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VIA COURIER & RESS

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

Dear Ms. Walli:

**Re: Natural Resource Gas Limited
Board Proceeding No.: EB-2010-0018**

We are counsel to Natural Resource Gas Limited ("NRG"). NRG has now had an opportunity to review the letter dated May 16, 2011 from counsel to Integrated Grain Processors Co-operative Inc. and IGPC Ethanol Inc. (collectively, "IGPC").

IGPC requests a full OEB hearing to deal with what it asserts are unresolved issues between IGPC and NRG, including the actual capital costs of the IGPC pipeline.

The OEB Has Determined the Actual Capital Costs

On August 3, 2010, IGPC filed a Notice of Motion in the Leave to Construct Application, Board Proceeding No. EB-2006-0243. This motion was brought shortly before the rates case hearing. On August 9, 2010, the OEB issued Procedural Order No. 5, and scheduled an oral hearing on September 7, 2010 to hear the motion followed immediately by the rates case.

At the commencement of the hearing of the motion, the OEB determined that it would hear those issues raised in the motion that had potential rate impacts as part of the rates case. At the oral hearing on the rates case, IGPC confirmed that, after the OEB issued its Decision in the rates case, IGPC would comply with the OEB's direction that IGPC recast its motion to reflect the motion issues decided as part of the rates case.

On December 6, 2010, the OEB issued its Decision and Reasons in Board Proceeding No. EB-2010-0018, in which the actual capital cost of the IGPC pipeline was determined. This amount was required to be determined as part of the rates approved by the OEB in the rates case. Accordingly, the

parts of IGPC's motion relating to the actual capital cost have already been determined as part of the rates case.

IGPC has taken no steps to appeal the decision of the OEB in the rate hearing. As a result, the actual capital costs have been determined by the OEB and the OEB has no jurisdiction to revisit the issue. If IGPC wishes to take further steps, its only remedy is to seek relief in the Court.

To date, IGPC has taken no steps to recast its motion as it was directed to do by the OEB. Accordingly, IGPC is in default of that requirement to recast the motion to reflect the issues that have already been decided by the OEB, including the actual capital cost of the IGPC pipeline.

If IGPC asserts that there are issues remaining in the motion that have not yet been decided by the OEB, IGPC should first recast its motion and file its motion materials. At that point, NRG can review its position and the OEB can determine what steps, if any, should be taken to proceed with IGPC's revised motion. However, until IGPC complies with the obligation to recast its motion and file new materials, NRG should not be required to incur any further expenses in responding, and the OEB is not in any position to determine what procedure, if any, should be established to deal with IGPC's revised motion.

IGPC's Adversarial and Litigious Conduct

The history of IGPC's dealings with NRG has been one of acrimony and unnecessary litigation commenced by IGPC. NRG has been forced to respond to a series of unnecessary OEB motions and the continuing refusal of IGPC to comply with its obligations owed to NRG under agreements approved by the OEB relating to the construction and operation of the IGPC pipeline. Most of the issues that have arisen have been caused solely by IGPC's inability or failure to obtain adequate financing to construct the IGPC pipeline, and its repeated failures to complete its ethanol production facility according to the agreed timelines due to IGPC's mismanagement and construction delays.

As a small utility, NRG has been forced to spend significant management resources and incur legal fees, consultant fees and other costs solely as a result of IGPC's highly adversarial and confrontational approach to dealing with NRG.

It appears that IGPC intends to continue its highly adversarial and litigious approach to its relationship with NRG, and once again proposes a full hearing before the OEB that will cause NRG to incur another round of expenses for legal fees, expert witness and other consultant fees, and other costs.

NRG has a business to operate and a large constituency of rate payers to service. IGPC cannot continue to monopolize NRG's management resources and staff time to deal with IGPC's repeated litigation. Given IGPC's confirmation that it intends to continue with its highly adversarial and confrontational course of conduct, NRG will be forced to hire a full time person or persons to manage its relationship with IGPC and the litigation that IGPC intends to continue to pursue. That way the costs directly attributable to IGPC's actions will be segregated and there will be no dispute in future that they are attributable solely to IGPC's actions.

Yours truly,



Lawrence E. Thacker

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