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

November 11, 2011

Couriered & E-filed Via RESS

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

Your reference	Direct line +1 (416) 216-2311
Our reference	Email rking@nortonrose.com

Dear Ms. Walli:

Natural Resource Gas Limited ("NRG") – Fiscal 2011 Rates Application
Proposed Settlement Agreement (Phase 2)
Board File No. EB-2010-0018

Please find attached a proposed Settlement Agreement concluded between the parties in the above-noted proceeding. Each of the parties to the proposed Settlement Agreement has reviewed and approved the proposed agreement as described therein.

Should you have any questions or concerns, please contact the undersigned.

Yours very truly,

Richard J. King

RK/lmf
Encl.

copy: All Intervenors
K. Viraney (Board Staff)
M. Millar (Board Counsel)
B. Cowan (NRG)
L. O'Meara (NRG)
J. Todd (Elenchus)

DOCSTOR: 2002085\2

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SETTLEMENT AGREEMENT

NATURAL RESOURCE GAS LIMITED

2011 RATES APPLICATION – Phase 2
(EB-2010-0018)

NOVEMBER 11, 2011

Table of Contents

PREAMBLE

This Settlement Agreement is filed with the Ontario Energy Board (the "Board") in connection with Phase 2 of a proceeding initiated by Natural Resource Gas Limited ("NRG") pursuant to section 36 of the *Ontario Energy Board Act, 1998* for an order or orders approving or fixing just and reasonable rates for the distribution of natural gas (EB-2010-0018). Phase 1 of this proceeding was concluded with the issuance of the Board's Decision and Order dated December 6, 2010. This Phase 1 Decision dealt with issues that were not settled in a (Partial) Settlement Agreement accepted by the Board at the oral hearing on August 18, 2010.

Pursuant to Procedural Order No. 8 in this proceeding, a Settlement Conference was held on September 26, 2011 in accordance with the *Ontario Energy Board Rules of Practice and Procedure* (the "Rules") and the Board's *Settlement Conference Guidelines* (the "Settlement Guidelines"). This Settlement Agreement arises from that Settlement Conference, and provides for a complete settlement of two of the three Phase 2 issues noted below.

Phase 2 of this proceeding addresses three discrete issues:

- NRG's proposal for a revised incentive regulation plan ("IR Plan") filed with the Board on May 6, 2011 (Issue 9 on Issues List);
- the appropriate maintenance costs associated with the pipeline dedicated to serve Integrated Grain Processors Cooperative Inc./IGPC Ethanol Inc. ("IGPC")(Issue 4.6 on Issues List); and,
- the appropriate price for gas purchased by NRG from NRG Corp. (Issue 4.13 on Issues List).

Settlement of the first issue noted above (i.e., the IR Plan) raises another issue in the proceeding – namely, the appropriate amortization period for regulatory costs (Issue 4.4 on Issues List). Parties have agreed to settle Issue 4.4 in the manner set out below.

This Settlement Agreement does not deal with the dispute between IGPC and NRG regarding the capital cost of the IGPC Pipeline.

The Parties

NRG and the following intervenors (collectively the "Participating Intervenors"), as well as Ontario Energy Board staff ("Board Staff"), participated in the Settlement Conference in respect of the three Phase 2 issues:

- Vulnerable Energy Consumers Coalition ("VECC")
- IGPC

NRG and the Participating Intervenors are collectively referred to herein as the "Parties". In accordance with page 5 of the Settlement Guidelines, Board Staff is neither a Party nor a signatory to this Settlement Agreement. Although Board Staff is not a party to this Settlement Agreement, the Board Staff who did participate in the Settlement Conference are bound by the same confidentiality standards that apply to the Parties to the proceeding.

The Town of Aylmer was an intervenor in Phase 1 of this proceeding, but by way of an email dated August 16, 2011, counsel for the Town of Aylmer indicated that the Town would not be an "active participant" in Phase 2 but would remain an "observer". The Town of Aylmer did not participate in the Settlement Conference. Union Gas Limited is a registered intervenor in this proceeding, but did not participate in the Settlement Conference and takes no position on any of the issues herein.

These settlement proceedings are subject to the rules relating to confidentiality and privilege contained in the Guidelines. The Parties agree that all positions, negotiations and discussions of any kind whatsoever which took place during the Settlement Conference and all documents exchanged during the conference which were prepared to facilitate settlement discussions are strictly confidential and without prejudice, and inadmissible unless relevant to the resolution of any ambiguity that subsequently arises with respect to the interpretation of any provision of this Settlement Agreement.

