

June 29, 2011

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Sent by Courier**

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

Your reference
OEB-2010-0018

Our reference
01012724



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On June 1, 2011, Ogilvy Renault joined Norton Rose Group.

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Dear Ms. Walli:

**Natural Resource Gas Limited ("NRG")
Fiscal 2011 Rates Application (EB-2010-0018)**

The purpose of this letter is to update the Board on the status of the system integrity study being prepared for NRG.

In Phase 1 of NRG's 2011 rate case, the Board directed NRG to have an independent engineering study prepared to identify alternatives to maintaining system pressure in NRG's southern service area. On February 4, 2011, the Board approved NRG's terms of reference for the study. As per our correspondence dated April 21, 2011, after receiving proposals and settling on a final engineering firm (Aecon), NRG anticipated that the study would be completed by the end of June 2011.

The engineering firm carrying out this study (Aecon) has now informed us that they expect to complete a draft of the report by July 7, 2011. Based on this estimate, NRG expects to be in a position to submit the final report by mid-July 2011.

Please contact me if you have any questions.

Yours very truly,

A handwritten signature in black ink, appearing to read "John Beauchamp".

John Beauchamp

JB/mnm

Cop(y/ies) to: Laurie O'Meara
Jack Howley
All Intervenor and Observers

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