

ONTARIO ENERGY BOARD

IN THE MATTER OF the Ontario Energy Board
Act, 1998, S.O. 1998, c.15 (Sched. B);

AND IN THE MATTER OF an Application by
Natural Resource Gas Limited for an order or orders
approving or fixing just and reasonable rates and
other charges for the sale, distribution, transmission
and storage of gas as of July 1, 2011;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2011-0059 Decision and Order dated March 22, 2011 the Board approved a PGCVA reference price of \$0.209207 per m³ and a gas supply charge of \$0.201891 per m³, both effective April 1, 2011.
2. Based on actual and forecast natural gas prices for the July, 2010 through June, 2011 period the PGCVA balance is projected to be a charge of approximately \$22 per residential customer.
3. NRG hereby applies to the Board for further orders effective July 1, 2011 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2011-0059 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.001783 per m³ from the Board approved level of \$0.209207 per m³ to \$0.210990 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2011-0059 Decision and Order to reflect a projected

\$0.003045 per m³ change in the gas supply charge from the Board approved level of \$0.201891 m³ to a projected cost of \$0.204936 per m³. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2010-0018.

5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- * Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. Friday, June 10, 2011.
- * NRG shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m., Monday, June 13, 2011
- * The Board issues its Decision and Order by Saturday, June 25, 2011 for implementation effective July 1, 2011.

6. The address of service for Natural Resource Gas Limited is:

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Dated at London, Ontario, this 3rd day of June, 2011.

NATURAL RESOURCE GAS LIMITED

Laurie O'Meara
Controller

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2011-0059 Decision and Order dated March 22, 2011 the Board approved a Purchased Gas Commodity Variance Account ("PGCVA") reference price of \$0.209207 per m³ and a gas supply charge of \$0.201891 per m³, both effective April 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-2011-0059, the Board approved a GPRA rate of (\$0.007679) per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective July 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 \$21.73 per residential customer for the twelve month period ending June, 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 April, 2011. The remaining months in the

June, 2011

1 twelve-month period ending June, 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 July, 2011 through June, 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

1 purchased additional gas at Dawn in February, 2011 in order to meet its balancing
2 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 is 211 GJ/day in April, 2011 and in September, 2011
7 through June, 2012. Over the period May, 2011 through August, 2011, this has been
8 reduced to 128 GJ/day to allow various direct purchase customers to bring their supplies
9 more in line with their actual and projected consumption. This results in deliveries for
10 system gas customers of 1,580 GJ/day in April, 2011 and in September, 2011 and
11 subsequent months. For the period May, 2011 through August 2011, system gas
12 deliveries are 1,663 GJ/day.

13
14 The composition of these obligated system gas deliveries is as follows. Over the April
15 2011 through June, 2012 period, Parkway deliveries are forecast to be 1,228 GJ/day. In
16 April, 2011 and in September, 2011 and subsequent months the obligated deliveries for
17 system gas customers are 352 GJ/day, while for the May, 2011 through August, 2011
18 period this amount is 435 GJ/day.

19
20 The composition of the gas purchases for direct purchase and system gas customers for
21 the April, 2011 through June, 2012 period is shown in the following table. Please note
22 that these figures do not include the direct purchase deliveries associated with a large
23 ethanol plant served by NRG.

24 **GJ/s per Day**

Delivery Point	Apr., 2011	May, 2011 - Aug., 2011	Sept., 2011 - June, 2012
Direct Purchase	211	128	211
AECO	352	435	352
Parkway	1,228	1,228	1,228
Dawn	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,791	1,791	1,791

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

3
4 As indicated previously, NRG is required to balance its supply with its demand on the
5 Union system to within +/- 4% at the end of the contract year under its bundled
6 transportation contract with Union. The bundled transportation contract year-end
7 corresponds with the end of NRG's fiscal year (September 30). NRG purchases
8 additional balancing gas or sells gas and/or reduces deliveries such that total demand on
9 the Union system is offset by the supply provided to Union Gas to remain within the
10 contract parameters.

