14.11)	0.00	14.11	-100.0%
Shared Tax Savings	12	0.00	(0.96)	(0.96)	100.0%
Total Rate Riders		**13.26**	**(0.96)**	**(14.22)**	**-107.2%**
Total Bill Impact		**1,584.54**	**1,573.93**	**(10.61)**	**-0.7%**

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Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 1 - Industrial

		Current Rate	Proposed Rate
Customer		13.50	13.50
Block 1 (First 1,000 m^3 per month)		15.2693	15.3111
Block 2 (Over 1,000 m^3 per month)		10.5114	10.5303
System Gas Charge		0.0363	0.0364
Rate Riders			
Foregone Revenue		1.41	
PGTVA/REDA		2.50	
System Gas Over-Recovery		(0.141340)	
Shared Tax Savings			(0.08)
Average Annual Consumption			
Block 1 (First 1,000 m^3 per month)	8,674		
Block 2 (Over 1,000 m^3 per month)	5,565		

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	12	162.00	162.00	-	0.0%
Block 1 (First 1,000 m^3 per month)	8,674	1,324.45	1,328.08	3.63	0.3%
Block 2 (Over 1,000 m^3 per month)	5,565	584.94	585.99	1.05	0.2%
System Gas Charge	14,239	5.17	5.18	0.01	0.3%
Total Delivery		**2,076.56**	**2,081.25**	**4.69**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	7	9.87	0.00	(9.87)	-100.0%
PGTVA/REDA	7	17.50	0.00	(17.50)	-100.0%
System Gas Over-Recovery	14,239	(20.13)	0.00	20.13	-100.0%
Shared Tax Savings	12	0.00	(0.96)	(0.96)	100.0%
Total Rate Riders		**7.24**	**(0.96)**	**(8.20)**	**-113.3%**
Total Bill Impact		**2,083.81**	**2,080.29**	**(3.51)**	**-0.2%**

Name of LDC: Natural Resource Gas Limited
OEB Application Number: EB-2010-0018

Rate 2 Delivery Bill Impact

Rate 2 - April to October

	Current Rate	Proposed Rate
Customer	15.00	15.00
Block 1 (First 1,000 m³ per month)	13.6663	13.7100
Block 2 (Next 24,000 m³ per month)	9.4656	9.4826
Block 3 (Over 25,000 m³ per month)	6.1649	6.1760
System Gas Charge	0.0363	0.0364
Rate Riders		
Foregone Revenue	0.24	
PGTVA/REDA	14.00	
System Gas Over-Recovery	(0.141340)	
Shared Tax Savings		(0.15)

Average Seasonal Consumption	
Block 1 (First 1,000 m³ per month)	2,831
Block 2 (Next 24,000 m³ per month)	3,380
Block 3 (Over 25,000 m³ per month)	0

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	7	105.00	105.00	-	0.0%
Block 1 (First 1,000 m³ per month)	2,831	386.92	388.16	1.24	0.3%
Block 2 (Next 24,000 m³ per month)	3,380	319.92	320.49	0.57	0.2%
Block 3 (Over 25,000 m³ per month)	0	0.00	0.00	0.00	0.2%
System Gas Charge	6,211	2.25	2.26	0.01	0.3%
Total Delivery		**814.09**	**815.91**	**1.82**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	6	1.44	0.00	(1.44)	-100.0%
PGTVA/REDA	6	84.00	0.00	(84.00)	-100.0%
System Gas Over-Recovery	6211	(8.78)	0.00	8.78	-100.0%
Shared Tax Savings	7	0.00	(1.05)	(1.05)	0.0%
Total Rate Riders		**76.66**	**(1.05)**	**(77.71)**	**-101.4%**
Total Bill Impact		**890.75**	**814.86**	**(75.89)**	**-8.5%**