Summary of the Proposed Settlement

For the purposes of organizing this Settlement Agreement, the Parties have followed the Issues List consented to by Parties and attached as Appendix B to Procedural Order No. 2 in this proceeding.

This Settlement Agreement proposes to settle two of the three issues in Phase 2 of this proceeding, namely:

- NRG's proposal for a revised IR Plan filed with the Board on May 6, 2011; and,
- the appropriate maintenance costs associated with the pipeline dedicated to serve IGPC.

As a result of settling the IR Plan, the annual regulatory costs to be included in NRG's distribution rates can be finalized. The regulatory costs issue was essentially agreed to by Parties in the original (Partial) Settlement Agreement of August 18, 2010, but required agreement upon the length of the IR Plan term in order to finalize the precise regulatory costs to be included in rates. This is explained more fully in Issue 4.4 below.

If this Settlement Agreement is accepted by the Board, only one issue will remain outstanding for determination by the Board – namely, the appropriate price for gas purchased by NRG from NRG Corp. The disposition of this remaining issue has no impacts on NRG's distribution rates, because it is related to the commodity price for NRG's system gas customers.

The Settlement Agreement describes the agreements reached on the two settled issues and identifies the Parties who agree, or alternatively who take no position on each issue. The Settlement Agreement provides a direct link between each issue and the supporting evidence in the record to date. In this regard, the Parties who agree with the individual settlements are of the view that the evidence provided is sufficient to support the Settlement Agreement in relation to the settled issues and, moreover, that the quality and detail of the supporting evidence, together with the corresponding rationale, will allow the Board to make findings on the settled issues.

Best efforts have been made to identify all of the evidence that relates to each settled issue. NRG's responses to information requests ("IR") is described by citing the name of the Party and the number of the interrogatory (e.g., Board Staff IR8). The identification and listing of the evidence that relates to each issue is provided to assist the Board, and is not intended to limit any Party who wishes to assert that other evidence is relevant to a particular settled issue.

The settled issues contained in this proposal have been settled by the Parties as a package, and are not severable. If the Board does not accept the package in its entirety, then there is no settlement (unless the Parties agree that any portion of the package that the Board does accept may continue as part of a valid Settlement Agreement). None of the Parties can withdraw from this proposal except in accordance with Rule 32.05 of the Rules. Moreover, the settlement of any particular issue in this proceeding and the positions of the Parties in this Settlement Agreement are without prejudice to the rights of the Parties to raise the same issue and/or to take any position thereon in any other proceeding.

The Parties agree that this Settlement Agreement forms part of the record in EB-2010-0018.

ISSUES

4. Cost of Service

4.4 Are the proposed regulatory costs for 2011 appropriate?

Complete Settlement: There is an agreement to settle this issue as follows:

The total regulatory costs of $450,000 (previously settled by the Parties) included a component related to ongoing administration of the IR Plan. Specifically, the Parties previously agreed to reduce the regulatory costs to be included in rates by $10,800 for each year that the original IR Plan term was reduced. The original IR Plan proposal was a five-year plan and the Parties have agreed to a three-year term (exclusive of the base year). Consequently, the appropriate amount of regulatory costs to be recovered over the three year term of the proposed IR Plan is $428,400 (i.e., $450,000 – (2 x $10,800)). For the purposes of rates in the test year, $90,000 was included. Consequently, $338,400 in regulatory costs remains to be collected in years 1 through 3 of the proposed IR Plan. Given that year 1 of the IR Plan has already commenced, the Parties agree that the remaining regulatory costs shall be recovered as follows:

- $90,000 in regulatory costs will be included in rates for Years 1 through 3 of the IR Plan (for a total of $270,000);
- the remaining $68,400 (i.e., $338,400 minus $270,000) shall be recovered over the remaining 34 remaining months in the IR Plan term (assuming an effective date of December 1, 2011 for NRG's rates arising from this Settlement Agreement). The draft rate schedules provided at Appendix A contemplate distribution rates made effective as of December 1, 2011.

Approval:

Parties in Support: NRG, VECC, IGPC

Parties Taking No Position: —

Evidence: The evidence in relation to this issue includes the following:

D1/3/1 Operating and Maintenance Costs
D1/3/6 Regulatory Costs
D8/3/1 Operating and Maintenance Expense – 2011 Test
D8/3/2 Regulatory Expense – 2011 Test
Board Staff IR18
IGPC IR24
EB-2010-0018 Decision – Phase I, December 6, 2010, pp. 15-16

4.6 Are the IGPC period costs for 2010 and 2011 appropriate?

Complete Settlement: There is an agreement to settle this issue as follows:

For the purpose of obtaining a settlement, the Parties agree that the annual maintenance costs for the pipeline serving IGPC will be set at $56,055. For greater certainty, there will be no pipeline maintenance deferral account to be established for the purposes of any adjustments to these maintenance amounts.