11
12 The composition of the gas supply portfolio volumes for the July, 2010 through June,
13 2011 period is shown on the top of Schedule 3. This schedule shows the monthly volume
14 of gas purchased or forecast to be purchased from local producers, obligated deliveries at
15 Parkway and the Alberta border (Western), and balancing gas (purchased at Dawn or
16 Ontario delivered gas). Similarly, the composition of the gas supply portfolio volumes
17 for the July, 2011 through June, 2012 period is shown on the top of Schedule 6.

18 19 Gas Costs

20 NRG's actual and forecast gas costs for the July, 2010 through June, 2011 period, by
21 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
22 middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat
23 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
24 The conversion factors used are also shown in Schedule 4. All prices shown are actual
25 prices paid in July, 2010 through April, 2011. Prices for the remaining months in this
26 period are based on estimated and contracted prices to be paid in these months.

27
28 Prices for July, 2011 through June, 2012 are based on prices averaged over 10 days in the
29 period May 11, 2011 through May 31, 2011 (pricing reports were not available for the
30 dates of May 19, 20, 24, 27, or 30). These prices have been utilized in calculating the

1 prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule 6 in $\$/\text{m}^3$. Gas
2 prices for each of the sources of supply are described below. In addition to the above,
3 contracted prices have been used where purchase decisions have been made.

4
5 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This
6 refers to gas that is produced in NRG's franchise area and purchased from a related
7 company. This gas has been forecasted at a price of $\$0.241357/\text{m}^3$ effective November 1,
8 2010 (Schedule 3). This price is equivalent to $\$6.80/\text{mcf}$ which is the price to be used for
9 the first 2.4 million cubic metres of gas purchased from NRG Corp. as set out in the EB-
10 2010-0018 Decision and Order dated December 6, 2010.

11
12 NRG will also track the October, 2010 amount purchased from NRG Corp. in the
13 PGCVA, as directed in the Decision. The amount, total cost and price for this gas is
14 shown in Schedule 3. The excess gas cost in October, 2010 based on the price paid of
15 $\$0.3012 \text{ cents}/\text{m}^3$ relative to the $\$0.241357/\text{m}^3$ on the volume of gas purchased from
16 NRG Corp. in that month ($85,088 \text{ m}^3$) is a cost of $\$5,091.92$, plus the associated year-to-
17 date carrying charges.

18
19 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at
20 these delivery points is discussed below.

21
22 The Empress price over the July, 2011 through June, 2012 period shown in Schedule 7
23 (Western Deliveries) is based on a combination of actual contracted prices and forecasted
24 prices. The average Empress delivery rate is $\$4.784/\text{GJ}$ in July, $\$4.783$ in August,
25 $\$5.0664/\text{GJ}$ in September through October, 2011, $\$4.078/\text{GJ}$ in November, 2011 through
26 March, 2012 and $\$4.054/\text{GJ}$ in April, 2012 through June, 2012. Fuel costs of 4% are
27 included in these rates.

The average Empress delivery price includes a mix of fixed price contracts over the July, 2011 through June, 2012 period. Over this period, the Empress delivery price includes 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>Empress Deliveries</u>										
<u>Contracted?</u>	<u>July</u>		<u>August</u>		<u>Sept-Oct</u>		<u>Nov-Mar</u>		<u>Apr-June</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	189	6.040	189	6.040	189	6.040				
Yes	40	3.570	40	3.570	40	3.570	90	4.040	90	4.040
No	<u>206</u>	<u>3.479</u>	<u>206</u>	<u>3.476</u>	<u>123</u>	<u>3.499</u>	<u>262</u>	<u>3.880</u>	<u>262</u>	<u>3.849</u>
Total	435	4.600	435	4.599	352	4.871	352	3.921	352	3.898
with Fuel (4%)		4.784		4.783		5.066		4.078		4.054

The prices shown for the 206 GJ/day that has not been contracted for in July and August, 2011, the 123 GJ/day in September and October, 2011 and the 262 GJ/day that has not been contracted for in the November, 2011 through June, 2012 period are based on the average price forecasts for the May 11, 2011 through May 31, 2011 period.

