

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 October 1, 2011;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2011-0208 Decision and Order dated June 14, 2011 the Board approved a PGCVA reference price of \$0.210990 per m³ and a gas supply charge of \$0.204936 per m³, both effective July 1, 2011.
2. Based on actual and forecast natural gas prices for the October, 2010 through September, 2011 period the PGCVA balance is projected to be a charge of approximately \$5 per residential customer.
3. NRG hereby applies to the Board for further orders effective October 1, 2011 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2011-0208 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.004607 per m³ from the Board approved level of \$0.210990 per m³ to \$0.206383 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2011-0208 Decision and Order to reflect a projected

\$0.002618 per m³ change in the gas supply charge from the Board approved level of \$0.204936 m³ to a projected cost of \$0.202318 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. Monday, September 12, 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., Thursday, September, 15, 2011.
- * The Board issues its Decision and Order by Sunday, September 25, 2011 for implementation effective October 1, 2011.

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

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Dated at London, Ontario, this 7th day of September, 2011.

NATURAL RESOURCE GAS LIMITED

Laurie O'Meara
Controller

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2011-0208 Decision and Order dated June 14, 2011 the Board approved a Purchased Gas Commodity Variance Account ("PGCVA") reference price of \$0.210990 per m³ and a gas supply charge of \$0.204936 per m³, both effective July 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-2011-0208, the Board approved a GPRA rate of (\$0.006417) per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective October 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 \$5.32 per residential customer for the twelve month period ending September, 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.

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through July, 2011. The remaining months in the
3 twelve-month period ending September, 2011 are calculated using estimated prices based
4 on the best information available at the time of filing.

5
6 Forecast prices have been used for the period October, 2011 through September, 2012
7 period, except where actual contracted prices are available.

8
9 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
10 by NRG for system gas purchases.

11
12 Gas Supply Portfolio

13 NRG's gas supply portfolio includes local production, deliveries of Western Canadian
14 gas at the Alberta border and purchases at Parkway on the Union Gas ("Union") system.
15 NRG also purchases additional gas when required. The requirement for these purchases
16 is discussed below. This gas may be Ontario Delivered gas, gas purchased at Dawn or
17 additional deliveries at Parkway or at the Alberta border.

18
19 NRG is required to balance its total supply with its total demand on the Union Gas
20 system on an annual basis, at the time that the direct purchase contract with Union Gas is
21 renewed. This may entail NRG purchasing gas or shedding excess gas.

22
23 NRG is a direct purchase customer on the Union Gas system. Under its bundled
24 transportation contract, NRG is obligated to deliver a fixed amount of gas each day to
25 Union. This amount is determined by Union and is based on the expected annual volume
26 divided by 365.

27
28 Additional gas may be purchased in the period leading up to the end of February of each
29 year if required for NRG to meet its forecast banked gas account winter balancing
30 checkpoint on the Union Gas system if consumption is greater than forecast. The Board

approved this requirement for Bundled-T customers on Union's system in RP-2003-0063 (Decisions with Reasons, dated March 18, 2004). As shown in Schedule 3, NRG purchased additional gas at Dawn in February, 2011 in order to meet its balancing requirements with Union.

Effective October 1, 2011, the obligated deliveries to Union by NRG on behalf of both system gas customers and direct purchase customers will be increased from 1,791 GJ/day to 1,991 GJ/day. The direct purchase customer assignment is currently 128 GJ/day and will increase to 167 GJ/day in December, 2011. This projected increase will allow various direct purchase customers to bring their supplies more in line with their actual and projected consumption. This results in deliveries for system gas customers of 1,663 GJ/day in August and September, 2011, 1,863 GJ/day in October and November, 2011, and 1,824 GJ/day in December, 2011 and subsequent months.

The composition of these obligated system gas deliveries is as follows. In August and September, 2011, Parkway deliveries are forecast to be 1,228 GJ/day, increasing to 1,428 GJ/day in October 2011 and subsequent months. In August, 2011 through November, 2011 the obligated deliveries for system gas customers at AECO are 435 GJ/day, falling to 396 GJ/day for December, 2011 and subsequent months.

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

GJ/s per Day

Delivery Point	Aug-Sept, 2011	Oct-Nov, 2011	Dec, 2011 - Sept, 2012
Direct Purchase	128	128	167
AECO	435	435	396
Parkway	1,228	1,428	1,428
Dawn	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,791	1,991	1,991

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. As shown on Schedule 3, NRG is forecasting the need to purchase
11 approximately 3 million m³ in September, 2011 in order to balance the bundled
12 transportation contract with Union Gas. This gas is forecast to be purchased at Dawn.
13 The pricing of this gas is discussed below.

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

22 23 Gas Costs

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

1 months. In particular, prices in these months are all based on actual contracted prices,
2 with the exception of the Dawn gas noted above to be purchased in September, 2011.
3 This price is forecast at \$4.021/GJ. Further details for this pricing are provided below.