Approval:

Parties in Support: NRG, VECC, IGPC

Parties Taking No Position: —

Evidence: The evidence in relation to this issue includes the following:

D1/3/1 Operating and Maintenance Costs
D1/3/7 IGPC Period Costs
D8/3/1 Operating and Maintenance Expense – 2011 Test
D8/3/2 Regulatory Expense – 2011 Test
Board Staff IR14, IR15 and IR16
VECC IR35 through IR37
EB-2010-0018, Decision and Order, Phase I, December 6, 2010, page 12
Maintenance Protocol RFP Results (filed April 28, 2011)
Board Staff IR 8 through 11 (August 31, 2011)
IGPC IR 1 and 2 (August 31, 2011)

4.13 Is the cost of gas from 2007 to 2011 appropriate?

This issue remains unsettled.

As IGPC is a direct purchaser of all its natural gas and is served through a dedicated pipeline, IGPC will not be a participant in this issue going forward.

9. Incentive Regulation Mechanism

9.1 Is NRG's proposed five year Incentive Regulation Plan appropriate?

9.2 Is NRG's proposal of including an all-in-one fixed price cap escalator of 1.5% during the IR term appropriate?

9.3 Is the term of the IR Plan appropriate?

9.4 Is NRG's proposal for Earnings Sharing Mechanism, Off-Ramps, Z-factors and Y-Factors under the IR Plan appropriate?

9.5 Is NRG's annual rate adjustment mechanism under the IR Plan appropriate?

Complete Settlement: There is an agreement to settle this issue as follows:

For the purpose of obtaining a settlement, the Parties agree that NRG's distribution rates, in each NRG fiscal year of the period October 1, 2011 through September 30, 2014 shall be adjusted by the application of the following formula:

$$PCA = I - X + S$$

where:

PCA = price cap adjustment

I = inflation factor

X = productivity factor

S = stretch factor

With respect to the inflation factor, the Parties agree that the inflation factor to be used in the PCA is the actual year-over-year change in the annualized average of four quarters of Statistics Canada's Gross Domestic Product Implicit Price Index for Final Domestic Demand ("GDP-IPI"), as calculated by the Board and in effect at the time the PCA is made. For NRG's fiscal 2012 distribution rates, the inflation factor is 1.3%.

With respect to the productivity factor, the Parties agree to use the productivity factor utilized by the Board for electricity distributor rate adjustments. Thus, until such time as the Board adjusts the productivity factor for electricity distributors, the productivity factor utilized in NRG's IR Plan shall be 0.72%.

With respect to the stretch factor, the Parties agree to the application of a stretch factor that is 0.1% greater than the stretch factor applicable to mid-range electricity distributors. Thus, until such time as the Board adjusts the stretch factors for mid-range electricity distributors (currently 0.4%), the stretch factor utilized in NRG's IR Plan shall be 0.5%.

Z-Factor Claims: The Parties agree that NRG may bring forward, for Board approval, costs for unforeseen events outside of NRG's management control (i.e., "Z-Factor" claims). In order for NRG to be able to recover amounts brought forward as Z-factor claims, the amounts claimed must meet the following three criteria:

Criteria	Description
Causation	Amounts should be directly related to the Z-factor event. The amount must be clearly outside of the base upon which rates were derived.
Materiality	The amounts must exceed $50,000 (on an individual event basis) and have a significant influence on the operation of NRG; otherwise they should be expensed in the normal course and addressed through organizational productivity improvements.
Prudence	The amount must have been prudently incurred. This means that NRG's decision to incur the amount must represent the most cost-effective option (not necessarily least initial cost) for ratepayers.

The Parties agree that amounts to be claimed by NRG as a Z-factor shall be recorded in a separate Z-factor deferral account, and that the process for bringing such claims forward shall be as follows:

- NRG must notify the Board and intervenors in this case of all Z-factor events within six months of the Z-factor event.

- NRG shall apply to the Board for recovery of amounts recorded in the Z-factor deferral account. The application shall include: (a) evidence from NRG demonstrating that the costs incurred meet the three eligibility criteria outlined above; (b) an explanation of the manner in which NRG intends to allocate the incremental revenue requirement to the various customer classes, the rational for the selected approach and a discussion of the merits of alternative allocation amounts; (c) an explanation as to whether the proposed rate rider to recover the Z-factor amount will apply on a fixed or variable basis or a combination thereof, and the length of the disposition period and a rational for this approach; and (d) a detailed calculation of the rate rider.