The Parkway price over the July, 2011 through June, 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 \$4.895/GJ in July, \$4.902/GJ in August, \$4.915 in September through October, 2011, \$4.891/GJ in November, 2011 through March, 2012 and \$4.829/GJ in April, 2012 through June, 2012.

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>Parkway Deliveries</u>										
<u>Contracted?</u>	<u>July</u>		<u>August</u>		<u>Sept-Oct</u>		<u>Nov-Mar</u>		<u>Apr-June</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	280	6.850	280	6.850	280	6.850				
Yes	250	4.350	250	4.350	250	4.350	320	4.960	320	4.960
No	<u>698</u>	<u>4.306</u>	<u>698</u>	<u>4.317</u>	<u>698</u>	<u>4.341</u>	<u>908</u>	<u>4.867</u>	<u>908</u>	<u>4.783</u>

Total	1,228	4.895	1,228	4.902	1,228	4.915	1,228	4.891	1,228	4.829
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The price shown for the 698 GJ/day that has not been contracted for in the July through October period is based on the average price forecasts for the May 11, 2011 through May 31, 2011 period, as is the forecast price for the 908 GJ/day that has not been contracted for in the November, 2011 through June, 2012 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 \$4.338/GJ and is based on price forecasts for the May 11, 2011 through May 31, 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 \$2.2429/GJ. This rate came into effect March 1, 2011 and reflects the current tolls approved by the National Energy Board.

PGCVA Balance

The projected June, 2011 balance in the PGCVA is a debit of \$212,846.18 including a debit of \$44,811.64 in accumulated interest, based on the Board's prescribed interest rate. This estimate is based on actual and forecasted purchases and the balance brought forward from June, 2010. The PGCVA debit amounts to a charge of approximately \$21.73 for a typical residential customer consuming approximately 1,981 m³ per year. These figures are shown on Schedule 2.

Proposed PGCVA Rate Changes

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

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

NRG proposes to change the reference price by \$0.00178 per m³ effective July 1, 2011, from \$0.209207 per m³ to \$0.210990 per m³. The derivation of this rate is shown in Schedule 5. This is the reference price required to bring the PGCVA balance close to zero on a twelve month forecast basis. This change will also be reflected in the gas commodity charge.

GAS PURCHASE REBALANCING ACCOUNT

The impact on the GPRA of the proposed July 1, 2011 PGCVA reference price change from \$0.209207 per m³ to \$0.210990 per m³ is a debit of \$6,352.87, as shown on Schedule 8. This figure is shown in column (J) of Schedule 8 and on the June, 2011 line. It is calculated as the change in the PGCVA reference price between June and July, multiplied by the cumulative inventory balance at the end of June. This cumulative inventory balance is the sum of the actual monthly inventory balances for April, 2011 and forecasts for the subsequent months. These forecasts will be replaced with actual balances for these months in subsequent QRAM applications as this information becomes available. As well, the monthly inventory balances are based on a deemed level of unaccounted for gas ("UFG") of the total throughput volume, as shown in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-2010-0018.

NRG proposes to adjust the gas commodity charge effective July 1, 2011 based on the projected accumulated balance in the GPRA. The adjustment to the gas commodity charge will be set such that the projected GPRA balance at the end of June, 2012, will be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based on this rate of \$(0.006417) per m³ over the July, 2011 through June, 2012 period.

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

GAS COMMODITY CHARGE

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

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

	EB-2011-0059 Apr. 1, 2011	Proposed July 1, 2011	Difference
PGCVA Reference Price	\$0.209207	\$0.210990	\$0.001783
GPRA Recovery	\$(0.007679)	\$(0.006417)	\$0.001262
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.201891	\$0.204936	\$0.003045

1
2 **SUMMARY**

3 In summary, NRG proposes to change the reference price for amounts to be recorded in
4 the Purchased Gas Commodity Variance Account from \$0.209207 by \$0.001783 to
5 \$0.210990 per m³ effective July 1, 2011. Appendix B contains the accounting entries
6 related to the PGCVA.