4
5 Prices for October, 2011 through September, 2012 are based on prices averaged over 10
6 days in the period August 12, 2011 through August 31, 2011 (pricing reports were not
7 available for the dates of August 18, 22, 29, or 31). These prices, which have been
8 sourced from the Shell Energy North America report entitled 'Daily Energy Market
9 Update', have been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in
10 the middle section of Schedule 6 in \$/m³. The source of the foreign exchange rates used
11 in the calculations is the daily noon exchange rates for the 10-year lookup from the Bank
12 of Canada that are available on their website at www.bankofcanada.ca/rates/exchange.

13
14 Gas prices for each of the sources of supply are described below. In addition to the
15 above, contracted prices have been used where purchase decisions have been made.

16
17 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This
18 refers to gas that is produced in NRG's franchise area and purchased from a related
19 company. This gas has been forecasted at a price of \$0.241357/m³ effective November 1,
20 2010 (Schedule 3). This price is equivalent to \$6.80/mcf which is the price to be used for
21 the first 2.4 million cubic metres of gas purchased from NRG Corp. as set out in the EB-
22 2010-0018 Decision and Order dated December 6, 2010.

23
24 NRG also tracks the October, 2010 amount purchased from NRG Corp. in the PGCVA,
25 as directed in the Decision. The amount, total cost and price for this gas is shown in
26 Schedule 3. The excess gas cost in October, 2010 based on the price paid of \$0.3012
27 cents/m³ relative to the \$0.241357/m³ on the volume of gas purchased from NRG Corp.
28 in that month (85,088 m³) is a cost of \$5,091.92, plus the associated year-to-date carrying
29 charges.

30

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

Empress Pricing

The Empress price over the October, 2011 through September, 2012 period shown in Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices and forecasted prices. The average Empress delivery rate is \$4.812/GJ in October, \$4.027 in November, \$4.134/GJ in December through March, 2012 and \$4.133/GJ in April, 2012 through September, 2012. Fuel costs of 4% are included in these rates.

The average Empress delivery price includes a mix of fixed price contracts over the October, 2011 through September, 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>Contracted?</u>	<u>Empress Deliveries</u>							
	<u>October</u>		<u>November</u>		<u>Dec-March</u>		<u>Apr-Sept</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	189	6.040						
Yes	40	3.570						
Yes	80	4.040						
Yes			90	4.040	90	4.040	90	4.040
Yes			180	4.300	180	4.300	180	4.300
No	<u>126</u>	<u>3.217</u>	<u>165</u>	<u>3.315</u>	<u>126</u>	<u>3.465</u>	<u>126</u>	<u>3.461</u>
Total	435	4.627	435	3.873	396	3.975	396	3.974
with Fuel (4%)		4.812		4.027		4.134		4.133

The prices shown for the 126 GJ/day that has not been contracted for in October, 2011, the 165 GJ/day in November, 2011 and the 126 GJ/day that has not been contracted for in the December, 2011 through September, 2012 period are based on the average price forecasts for the August 12, 2011 through August 31, 2011 period.

1 The calculations used to forecast the Empress delivery prices are shown in the following
 2 table. The only calculation used in the table is the calculation of the 10 day average.
 3 The prices used are shown in the Daily Energy Market Report as the price at Empress,
 4 AB in Cdn\$/GJ.

Empress Delivery Price Forecast

	<u>Oct-11</u>	<u>Nov-11</u>	<u>Nov-11 Mar-12</u>	<u>Nov-11 Oct-12</u>
12-Aug-11	3.460	3.600	3.750	3.740
15-Aug-11	3.220	3.350	3.520	3.510
16-Aug-11	3.150	3.280	3.450	3.460
17-Aug-11	3.170	3.280	3.440	3.450
19-Aug-11	3.180	3.280	3.450	3.440
23-Aug-11	3.230	3.290	3.430	3.420
24-Aug-11	3.160	3.230	3.370	3.370
25-Aug-11	3.160	3.250	3.390	3.380
26-Aug-11	3.160	3.250	3.390	3.380
30-Aug-11	3.280	3.340	3.460	3.460
10 Day Average	\$ 3.217	\$ 3.315	\$ 3.465	\$ 3.461

Parkway Pricing

7 The Parkway price over the October, 2011 through September, 2012 period shown in
 8 Schedule 7 is based on a combination of forecast prices and actual contracted prices. The
 9 average Parkway delivery rate forecast is \$4.943/GJ in October, \$4.855/GJ in November,
 10 \$4.939 in December through March, 2012 and \$4.930/GJ in April, 2012 through
 11 September, 2012.

13 The average Parkway delivery price includes a mix of fixed price contracts and amounts
 14 currently not contracted for over this period. The following table shows the current mix
 15 of volumes and prices over the forecast period.