The Parties agree that NRG shall record eligible Z-factor amounts in a segregated account, along with monthly carrying charges (calculated using simple interest applied to the monthly opening balances in the account and recorded in a separate sub-account of this account). The rate of interest shall be the rate prescribed by the Board for deferral and variance accounts for the respective quarterly period published on the Board's website.

***Off-Ramps*:** The Parties agree that the IR Plan will include a trigger mechanism for a regulatory review if NRG's earnings fall outside of an annual ROE deadband of ± 300 basis points. In the event that NRG's annual audited financial statements show NRG's earning fall short of or exceeds its Board-approved ROE by 300 basis points, NRG shall file such annual audited financial statements with the Board within 60 days of NRG's receipt of its annual audited financial statements. In such circumstances, the Parties agree that a review will be carried out by the Board to determine if further action by the Board is warranted. The Parties agree that any such review would be prospective in nature, and could result in modifications to NRG's IR Plan including the termination or continuation of NRG's IR Plan.

***Approval*:**

Parties in Support: NRG, VECC, IGPC

Parties Taking No Position: —

Evidence: The evidence in relation to this issue includes the following:

H1/1/2 Revised IR Plan (Company Evidence – May 6, 2011)
H2/1/1 Revised IR Plan (Elenchus Evidence – May 6, 2011)
Board Staff IR1 (August 31, 2011)
VECC IR1, 2, 3, 4, 6, 7, 8, 9 (August 31, 2011)
IGPC IR 3 (August 31, 2011)

APPENDIX A

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
	Rate Rider for Shared Tax Savings - effective until September 30, 2012	$(0.10)
b)	Delivery Charge	
	First 1,000 m^3 per month	15.3980 cents per m^3
	All over 1,000 m^3 per month	10.5303 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: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
EB-2010-0018

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
	Rate Rider for Shared Tax Savings – effective until September 30, 2012	\$(0.18)	\$(0.18)
b)	Delivery Charge		
	First 1,000 m^3 per month	13.8976 cents per m^3	17.5270 cents per m^3
	Next 24,000 m^3 per month	9.4826 cents per m^3	15.6960 cents per m^3
	All over 25,000 m^3 per month	6.1698 cents per m^3	15.2899 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: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
EB-2010-0018

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 m^3; and
c) a qualifying annual volume of at least 113,000 m^3.

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.

Rate Rider for Shared Tax Savings - effective until September 30, 2012 $(7.96)

b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 cents per m^3 for each m^3 of daily contracted firm demand.

c) A Monthly Delivery Charge:

(i) A Monthly Firm Delivery Charge for all firm volumes of 3.7634 cents per m^3,

(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 m^3 and not to be less than 7.9412 per m^3.

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 m^3 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 m^3 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: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
EB-2010-0018

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
	Rate Rider for Shared Tax Savings - effective until September 30, 2012	$(0.52)	$(0.52)
b)	Delivery Charge		
	First 1,000 m^3 per month	14.7933 cents per m^3	18.8772 cents per m^3
	All over 1,000 m^3 per month	10.5218 cents per m^3	16.9052 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: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
EB-2010-0018

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 m^3; and
c) a qualifying annual volume of at least 50,000 m^3.

Rate

1. Bills will be rendered monthly and shall be the total of:

a)	Monthly Fixed Charge	$150.00.
	Rate Rider for Shared Tax Savings - effective until September 30, 2012	$(2.88)

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 m^3 and not to be less than 5.4612 per m^3.

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 m^3. 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 m^3 for interruptible gas.

<u>Bundled Direct Purchase Delivery</u>

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.

<u>Delayed Payment Penalty</u>

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: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
EB-2010-0018

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

Rate Rider for Shared Tax Savings - effective until September 30, 2012 $(287.23)

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.1837 cents per m^3 for each m^3 of daily contracted firm demand.

c) A Monthly Delivery Charge:

(i) A Monthly Firm Delivery Charge for all firm volumes of 3.7533 cents per m^3,

(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 m^3 and not to be less than 7.9412 per m^3.

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 m^3 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 m^3 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: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
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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)	0.0364 cents per m^3
Total Gas Supply Charge		20.2318 cents per m^3

Note:
PGCVA means Purchased Gas Commodity Variance Account
GPRA means Gas Purchase Rebalancing Account

Effective: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
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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: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
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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: December 01, 2011
Implementation: All bills rendered on or after December 01, 2011
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