7
8 NRG also proposes to change the gas supply charge from \$0.201891 to \$0.204936 per m³
9 effective July 1, 2011. This change reflects the change related to the change in the
10 PGCVA reference price, as described above, the change related to the recovery of the
11 GPRA balance, also as described above, and the continuation of the system gas supply
12 cost. These changes apply to all system gas customers served under Rates 1, 2, 3, 4, 5
13 and 6. There are no other changes to these rate schedules. The proposed rate schedules
14 are attached as Appendix A. The proposed customer notices are attached as Appendix C.

15
16 Schedule 9 provides a residential bill comparison showing the impact of the proposed
17 changes on a year over year basis for the appropriate quarter as well as the annual bill
18 impact of the most recent quarterly change. The annual bill impact related to the change
19 in the commodity charges on a customer consuming approximately 1,994 m³ is an
20 increase of \$6.07.

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JULY, 2010 TO JUNE, 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	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	370.4	1.47%
Actual	February	645,790	2,742,259	0.235495	0.228146	(0.007349)	-20,152.86	-6,627.47	16.57	-44,230.24	-20,136.29	-50,857.71	315.6	1.47%
Actual	March	453,226	1,367,135	0.331515	0.228146	(0.103369)	-141,319.39	-147,946.86	-8.12	-44,238.36	-141,327.51	-192,185.22	276.6	1.47%
Actual	April	287,740	1,326,163	0.216972	0.209207	(0.007765)	-10,297.66	-158,244.52	-181.23	-44,419.59	-10,478.89	-202,664.11	155.0	1.47%
Forecast	May	313,461	1,481,366	0.211602	0.209207	(0.002395)	-3,547.87	-161,792.39	-193.85	-44,613.44	-3,741.72	-206,405.83	80.0	1.47%
Forecast	June	<u>306,933</u>	<u>1,437,290</u>	<u>0.213550</u>	0.209207	(0.004343)	<u>-6,242.15</u>	<u>-168,034.54</u>	<u>-198.20</u>	<u>-44,811.64</u>	<u>-6,440.35</u>	<u>-212,846.18</u>	<u>43.0</u>	1.47%
	Total	5,215,094	19,401,888	0.268793			-358,584.57	-168,034.54	896.05	-44,811.64	-357,688.52	-212,846.18	1,981.1	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.010970)
Forecast Average Residential Consumption per Customer 1,981.1 M*3
Estimated Impact on Average Residential Customer \$21.73 Customer Charge

- (1) Includes balance of 190,550.03 as of June, 2010
(2) Includes balance of -45,707.69 as of June, 2010