Parkway Deliveries

<u>Contracted?</u>	<u>October</u>		<u>November</u>		<u>Dec-March</u>		<u>Apr-Sept</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	280	6.850						
Yes	250	4.350						
Yes	475	4.930						
Yes			320	4.960	320	4.960	320	4.960
Yes			600	5.330	600	5.330	600	5.330
No	423	4.047	508	4.228	508	4.464	508	4.439
Total	1,428	4.943	1,428	4.855	1,428	4.939	1,428	4.930

The prices shown for the 423 GJ/day that has not been contracted for in October and the 508 GJ/day that has not be contracted for in the November, 2011 through September, 2012 period are based on the average price forecasts for the August 12, 2011 through August 31, 2011 period.

The calculations used to forecast the Parkway delivery prices are shown in the following table. The prices used are shown in the Daily Energy Market Report as prices at Henry Hub along with a Niagara , ON basis. These two prices are added together to arrive at a proxy for the Parkway price. These prices from the Market Report are in US\$/MMBtu and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of a conversion factor of 1.05462 to convert MMBtu to GJ and through the use of the foreign exchange rate. The formula used is (Henry Hub Price + Niagara Basis) / 1.05462 x Foreign Exchange Rate. These calculations are show below for each of the four different pricing periods noted in the above table.

Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
Oct-11					
12-Aug-11	4.070	0.39	1.05462	0.9879	\$4.178
15-Aug-11	4.040	0.39	1.05462	0.9838	\$4.133
16-Aug-11	3.940	0.39	1.05462	0.9817	\$4.031
17-Aug-11	3.940	0.39	1.05462	0.9820	\$4.032
19-Aug-11	3.940	0.39	1.05462	0.9849	\$4.044
23-Aug-11	3.970	0.38	1.05462	0.9877	\$4.074
24-Aug-11	3.890	0.38	1.05462	0.9880	\$4.000
25-Aug-11	3.910	0.36	1.05462	0.9843	\$3.985
26-Aug-11	3.910	0.36	1.05462	0.9853	\$3.989
30-Aug-11	3.910	0.40	1.05462	0.9793	\$4.002
10 Day Average					\$4.047

Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
Nov-11					
12-Aug-11	4.220	0.44	1.05462	0.9879	\$4.365
15-Aug-11	4.180	0.44	1.05462	0.9838	\$4.310
16-Aug-11	4.090	0.45	1.05462	0.9817	\$4.226
17-Aug-11	4.080	0.44	1.05462	0.9820	\$4.209
19-Aug-11	4.080	0.46	1.05462	0.9849	\$4.240
23-Aug-11	4.070	0.44	1.05462	0.9877	\$4.224
24-Aug-11	4.000	0.45	1.05462	0.9880	\$4.169
25-Aug-11	4.030	0.44	1.05462	0.9843	\$4.172
26-Aug-11	4.030	0.44	1.05462	0.9853	\$4.176
30-Aug-11	4.020	0.49	1.05462	0.9793	\$4.188
10 Day Average					\$4.228

1
2Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
Nov-11 - Mar-12					
12-Aug-11	4.440	0.47	1.05462	0.9879	\$4.599
15-Aug-11	4.420	0.47	1.05462	0.9838	\$4.562
16-Aug-11	4.330	0.47	1.05462	0.9817	\$4.468
17-Aug-11	4.320	0.47	1.05462	0.9820	\$4.460
19-Aug-11	4.320	0.47	1.05462	0.9849	\$4.473
23-Aug-11	4.290	0.47	1.05462	0.9877	\$4.458
24-Aug-11	4.220	0.47	1.05462	0.9880	\$4.394
25-Aug-11	4.260	0.46	1.05462	0.9843	\$4.405
26-Aug-11	4.260	0.46	1.05462	0.9853	\$4.410
30-Aug-11	4.260	0.49	1.05462	0.9793	\$4.411
10 Day Average					\$4.464

3
4

Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
Nov-11 - Oct-12					
12-Aug-11	4.500	0.38	1.05462	0.9879	\$4.571
15-Aug-11	4.480	0.38	1.05462	0.9838	\$4.534
16-Aug-11	4.410	0.38	1.05462	0.9817	\$4.459
17-Aug-11	4.400	0.38	1.05462	0.9820	\$4.451
19-Aug-11	4.390	0.38	1.05462	0.9849	\$4.455
23-Aug-11	4.350	0.38	1.05462	0.9877	\$4.430
24-Aug-11	4.280	0.38	1.05462	0.9880	\$4.366
25-Aug-11	4.320	0.36	1.05462	0.9843	\$4.368
26-Aug-11	4.320	0.36	1.05462	0.9853	\$4.372
30-Aug-11	4.340	0.38	1.05462	0.9793	\$4.383
10 Day Average					<u>\$4.439</u>

Dawn Pricing

As noted above, 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 Dawn gas is \$4.021/GJ and is based on price forecasts for the August 12, 2011 through August 31, 2011 period for September, 2011 deliveries.

