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Barristers and Solicitors

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August 17, 2011

BY COURIER, EMAIL AND RESS

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

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

**Re: Natural Gas Resource Limited
EB-2010-0018
Intervenor: Integrated Grain Processors Co-operative Inc.**

Pursuant to Procedural Order No. 7 dated August 2, 2011, in the above-noted proceeding, we enclose two (2) hard copies of the Interrogatories of Integrated Grain Processors Co-operative Inc.

We confirm that an electronic copy of the above has been submitted through the Board's Regulatory Electronic Submission System ("RESS"). A copy of the RESS submission confirmation sheet is enclosed.

Yours truly,

AIRD & BERLIS LLP



Scott A. Stoll

SAS/hm
Encl.

cc: Applicant and Intervenors in EB-2010-0018 (via email)

IGPC Interrogatory #1

Preamble:

Phase II of the IRM includes IGPC Pipeline Maintenance Costs. In its Application, NRG requested approval of certain costs for the maintenance. The IGPC Pipeline has now been in operation for three complete years. As such, there should be a historical pattern of spending on the activities referenced in the MIG Proposal (Undertaking JT1.6).

References:

Undertaking JT1.6,

Question

Please complete the following table providing the actual costs incurred for each line of the table.

Item	Undertaking JT1.6	Actual 2008	Actual 2009	Actual 2010	Actual 2011 Year to Date
Valve Maintenance	\$1,500				
Pipeline Marker Maintenance	\$950				
Leakage Survey	\$1,187				
Odour Level Testing	\$2,850				
Cathodic Protection Surv.	\$1,295				
Anode Replacement	\$840				
Pipeline Locates	\$2,254				
Weekly Observations	\$12,350				
3 rd Party Observations	\$4,680				
Ground Maintenance	\$1,960				
Manual Review	\$4,250				
Technician Training	\$1,650				
Community Awareness	\$8,500				
Make Pipeline Piggable (1 time expense)	\$102,000				
In-Line Inspection (\$70,200 / 10 years to annualize)	\$7,020				
Emergency Response (Mock Emergency)	\$18,000				
Engineering Design	\$19,500				
Administration	\$38,693				
Disbursements	\$8,729				
Total Annual Cost					

IGPC Interrogatory #2

Preamble:

Phase II of the IRM includes IGPC Pipeline Maintenance Costs. In a letter dated April 28, 2011, NRG filed proposals from two potential companies to develop a maintenance program.

References:

NRG Filing, dated April 28, 2011.

Question:

- i) Who provided the drafted proposed scope of the maintenance activities that is included in section 3.0 of the NRG Request for Proposals?
- ii) Why were the maintenance companies not required to provide a proposed scope of maintenance activities?
- iii) Does NRG have any industry studies or evidence regarding the average cost per kilometre for maintenance of new NPS 6 steel pipelines? If so, please provide any such studies.

IGPC Interrogatory #3

Preamble:

Phase II of the IRM includes a proposed increase to the annual approved rates. A significant portion of the Rate 6 is associated with the cost of capital deployed. The evidence indicates the rate base allocated to Rate 6 will be declining. IGPC understands that IRM plans generally do not assume a declining rate base.

Also, the IRM proposes a specific off-ramp of +/-300 basis points and the parties would have an interest in ensuring that the off-ramp is not triggered unnecessarily. NRG was renegotiating its capital financing with the Bank of Nova Scotia.

References:

Exhibit H1, Tab 1, Schedule 2, April 2011, page 3 (off-ramp)

Question:

- i) Please complete the following table.

Year	Rate 6 Rate Base	Decrease In Rate Base Against Prior Year
2011 Test Year		
2012		
2013		
2014		
2015		

- ii) Has NRG considered the use of a fixed reduction factor to adjust Rate 6 to account for the significant reduction in Rate Base that will occur over the period of the IRM? If not, why not?
- iii) Has NRG any evidence to suggest that it is an average performing utility in the selection of a stretch factor?
- iv) Has NRG renegotiated its loan with its lenders? If so, please provide a comparison of the old loan facility with the new loan facility in respect of principal amount, interest rate and term. If NRG has not renegotiated the loans please explain why not.

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