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JULY, 2010 TO JUNE, 2011

	<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>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	99,511	90,100	85,057	85,088	157,112	73,506	80,718	69,167	70,294	75,253	115,000	115,000	1,115,807
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	1,502,294	0	0	0	0	1,502,294
Parkway Delivery	732,734	732,313	701,811	801,153	743,147	765,667	762,680	686,176	760,047	972,227	1,008,958	976,411	9,643,325
Western Delivery	537,832	537,522	519,801	538,493	520,362	536,131	536,336	484,621	536,794	278,684	357,408	345,879	5,729,864
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>1,187,992</u>	<u>222,606</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,410,598</u>
Total	1,370,077	1,359,935	2,494,662	1,647,340	1,420,622	1,375,304	1,379,735	2,742,259	1,367,135	1,326,163	1,481,366	1,437,290	19,401,888
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	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	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.159458	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.282628	0.282720	0.283501	0.273937	0.327395	0.340111	0.338041	0.338586	0.336858	0.197255	0.188650	0.190348	
Western Delivery	0.255964	0.256299	0.257015	0.251279	0.289448	0.289231	0.290264	0.291090	0.290163	0.194181	0.182198	0.185179	
Ontario Delivered Gas	0.000000	0.000000	0.166834	0.230453	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	29,973	27,138	25,619	25,629	37,920	17,741	19,482	16,694	16,966	18,163	27,756	27,756	290,837
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	239,553	0	0	0	0	239,553
Parkway Delivery	207,091	207,039	198,964	219,465	243,302	260,412	257,817	232,329	256,028	191,777	190,340	185,858	2,650,424
Western Delivery	137,666	137,766	133,597	135,312	150,618	155,066	155,679	141,069	155,758	54,115	65,119	64,049	1,485,813
Ontario Delivered Gas	0	0	198,197	51,300	0	0	0	0	0	0	0	0	249,497
TCPL Transportation	<u>30,723</u>	<u>30,723</u>	<u>29,338</u>	<u>30,316</u>	<u>17,691</u>	<u>18,281</u>	<u>18,078</u>	<u>16,145</u>	<u>24,475</u>	<u>23,685</u>	<u>30,246</u>	<u>29,270</u>	<u>298,971</u>
Total	405,452	402,667	585,716	462,022	449,532	451,500	451,056	645,790	453,226	287,740	313,461	306,933	5,215,094

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JULY, 2010 TO JUNE, 2011

	<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>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.990	7.986	7.980	8.000	6.401	6.383	6.385	6.387	6.390	6.370	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	4.220	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	7.498	7.496	7.511	7.276	8.683	8.994	8.943	8.961	8.919	5.206	5.000	5.045
<u>Western Deliveries</u> (\$/GJ)	6.790	6.795	6.809	6.674	7.677	7.648	7.679	7.704	7.683	5.125	4.829	4.908
Fuel Ratio (%)	2.75%	2.75%	2.60%	2.60%	0.92%	1.22%	1.99%	1.68%	1.07%	4.26%	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	2.242900	2.242900	2.242900	2.242900
GJ/day (TCPL)	605	605	597	597	360	360	356	352	352	352	435	435
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)	1,545	1,545	1,537	1,627	1,588	1,588	1,584	1,580	1,580	1,580	1,663	1,663
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	4.420	6.121	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	37.70	37.72	37.75	37.65	37.70	37.82	37.80	37.79	37.77	37.89	37.73	37.73

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2011 TO JUNE, 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) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
July	308,856	1,481,366	0.208494	0.210990	0.002496	3,697.49	-164,337.05	-205.84	-45,017.48	3,491.65	-209,354.53	38.0	1.47%
August	309,109	1,481,366	0.208665	0.210990	0.002325	3,444.18	-160,892.87	-201.31	-45,218.79	3,242.87	-206,111.66	36.0	1.47%
September	536,414	2,901,218	0.184893	0.210990	0.026097	75,713.08	-85,179.79	-197.09	-45,415.88	75,515.99	-130,595.67	53.0	1.47%
October	294,615	1,413,171	0.208478	0.210990	0.002512	3,549.89	-81,629.90	-104.35	-45,520.23	3,445.54	-127,150.13	118.7	1.47%
November	274,689	1,371,295	0.200313	0.210990	0.010677	14,641.31	-66,988.59	-100.00	-45,620.23	14,541.31	-112,608.82	202.7	1.47%
December	282,920	1,413,171	0.200202	0.210990	0.010788	15,245.29	-51,743.30	-82.06	-45,702.29	15,163.23	-97,445.59	321.8	1.47%
January	282,920	1,413,171	0.200202	0.210990	0.010788	15,245.29	-36,498.01	-63.39	-45,765.68	15,181.90	-82,263.69	355.2	1.47%
February	265,668	1,329,418	0.199838	0.210990	0.011152	14,825.67	-21,672.34	-44.71	-45,810.39	14,780.96	-67,482.73	293.2	1.47%
March	282,920	1,413,171	0.200202	0.210990	0.010788	15,245.29	-6,427.05	-26.55	-45,836.94	15,218.74	-52,263.99	246.2	1.47%
April	272,151	1,371,295	0.198463	0.210990	0.012527	17,178.21	10,751.16	-7.87	-45,844.81	17,170.34	-35,093.65	186.6	1.47%
May	280,298	1,413,171	0.198347	0.210990	0.012643	17,866.72	28,617.88	13.17	-45,831.64	17,879.89	-17,213.76	89.7	1.47%
June	272,151	1,371,295	0.198463	0.210990	0.012527	<u>17,178.21</u>	<u>45,796.09</u>	<u>35.06</u>	<u>-45,796.58</u>	<u>17,213.27</u>	<u>-0.49</u>	<u>53.1</u>	1.47%
Total	3,662,712	18,373,109	0.199352			213,830.63	45,796.09	-984.94	-45,796.58	212,845.69	-0.49	1,994.2	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.000000)
Forecast Average Residential Consumption per Customer 1,994.2 M*3
Estimated Impact on Average Residential Customer \$0.00 Customer Charge