The calculations used to forecast the Dawn purchase price are shown in the following table. The relevant prices used are shown in the Daily Energy Market Report as prices at Henry Hub along with a Dawn, ON basis. These two prices are added together to arrive at a proxy for the Dawn price. These prices from the Market Report are in US\$/MMBtu and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of a conversion factor of 1.05462 to convert MMBtu to GJ and through the use of the foreign exchange rate. The formula used is (Henry Hub Price + Dawn Basis) / 1.05462 x Foreign Exchange Rate.

Dawn Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	Foreign Exchange	\$/ GJ (Cdn)
Sep-11					
12-Aug-11	4.060	0.38	1.05462	0.988	\$4.159
15-Aug-11	4.020	0.38	1.05462	0.984	\$4.105
16-Aug-11	3.930	0.38	1.05462	0.982	\$4.012
17-Aug-11	3.930	0.37	1.05462	0.982	\$4.004
19-Aug-11	3.940	0.36	1.05462	0.985	\$4.016
23-Aug-11	3.990	0.34	1.05462	0.988	\$4.055
24-Aug-11	3.920	0.33	1.05462	0.988	\$3.982
25-Aug-11	3.930	0.31	1.05462	0.984	\$3.957
26-Aug-11	3.930	0.31	1.05462	0.985	\$3.961
30-Aug-11	3.860	0.40	1.05462	0.979	\$3.956
10 Day Average					<u>\$4.021</u>

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 September, 2011 balance in the PGCVA is a debit of \$58,236.41 including a debit of \$45,460.54 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 September, 2010. The PGCVA debit amounts to a charge of approximately \$5.32 for a typical residential customer consuming approximately 1,984 m³ per year. These figures are shown on Schedule 2.

1 Proposed PGCVA Rate Changes

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

7
8 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
9 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
10 applications, which have been accepted by the Board.

11
12 NRG proposes to change the reference price by \$0.004607 per m³ effective October 1,
13 2011, from \$0.210990 per m³ to \$0.206383 per m³. The derivation of this rate is shown
14 in Schedule 5. This is the reference price required to bring the PGCVA balance close to
15 zero on a twelve month forecast basis. This change will also be reflected in the gas
16 commodity charge.

17
18 **GAS PURCHASE REBALANCING ACCOUNT**

19 The impact on the GPRA of the proposed October 1, 2011 PGCVA reference price
20 change from \$0.210990 per m³ to \$0.206383 per m³ is a debit of \$11,775.89, as shown on
21 Schedule 8. This figure is shown in column (J) of Schedule 8 and on the September,
22 2011 line. It is calculated as the change in the PGCVA reference price between
23 September and October, multiplied by the cumulative inventory balance at the end of
24 September. This cumulative inventory balance is the sum of the actual monthly
25 inventory balances for July, 2011 and forecasts for the subsequent months. These
26 forecasts will be replaced with actual balances for these months in subsequent QRAM
27 applications as this information becomes available. As well, the monthly inventory
28 balances are based on a deemed level of unaccounted for gas ("UFG") of the total
29 throughput volume, as shown in column (E) of Schedule 8. The 0.0% is the Board
30 approved level of UFG from EB-2010-0018.

NRG proposes to adjust the gas commodity charge effective October 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 September, 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 \$(0.004428) per m³ over the October, 2011 through September, 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 October 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-2011-0208 July 1, 2011	Proposed Oct. 1, 2011	Difference
PGCVA Reference Price	\$0.210990	\$0.206383	\$(0.004607)
GPRA Recovery	\$(0.006417)	\$(0.004428)	\$ 0.001989

1	System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
2	Gas Commodity Charge	\$0.204936	\$0.202318	\$(0.002618)

3

4 **SUMMARY**

5 In summary, NRG proposes to change the reference price for amounts to be recorded in
6 the Purchased Gas Commodity Variance Account from \$0.210990 by \$0.004607 to
7 \$0.206383 per m³ effective October 1, 2011. Appendix B contains the accounting entries
8 related to the PGCVA.

9

10 NRG also proposes to change the gas supply charge from \$0.204936 to \$0.202318 per m³
11 effective October 1, 2011. This change reflects the change related to the change in the
12 PGCVA reference price, as described above, the change related to the recovery of the
13 GPRA balance, also as described above, and the continuation of the system gas supply
14 cost. These changes apply to all system gas customers served under Rates 1, 2, 3, 4, 5
15 and 6.