Rate 2 - November to March

		Current Rate	Proposed Rate
Customer		15.00	15.00
Block 1 (First 1,000 m^3 per month)		17.4955	17.5270
Block 2 (Next 24,000 m^3 per month)		15.6678	15.6960
Block 3 (Over 25,000 m^3 per month)		15.2624	15.2899
System Gas Charge		0.0363	0.0364
Rate Riders			
Foregone Revenue		0.24	
PGTVA/REDA		14.00	
System Gas Over-Recovery		(0.141340)	
Shared Tax Savings			(0.15)
Average Seasonal Consumption			
Block 1 (First 1,000 m^3 per month)	678		
Block 2 (Next 24,000 m^3 per month)	-		
Block 3 (Over 25,000 m^3 per month)	-		

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	5	75.00	75.00	-	0.0%
Block 1 (First 1,000 m^3 per month)	678	118.55	118.76	0.21	0.2%
Block 2 (Next 24,000 m^3 per month)	-	-	-	-	0.0%
Block 3 (Over 25,000 m^3 per month)	-	-	-	-	0.0%
System Gas Charge	678	0.25	0.25	0.00	0.3%
Total Delivery		**193.80**	**194.01**	**0.21**	**0.1%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	1	0.24	0.00	(0.24)	-100.0%
PGTVA/REDA	1	14.00	0.00	(14.00)	-100.0%
System Gas Over-Recovery	677.6	(0.96)	0.00	0.96	-100.0%
Shared Tax Savings	5	0.00	(0.75)	(0.75)	0.0%
Total Rate Riders		**13.28**	**(0.75)**	**(14.03)**	**-105.6%**
Total Bill Impact		**207.08**	**193.26**	**(13.82)**	**-6.7%**

Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 2 - Annual

		Current Rate	Proposed Rate
Average Annual Consumption			
Block 1 (First 1,000 m^3 per month)	3,509		
Block 2 (Next 24,000 m^3 per month)	3,380		
Block 3 (Over 25,000 m^3 per month)	0		

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	12	180.00	180.00	-	0.0%
Block 1 (First 1,000 m^3 per month)	3,509	505.47	506.92	1.45	0.3%
Block 2 (Next 24,000 m^3 per month)	3,380	319.92	320.49	0.57	0.2%
Block 3 (Over 25,000 m^3 per month)	0	0.00	0.00	0.00	0.2%
System Gas Charge	6,889	2.50	2.51	0.01	0.3%
Total Delivery		**1,007.89**	**1,009.92**	**2.03**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	7	1.68	0.00	(1.68)	-100.0%
PGTVA/REDA	7	98.00	0.00	(98.00)	-100.0%
System Gas Over-Recovery	6888.6	(9.74)	0.00	9.74	-100.0%
Shared Tax Savings	12	0.00	(1.80)	(1.80)	100.0%
Total Rate Riders		**89.94**	**(1.80)**	**(91.74)**	**-102.0%**
Total Bill Impact		**1,097.83**	**1,008.12**	**(89.71)**	**-8.2%**

Name of LDC: **Natural Resource Gas Limited**
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Rate 3 Delivery Bill Impact

Special Large Volume Contract Rate

		Current Rate	Proposed Rate
Customer		150.00	150.00
Delivery - Firm		3.7310	3.7383
Demand - Firm		29.0451	29.0974
System Gas Charge		0.0363	0.0364
Rate Riders			
Foregone Revenue		132.09	
PGTVA/REDA		120.00	
System Gas Over-Recovery		(0.141340)	
Shared Tax Savings			(6.63)
Average Annual Consumption			
Delivery - Firm	548,825		
Demand - Firm	64,233		