(1) Includes June, 2011 year-to-date balance of (\$168,034.54) (See Schedule 2)
(2) Includes June, 2011 year-to-date balance of (\$44,811.64) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JULY, 2011 TO JUNE, 2012

	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>Total</u>
<u>Volumes (m3)</u>													
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	1,008,958	1,008,958	976,411	1,008,958	976,411	1,008,958	1,008,958	943,864	1,008,958	976,411	1,008,958	976,411	11,912,218
Western Delivery	357,408	357,408	279,883	289,213	279,883	289,213	289,213	270,554	289,213	279,883	289,213	279,883	3,550,967
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>1,529,923</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,529,923</u>
Total	1,481,366	1,481,366	2,901,218	1,413,171	1,371,295	1,413,171	1,413,171	1,329,418	1,413,171	1,371,295	1,413,171	1,371,295	18,373,109
<u>Price (\$/m3)</u>													
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	
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	
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	
Parkway Delivery	0.184688	0.184952	0.185443	0.185443	0.184537	0.184537	0.184537	0.184537	0.184537	0.182198	0.182198	0.182198	
Western Delivery	0.180500	0.180463	0.191140	0.191140	0.153863	0.153863	0.153863	0.153863	0.153863	0.152957	0.152957	0.152957	
Ontario Delivered Gas	0.000000	0.000000	0.163673	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
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	186,343	186,609	181,069	187,104	180,184	186,190	186,190	174,178	186,190	177,900	183,830	177,900	2,193,687
Western Delivery	64,512	64,499	53,497	55,280	43,064	44,499	44,499	41,628	44,499	42,810	44,237	42,810	585,835
Ontario Delivered Gas	0	0	250,407	0	0	0	0	0	0	0	0	0	250,407
TCPL Transportation	<u>30,246</u>	<u>30,246</u>	<u>23,685</u>	<u>24,475</u>	<u>23,685</u>	<u>24,475</u>	<u>24,475</u>	<u>22,106</u>	<u>24,475</u>	<u>23,685</u>	<u>24,475</u>	<u>23,685</u>	<u>299,710</u>
Total	308,856	309,109	536,414	294,615	274,689	282,920	282,920	265,668	282,920	272,151	280,298	272,151	3,662,712

[illegible]