16

17 The proposed rate schedules are attached as Appendix A. The proposed customer notices
18 are attached as Appendix C.

19

20 Schedule 9 provides a residential bill comparison showing the impact of the proposed
21 changes on a year over year basis for the appropriate quarter as well as the annual bill
22 impact of the most recent quarterly change. The annual bill impact related to the change
23 in the commodity charges on a customer consuming approximately 2,009 m³ is a
24 decrease of \$5.26.

25

26 **CHANGES TO PROPOSED RATE SCHEDULES**

27 In addition to the changes noted above for the PGCVA reference price and the gas supply
28 charge, NRG has made a number of changes to the rate schedules to reflect the
29 elimination of the rate riders approved in EB-2010-0018. These rate riders include the
30 Foregone Revenue Rate Rider, the PGTVA/REDA Rate Rider, and the System Gas Over-

1 Recovery Rate Rider. Each of these three rate riders was approved the Board in EB-
2 2010-0018 and are effective until September 30, 2011.

3

4 The rate riders being eliminated as part of the rate schedules effective October 1, 2011
5 were found in part (d) of the Rate section in the Rate 1 - General Service Rate, Rate 2 -
6 Season Service and Rate 4 - General Service Peaking; part 1(f) in the Rate section in the
7 Rate 3 - Special Large Volume Contract Rate and in Rate 6 - Integrated Grain Processors
8 Co-Operative Aylmer Ethanol Production Facility; and part 1(e) in the Rate 5 -
9 Interruptible Peaking Contract Rate. Reference to the System Gas Refund has also been
10 removed from Schedule A - Gas Supply Charges. The existing rate schedules that
11 include these rate riders can be found in Appendix A to the EB-2011-0208 Decision and
12 Order dated June 14, 2011.

13

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2010 TO SEPTEMBER, 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) (1)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s) (2)</u>	<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	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	134.5	1.47%
Actual	May	312,324	1,478,861	0.211192	0.209207	(0.001985)	-2,935.54	-161,180.06	-193.85	-44,613.44	-3,129.39	-205,793.50	93.7	1.47%
Actual	June	293,846	1,381,489	0.212703	0.209207	(0.003496)	-4,829.69	-166,009.75	-197.45	-44,810.89	-5,027.14	-210,820.64	41.6	1.47%
Actual	July	367,007	1,680,108	0.218442	0.210990	(0.007452)	-12,520.17	-178,529.92	-203.36	-45,014.25	-12,723.53	-223,544.17	38.0	1.47%
Forecast	August	319,811	1,481,366	0.215889	0.210990	(0.004899)	-7,257.21	-185,787.13	-218.70	-45,232.95	-7,475.91	-231,020.08	36.0	1.47%
Forecast	September	765,794	<u>4,449,535</u>	<u>0.172107</u>	0.210990	0.038883	<u>173,011.26</u>	<u>-12,775.87</u>	<u>-227.59</u>	<u>-45,460.54</u>	<u>172,783.67</u>	<u>-58,236.41</u>	<u>53.0</u>	1.47%
	Total	5,259,648	21,729,918	0.242046			-338,554.48	-12,775.87	-166.71	-45,460.54	-338,721.19	-58,236.41	1,983.8	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.002680)
Forecast Average Residential Consumption per Customer 1,983.8 M*3
Estimated Impact on Average Residential Customer \$5.32 Customer Charge

- (1) Includes balance of 325,778.61 as of Sept., 2010
(2) Includes balance of -45,293.83 as of Sept., 2010

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2010 TO SEPTEMBER, 2011

	<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>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	85,088	157,112	73,506	80,718	69,167	70,294	75,253	113,938	66,012	315,799	115,000	115,000	1,336,888
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	1,502,294	0	0	0	0	0	0	3,012,245	4,514,539
Parkway Delivery	801,153	743,147	765,667	762,680	686,176	760,047	972,227	1,007,893	971,381	1,007,439	1,008,958	976,411	10,463,180
Western Delivery	538,493	520,362	536,131	536,336	484,621	536,794	278,684	357,030	344,097	356,870	357,408	345,879	5,192,705
Ontario Delivered Gas	<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>0</u>	<u>0</u>	<u>0</u>	<u>222,606</u>
Total	1,647,340	1,420,622	1,375,304	1,379,735	2,742,259	1,367,135	1,326,163	1,478,861	1,381,489	1,680,108	1,481,366	4,449,535	21,729,918
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	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	0.159458	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.151700	
Parkway Delivery	0.273937	0.327395	0.340111	0.338041	0.338586	0.336858	0.197255	0.188835	0.191337	0.194733	0.194423	0.193064	
Western Delivery	0.251279	0.289448	0.289231	0.290264	0.291090	0.290163	0.194181	0.179966	0.182458	0.180344	0.183670	0.183014	
Ontario Delivered Gas	0.230453	0.000000	0.000000	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)	25,629	37,920	17,741	19,482	16,694	16,966	18,163	27,500	15,932	76,220	27,756	27,756	327,759
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	239,553	0	0	0	0	0	0	456,958	696,510
Parkway Delivery	219,465	243,302	260,412	257,817	232,329	256,028	191,777	190,325	185,861	196,182	196,165	188,510	2,618,173
Western Delivery	135,312	150,618	155,066	155,679	141,069	155,758	54,115	64,253	62,783	64,359	65,645	63,301	1,267,957
Ontario Delivered Gas	51,300	0	0	0	0	0	0	0	0	0	0	0	51,300
TCPL Transportation	<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>30,246</u>	<u>30,246</u>	<u>29,270</u>	<u>297,948</u>
Total	462,022	449,532	451,500	451,056	645,790	453,226	287,740	312,324	293,846	367,007	319,811	765,794	5,259,648