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	12	1,800.00	1,800.00	-	0.0%
Delivery - Firm	548,825	20,476.65	20,516.55	39.90	0.2%
Demand - Firm	64,233	18,656.54	18,690.13	33.59	0.2%
System Gas Charge	548,825	199.22	199.77	0.55	0.3%
Total Delivery		**41,132.41**	**41,206.45**	**74.04**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	7	924.63	0.00	(924.63)	-100.0%
PGTVA/REDA	7	840.00	0.00	(840.00)	-100.0%
System Gas Over-Recovery	548824.77	(775.71)	0.00	775.71	-100.0%
Shared Tax Savings	12	0.00	(79.56)	(79.56)	100.0%
Total Rate Riders		**988.92**	**(79.56)**	**(1,068.48)**	**-108.0%**
Total Bill Impact		**42,121.34**	**41,126.89**	**(994.44)**	**-2.4%**

Rate 4 Delivery Bill Impact

Rate 4 - April to December

		Current Rate	Proposed Rate
Customer		15.00	15.00
Block 1 (First 1,000 m^3 per month)		14.6669	14.6967
Block 2 (Over 1,000 m^3 per month)		10.5029	10.5218
System Gas Charge		0.0363	0.0364
Rate Riders			
Foregone Revenue		5.56	
PGTVA/REDA		9.51	
System Gas Over-Recovery		(0.141340)	
Shared Tax Savings			(0.44)
Average Seasonal Consumption			
Block 1 (First 1,000 m^3 per month)	5,580		
Block 2 (Over 1,000 m^3 per month)	13,417		

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	9	135.00	135.00	-	0.0%
Block 1 (First 1,000 m^3 per month)	5,580	818.37	820.04	1.66	0.2%
Block 2 (Over 1,000 m^3 per month)	13,417	1,409.17	1,411.71	2.54	0.2%
System Gas Charge	18,997	6.90	6.91	0.02	0.3%
Total Delivery		**2,369.44**	**2,373.66**	**4.22**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	6	33.36	0.00	(33.36)	-100.0%
PGTVA/REDA	6	57.06	0.00	(57.06)	-100.0%
System Gas Over-Recovery	18,997	(26.85)	0.00	26.85	-100.0%
Shared Tax Savings	9	0.00	(3.96)	(3.96)	100.0%
Total Rate Riders		**63.57**	**(3.96)**	**(67.53)**	**-106.2%**
Total Bill Impact		**2,433.01**	**2,369.70**	**(63.31)**	**-2.6%**

Name of LDC: Natural Resource Gas Limited
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Rate 4 - January to March

		Current Rate	Proposed Rate
Customer		15.00	15.00
Block 1 (First 1,000 m^3 per month)		18.8433	18.8772
Block 2 (Over 1,000 m^3 per month)		16.8748	16.9052
System Gas Charge		0.0363	0.0364
Rate Riders			
Foregone Revenue		5.56	
PGTVA/REDA		9.51	
System Gas Over-Recovery		(0.141340)	
Shared Tax Savings			(0.44)
Average Seasonal Consumption			
Block 1 (First 1,000 m^3 per month)	754		
Block 2 (Over 1,000 m^3 per month)	-		

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	3	45.00	45.00	-	0.0%
Block 1 (First 1,000 m^3 per month)	754	142.05	142.30	0.26	0.2%
Block 2 (Over 1,000 m^3 per month)	-	-	-	-	0.0%
System Gas Charge	754	0.27	0.27	0.00	0.3%
Total Delivery		**187.32**	**187.58**	**0.26**	**0.1%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	1	5.56	0.00	(5.56)	-100.0%
PGTVA/REDA	1	9.51	0.00	(9.51)	-100.0%
System Gas Over-Recovery	754	(1.07)	0.00	1.07	-100.0%
Shared Tax Savings	3	0.00	(1.32)	(1.32)	100.0%
Total Rate Riders		**14.00**	**(1.32)**	**(15.32)**	**-109.4%**
Total Bill Impact		**201.33**	**186.26**	**(15.07)**	**-7.5%**

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Name of LDC: Natural Resource Gas Limited

OEB Application Number: EB-2010-0018

Rate 4 - Annual

		Current Rate	Proposed Rate		
Average Annual Consumption					
Block 1 (First 1,000 m^3 per month)	6,334				
Block 2 (Over 1,000 m^3 per month)	13,417				