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JULY, 2010 THROUGH JUNE, 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 (\$s) J	Inventory Rate (\$/M ³) K	Inventory Recovery (\$s) L=KxD	Y-T-D GPRA Balance (\$s) M (2)	Monthly Interest (\$s) N	Y-T-D Interest (\$s) O (3)	Total Y-T-D GPRA Balance (\$s) P=M+O	Monthly Interest Rate
July	1,370,077	3,360,537	2,974,447	386,090	0	386,090	983,987	-1,229,869	0.292662	0.00	0.001462	564.46	-20,222.99	-15.42	4,206.32	-16,016.67	0.89%
August	1,359,935	3,734,011	2,966,524	767,487	0	767,487	592,448	-637,421	0.292662	0.00	0.001462	1,122.07	-19,100.92	-15.00	4,191.32	-14,909.60	0.89%
September	2,494,662	4,227,930	2,966,577	1,261,353	0	1,261,353	1,233,309	595,888	0.292662	-15,194.54	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	-29,853.71	-32.45	4,144.70	-25,709.01	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	-26,643.04	-29.85	4,114.85	-22,528.19	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	77,660.72	0.001434	4,272.12	55,289.80	-26.64	4,088.21	59,378.01	1.20%
January	1,379,735	6,505,656	3,125,213	3,380,443	0	3,380,443	-2,000,708	-3,991,141	0.228146	0.00	(0.004427)	-14,965.22	40,324.58	67.73	4,155.94	44,480.52	1.47%
February	2,742,259	5,588,959	2,642,000	2,946,959	0	2,946,959	-204,700	-4,195,840	0.228146	0.00	(0.004427)	-13,046.19	27,278.39	49.40	4,205.34	31,483.73	1.47%
March	1,367,135	5,415,491	2,794,779	2,620,712	0	2,620,712	-1,253,577	-5,449,417	0.228146	103,206.51	(0.004427)	-11,601.89	118,883.01	33.42	4,238.76	123,121.77	1.47%
April	1,326,163	4,366,387	2,606,012	1,760,374	0	1,760,374	-434,211	-5,883,628	0.209207	0.00	(0.006486)	-11,417.79	107,465.22	145.63	4,384.39	111,849.61	1.47%
May	1,481,366	3,053,506	2,661,298	392,208	0	392,208	1,089,158	-4,794,470	0.209207	0.00	(0.006486)	-2,543.86	104,921.36	131.64	4,516.03	109,437.39	1.47%
June	1,437,290	2,843,877	2,638,035	205,842	0	205,842	1,231,448	-3,563,022	0.209207	-6,352.87	(0.006486)	-1,335.09	97,233.40	128.53	4,644.56	101,877.96	1.47%
July	1,481,366	2,759,968	2,646,622	113,346	0	113,346	1,368,020	-2,195,002	0.210990	0.00	(0.006417)	-727.34	96,506.06	119.11	4,763.67	101,269.73	1.47%
August	1,481,366	2,852,465	2,639,204	213,261	0	213,261	1,268,105	-926,897	0.210990	0.00	(0.006417)	-1,368.50	95,137.56	118.22	4,881.89	100,019.45	1.47%
September	2,901,218	2,861,595	2,699,547	162,048	0	162,048	2,739,170	1,812,273	0.210990	0.00	(0.006417)	-1,039.86	94,097.70	116.54	4,998.43	99,096.13	1.47%
October	1,413,171	4,036,595	2,783,246	1,253,349	0	1,253,349	159,822	1,972,095	0.210990	0.00	(0.006417)	-8,042.74	86,054.96	115.27	5,113.70	91,168.66	1.47%
November	1,371,295	4,836,595	2,807,687	2,028,908	0	2,028,908	-657,613	1,314,482	0.210990	0.00	(0.006417)	-13,019.50	73,035.46	105.42	5,219.12	78,254.58	1.47%
December	1,413,171	5,336,595	2,795,357	2,541,238	0	2,541,238	-1,128,067	186,415	0.210990	0.00	(0.006417)	-16,307.12	56,728.34	89.47	5,308.59	62,036.93	1.47%
January	1,413,171	5,836,595	2,824,409	3,012,186	0	3,012,186	-1,599,015	-1,412,599	0.210990	0.00	(0.006417)	-19,329.20	37,399.14	69.49	5,378.08	42,777.22	1.47%
February	1,329,418	5,336,595	2,807,462	2,529,133	0	2,529,133	-1,199,715	-2,612,314	0.210990	0.00	(0.006417)	-16,229.45	21,169.69	45.81	5,423.89	26,593.58	1.47%
March	1,413,171	4,836,595	2,744,961	2,091,634	0	2,091,634	-678,463	-3,290,777	0.210990	0.00	(0.006417)	-13,422.02	7,747.67	25.93	5,449.82	13,197.49	1.47%
April	1,371,295	3,936,595	2,685,665	1,250,930	0	1,250,930	120,365	-3,170,412	0.210990	0.00	(0.006417)	-8,027.22	-279.55	9.49	5,459.31	5,179.76	1.47%
May	1,413,171	3,056,595	2,661,298	395,297	0	395,297	1,017,874	-2,152,538	0.210990	0.00	(0.006417)	-2,536.62	-2,816.17	-0.34	5,458.97	2,642.80	1.47%
June	1,371,295	3,048,595	2,638,035	410,560	0	410,560	960,735	-1,191,803	0.210990	0.00	(0.006417)	-2,634.56	-5,450.73	-3.45	5,455.52	4.79	1.47%