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2010 TO SEPTEMBER, 2011

	<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>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	8.000	6.401	6.383	6.385	6.387	6.390	6.370	6.390	6.364	6.387	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	4.220	0.000	0.000	0.000	0.000	0.000	0.000	4.021
<u>Parkway</u> (\$/GJ)	7.276	8.683	8.994	8.943	8.961	8.919	5.206	5.000	5.045	5.153	5.153	5.117
<u>Western Deliveries</u> (\$/GJ)	6.674	7.677	7.648	7.679	7.704	7.683	5.125	4.765	4.811	4.773	4.868	4.851
Fuel Ratio (%)	2.60%	0.92%	1.22%	1.99%	1.68%	1.07%	4.26%	3.68%	2.76%	1.84%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.638100	1.638100	1.638100	1.638100	1.638100	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900
GJ/day (TCPL)	597	360	360	356	352	352	352	435	435	435	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)	1,627	1,588	1,588	1,584	1,580	1,580	1,580	1,663	1,663	1,663	1,663	1,663
<u>Ontario Delivered Gas</u> (\$/GJ)	6.121	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	37.65	37.70	37.82	37.80	37.79	37.77	37.89	37.77	37.93	37.79	37.73	37.73

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2011 TO SEPTEMBER, 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
October	362,223	1,730,692	0.209294	0.206383	(0.002911)	-5,038.04	-17,813.91	-15.65	-45,476.19	-5,053.69	-63,290.10	118.7	1.47%
November	338,082	1,681,315	0.201082	0.206383	0.005301	8,912.65	-8,901.26	-21.82	-45,498.01	8,890.83	-54,399.27	202.7	1.47%
December	345,193	1,698,648	0.203217	0.206383	0.003166	5,377.92	-3,523.34	-10.90	-45,508.91	5,367.02	-49,032.25	321.8	1.47%
January	345,193	1,698,648	0.203217	0.206383	0.003166	5,377.92	1,854.58	-4.32	-45,513.23	5,373.60	-43,658.65	355.2	1.47%
February	326,037	1,601,961	0.203524	0.206383	0.002859	4,580.01	6,434.59	2.27	-45,510.96	4,582.28	-39,076.37	293.2	1.47%
March	345,193	1,698,648	0.203217	0.206383	0.003166	5,377.92	11,812.51	7.88	-45,503.08	5,385.80	-33,690.57	246.2	1.47%
April	335,218	1,650,305	0.203125	0.206383	0.003258	5,376.69	17,189.20	14.47	-45,488.61	5,391.16	-28,299.41	186.6	1.47%
May	344,783	1,698,648	0.202975	0.206383	0.003408	5,788.99	22,978.19	21.06	-45,467.55	5,810.05	-22,489.36	89.7	1.47%
June	335,218	1,650,305	0.203125	0.206383	0.003258	5,376.69	28,354.88	28.15	-45,439.40	5,404.84	-17,084.52	53.1	1.47%
July	344,783	1,698,648	0.202975	0.206383	0.003408	5,788.99	34,143.87	34.73	-45,404.67	5,823.72	-11,260.80	40.9	1.47%
August	344,783	1,698,648	0.202975	0.206383	0.003408	5,788.99	39,932.86	41.83	-45,362.84	5,830.82	-5,429.98	42.8	1.47%
September	<u>335,218</u>	<u>1,650,305</u>	<u>0.203125</u>	0.206383	0.003258	<u>5,376.69</u>	<u>45,309.55</u>	<u>48.92</u>	<u>-45,313.92</u>	<u>5,425.61</u>	<u>-4.37</u>	<u>58.5</u>	1.47%
Total	4,101,927	20,156,772	0.203501			58,085.42	45,309.55	146.62	-45,313.92	58,232.04	-4.37	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.000000)
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$0.00 Customer Charge

(1) Includes Sept., 2011 year-to-date balance of (\$12,775.87) (See Schedule 2)
(2) Includes Sept., 2011 year-to-date balance of (\$45,460.54) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2011 TO SEPTEMBER, 2012