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	12	180.00	180.00	-	0.0%
Block 1 (First 1,000 m^3 per month)	6,334	960.42	962.34	1.92	0.2%
Block 2 (Over 1,000 m^3 per month)	13,417	1,409.17	1,411.71	2.54	0.2%
System Gas Charge	19,751	7.17	7.19	0.02	0.3%
Total Delivery		**2,556.77**	**2,561.24**	**4.47**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	7	38.92	0.00	(38.92)	-100.0%
PGTVA/REDA	7	66.57	0.00	(66.57)	-100.0%
System Gas Over-Recovery	19,751	(27.92)	0.00	27.92	-100.0%
Shared Tax Savings	12	0.00	(5.28)	(5.28)	100.0%
Total Rate Riders		**77.57**	**(5.28)**	**(82.85)**	**-106.8%**
Total Bill Impact		**2,634.34**	**2,555.96**	**(78.38)**	**-3.0%**

Name of LDC: Natural Resource Gas Limited

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Rate 5 Delivery Bill Impact

Interruptible Peaking Contract Rate

	Current Rate	Proposed Rate
Customer	150.00	150.00
Delivery - Firm	6.8736	6.8876
System Gas Charge	0.0363	0.0364
Rate Riders		
Foregone Revenue	359.58	
PGTVA/REDA	94.37	
System Gas Over-Recovery	(0.141340)	
Shared Tax Savings		(2.40)

Average Annual Consumption

Delivery - Firm 189,432

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	12	1,800.00	1,800.00	-	0.0%
Delivery - Firm	189,432	13,020.82	13,047.43	26.61	0.2%
System Gas Charge	189,432	68.76	68.95	0.19	0.3%
Total Delivery		**14,889.59**	**14,916.39**	**26.80**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	7	2,517.06	0.00	(2,517.06)	-100.0%
PGTVA/REDA	7	660.59	0.00	(660.59)	-100.0%
System Gas Over-Recovery	189,432	(267.74)	0.00	267.74	-100.0%
Shared Tax Savings	12	0.00	(28.80)	(28.80)	100.0%
Total Rate Riders		**2,909.91**	**(28.80)**	**(2,938.71)**	**-101.0%**
Total Bill Impact		**17,799.49**	**14,887.59**	**(2,911.91)**	**-16.4%**

GD Rate Generator release 1.0 © Elenchus Research Associates

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Rate 6 Delivery Bill Impact

Special Large Volume Contract Rate

		Current Rate	Proposed Rate
Customer		150.00	150.00
Delivery - Firm		3.7310	3.7377
Demand - Firm		18.1692	18.2019
Rate Riders			
Foregone Revenue		(5,731.18)	
PGTVA/REDA		(24,009.29)	
Shared Tax Savings			(239.35)
Average Annual Consumption			
Delivery - Firm	33,416,816		
Demand - Firm	1,297,416		

	Metric	Current Rate	Proposed Rate	Change $	Change %
Customer	12	1,800.00	1,800.00	0.00	0.0%
Delivery - Firm	33,416,816	1,246,781.40	1,249,028.85	2,247.45	0.2%
Demand - Firm	1,297,416	235,730.11	236,154.42	424.31	0.2%
Total Delivery		**1,484,311.51**	**1,486,983.27**	**2,671.76**	**0.2%**

Rate Riders

Rate Riders	Metric	Current Rate	Proposed Rate	Change $	Change %
Foregone Revenue	7	(40,118.26)	0.00	40,118.26	-100.0%
PGTVA/REDA	7	(168,065.03)	0.00	168,065.03	-100.0%
Shared Tax Savings	12	0.00	(2,872.20)	(2,872.20)	100.0%
Total Rate Riders		**(208,183.29)**	**(2,872.20)**	**205,311.09**	**-98.6%**
Total Bill Impact		**1,276,128.22**	**1,484,111.07**	**207,982.85**	**16.3%**