(1) Includes balance of -2,213,856 as of June, 2010
(2) Includes balance of -20,787.45 as of June, 2010
(3) Includes balance of 4,221.74 as of June, 2010

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jul-10 <u>EB-2010-0187</u>	Quarter Starting 01-Jul-11 <u>EB-2011-0208</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	127	127		
Monthly Charges	\$34.50	\$40.50	\$6.00	17.4%
Delivery Charges	\$19.43	\$19.39	(\$0.04)	-0.2%
Total Commodity Charges	<u>\$37.59</u>	<u>\$26.03</u>	<u>(\$11.56)</u>	<u>-30.8%</u>
Total Customer Charges	\$91.52	\$85.92	(\$5.60)	-6.1%

ANNUAL BILL IMPACT

	01-Apr-11 <u>EB-2011-0059</u>	01-Jul-11 <u>EB-2011-0208</u>	\$ Change	Percent Change
Average Residential Consumption	1,994.2	1,994.2		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$304.50	\$304.50	\$0.00	0.0%
Total Commodity Charges	<u>\$402.61</u>	<u>\$408.68</u>	<u>\$6.07</u>	<u>1.5%</u>
Total Customer Charges	\$869.11	\$875.18	\$6.07	0.7%

RATES USED

	01-Jul-10 <u>EB-2010-0187</u>	01-Apr-11 <u>EB-2011-0059</u>	01-Jul-11 <u>EB-2011-0208</u>
Monthly charge	11.50	13.50	13.50
Delivery Charge	0.152999	0.152693	0.152693
Total Commodity Charge	0.295952	0.201891	0.204936

**APPENDIX “A” TO
DECISION AND ORDER
BOARD FILE No. EB-2011-0208
DATED JUNE 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: July 01, 2011

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

EB-2011-0208

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: July 01, 2011

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

EB-2011-0208

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: July 01, 2011

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

EB-2011-0208

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 PGTV/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: July 01, 2011

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

EB-2011-0208

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)/m ³ |
- Applies to System Gas Supply deliveries

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

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

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 5.6702 cents per m³ for interruptible gas.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: July 01, 2011

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

EB-2011-0208

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: July 01, 2011

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

EB-2011-0208

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-2011-0208)	21.0990 cents per m ³
GPRA Recovery Rate	(EB-2011-0208)	(0.6417) cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>20.4936</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: July 01, 2011

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

EB-2011-0208

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: July 01, 2011

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

EB-2011-0208

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: July 01, 2011

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

EB-2011-0208

**APPENDIX “B” TO
DECISION AND ORDER
BOARD FILE No. EB-2011-0208
DATED JUNE 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-2011-0208
DATED JUNE XX, 2011**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after July 1, 2011, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.003045 per cubic meter to \$0.204936 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 June, 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 1,994 cubic meters of gas annually, this price change will cause your annual heating costs to increase by approximately \$6 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.