	<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>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
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	1,173,284	1,135,436	1,173,284	1,173,284	1,097,588	1,173,284	1,135,436	1,173,284	1,135,436	1,173,284	1,173,284	1,135,436	13,852,319
Western Delivery	357,408	345,879	325,364	325,364	304,373	325,364	314,869	325,364	314,869	325,364	325,364	314,869	3,904,453
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,730,692	1,681,315	1,698,648	1,698,648	1,601,961	1,698,648	1,650,305	1,698,648	1,650,305	1,698,648	1,698,648	1,650,305	20,156,772
<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	0.186499	0.183179	0.186348	0.186348	0.186348	0.186348	0.186009	0.186009	0.186009	0.186009	0.186009	0.186009	
Western Delivery	0.181557	0.151939	0.155976	0.155976	0.155976	0.155976	0.155938	0.155938	0.155938	0.155938	0.155938	0.155938	
Ontario Delivered Gas	0.000000	0.000000	0.000000	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)	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	579,257
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	218,816	207,988	218,639	218,639	204,533	218,639	211,201	218,241	211,201	218,241	218,241	211,201	2,575,583
Western Delivery	64,890	52,552	50,749	50,749	47,475	50,749	49,100	50,737	49,100	50,737	50,737	49,100	616,674
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>30,246</u>	<u>29,270</u>	<u>27,534</u>	<u>27,534</u>	<u>25,757</u>	<u>27,534</u>	<u>26,646</u>	<u>27,534</u>	<u>26,646</u>	<u>27,534</u>	<u>27,534</u>	<u>26,646</u>	<u>330,413</u>
Total	362,223	338,082	345,193	345,193	326,037	345,193	335,218	344,783	335,218	344,783	344,783	335,218	4,101,927

[illegible]

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

OCTOBER, 2010 THROUGH SEPTEMBER, 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
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	-1,990,432	0.267163	77,660.70	0.001434	4,272.12	55,289.80	-26.64	4,088.21	59,378.01	1.20%
January	1,379,735	6,599,109	3,125,213	3,473,896	0	3,473,896	-2,094,161	-4,084,593	0.228146	0.00	(0.004427)	-15,378.94	39,910.87	67.73	4,155.94	44,066.81	1.47%
February	2,742,259	5,588,959	2,642,000	2,946,959	0	2,946,959	-204,700	-4,289,293	0.228146	0.00	(0.004427)	-13,046.19	26,864.68	48.89	4,204.83	31,069.51	1.47%
March	1,367,135	5,415,491	2,794,779	2,620,712	0	2,620,712	-1,253,577	-5,542,870	0.228146	104,976.41	(0.004427)	-11,601.89	120,239.20	32.91	4,237.74	124,476.94	1.47%
April	1,326,163	4,033,474	2,600,257	1,433,217	0	1,433,217	-107,054	-5,649,924	0.209207	0.00	(0.007679)	-11,005.67	109,233.53	147.29	4,385.03	113,618.56	1.47%
May	1,478,861	3,410,292	2,463,382	946,910	0	946,910	531,951	-5,117,972	0.209207	0.00	(0.007679)	-7,271.32	101,962.21	133.81	4,518.84	106,481.05	1.47%
June	1,381,489	2,931,615	2,431,765	499,850	0	499,850	881,639	-4,236,333	0.209207	-7,553.38	(0.007679)	-3,838.35	90,570.48	124.90	4,643.74	95,214.22	1.47%
July	1,680,108	2,736,990	2,293,710	443,281	0	443,281	1,236,827	-2,999,506	0.210990	0.00	(0.006417)	-2,844.53	87,725.95	110.95	4,754.69	92,480.64	1.47%
August	1,481,366	2,852,465	2,639,204	213,261	0	213,261	1,268,105	-1,731,401	0.210990	0.00	(0.006417)	-1,368.50	86,357.45	107.46	4,862.15	91,219.60	1.47%
September	4,449,535	2,861,595	2,699,547	162,048	0	162,048	4,287,487	2,556,086	0.210990	-11,775.89	(0.006417)	-1,039.86	73,541.70	105.79	4,967.94	78,509.64	1.47%
October	1,730,692	4,121,595	2,783,246	1,338,349	0	1,338,349	392,343	2,948,429	0.206383	0.00	(0.004428)	-5,926.21	67,615.49	90.09	5,058.03	72,673.52	1.47%
November	1,681,315	4,921,595	2,807,687	2,113,908	0	2,113,908	-432,593	2,515,835	0.206383	0.00	(0.004428)	-9,360.38	58,255.11	82.83	5,140.86	63,395.97	1.47%
December	1,698,648	5,421,595	2,795,357	2,626,238	0	2,626,238	-927,590	1,588,246	0.206383	0.00	(0.004428)	-11,628.98	46,626.13	71.36	5,212.22	51,838.35	1.47%
January	1,698,648	5,921,595	2,824,409	3,097,186	0	3,097,186	-1,398,538	189,708	0.206383	0.00	(0.004428)	-13,714.34	32,911.79	57.12	5,269.34	38,181.13	1.47%
February	1,601,961	5,421,595	2,807,462	2,614,133	0	2,614,133	-1,012,172	-822,464	0.206383	0.00	(0.004428)	-11,575.38	21,336.41	40.32	5,309.66	26,646.07	1.47%
March	1,698,648	4,921,595	2,744,961	2,176,634	0	2,176,634	-477,986	-1,300,449	0.206383	0.00	(0.004428)	-9,638.14	11,698.27	26.14	5,335.80	17,034.07	1.47%
April	1,650,305	4,021,595	2,685,665	1,335,930	0	1,335,930	314,375	-986,075	0.206383	0.00	(0.004428)	-5,915.50	5,782.77	14.33	5,350.13	11,132.90	1.47%
May	1,698,648	3,141,595	2,661,298	480,297	0	480,297	1,218,351	232,277	0.206383	0.00	(0.004428)	-2,126.76	3,656.01	7.08	5,357.21	9,013.22	1.47%
June	1,650,305	3,133,595	2,638,035	495,560	0	495,560	1,154,745	1,387,021	0.206383	0.00	(0.004428)	-2,194.34	1,461.67	4.48	5,361.69	6,823.36	1.47%
July	1,698,648	3,137,595	2,646,622	490,973	0	490,973	1,207,675	2,594,697	0.206383	0.00	(0.004428)	-2,174.03	-712.36	1.79	5,363.48	4,651.12	1.47%
August	1,698,648	3,245,595	2,639,204	606,391	0	606,391	1,092,257	3,686,954	0.206383	0.00	(0.004428)	-2,685.10	-3,397.46	-0.87	5,362.61	1,965.15	1.47%
September	1,650,305	3,141,595	2,699,547	442,048	0	442,048	1,208,257	4,895,211	0.206383	0.00	(0.004428)	-1,957.39	-5,354.85	-4.16	5,358.45	3.60	1.47%

(1) Includes balance of 595,888 as of Sept., 2010
(2) Includes balance of -32,451.36 as of Sept., 2010
(3) Includes balance of 4,177.15 as of Sept., 2010

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Oct-10 <u>EB-2010-0268</u>	Quarter Starting 01-Oct-11 <u>EB-2011-0301</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	643.2	643.2		
Monthly Charges	\$34.50	\$40.50	\$6.00	17.4%
Delivery Charges	\$98.41	\$98.21	(\$0.20)	-0.2%
Total Commodity Charges	<u>\$173.94</u>	<u>\$130.13</u>	<u>(\$43.81)</u>	<u>-25.2%</u>
Total Customer Charges	\$306.85	\$268.84	(\$38.00)	-12.4%

ANNUAL BILL IMPACT

	01-Jul-11 <u>EB-2011-0208</u>	01-Oct-11 <u>EB-2011-0301</u>	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$306.82	\$306.82	\$0.00	0.0%
Total Commodity Charges	<u>\$411.80</u>	<u>\$406.54</u>	<u>(\$5.26)</u>	<u>-1.3%</u>
Total Customer Charges	\$880.62	\$875.36	(\$5.26)	-0.6%

RATES USED

	01-Oct-10 <u>EB-2010-0268</u>	01-Jul-11 <u>EB-2011-0208</u>	01-Oct-11 <u>EB-2011-0301</u>
Monthly charge	11.50	13.50	13.50
Delivery Charge	0.152999	0.152693	0.152693
Total Commodity Charge	0.270425	0.204936	0.202318

**APPENDIX “A” TO
DECISION AND ORDER
BOARD FILE No. EB-2011-0301
DATED SEPTEMBER 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

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: October 01, 2011

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

EB-2011-0301

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

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: October 01, 2011

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

EB-2011-0301

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.

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: October 01, 2011

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

EB-2011-0301

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

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: October 01, 2011

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

EB-2011-0301

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.

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: October 01, 2011

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

EB-2011-0301

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.

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: October 01, 2011

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

EB-2011-0301

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-2011-0301)	20.6383 cents per m ³
GPRA Recovery Rate	(EB-2011-0301)	(0.4428) cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>20.2318</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: October 01, 2011

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

EB-2011-0301

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: October 01, 2011

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

EB-2011-0301

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: October 01, 2011

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

EB-2011-0301

**APPENDIX “B” TO
DECISION AND ORDER
BOARD FILE No. EB-2011-0301
DATED SEPTEMBER 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-2011-0301
DATED SEPTEMBER XX, 2011**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after October 1, 2011, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.002618 per cubic meter to \$0.202318 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 September, 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 2,009 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$5 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.