

**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 April 1, 2008;

**AND IN THE MATTER OF** the Quarterly Rate  
Adjustment Mechanism.

**CORRECTED APPLICATION**

1. As part of the EB-2007-0927 Decision and Order dated December 21, 2007 the Board approved a PGCVA reference price of \$0.305418 per m<sup>3</sup> and a gas supply charge of \$0.305213 per m<sup>3</sup>, both effective January 1, 2008.
2. Based on actual and forecast natural gas prices for the April, 2007 through March, 2008 period the PGCVA balance is projected to be a debit of approximately \$7 per residential customer. If unadjusted, the projected PGCVA balance at the end of March, 2009 would be a debit of approximately \$96 per residential customer.
3. The PGTVA balance is projected to have a credit balance of approximately \$7 to \$8 per residential customer over this period. NRG is not requesting any change to the PGTVA reference price in this proceeding. The actual PGTVA balance at the end of Fiscal 2007 will be disposed of through a separate application.
4. Based on the requested change in the PGCVA reference price effective April 1, 2008, the GPRA, if unadjusted, would have a projected debit balance of approximately \$235,000.00, including accumulated interest, at the end of March, 2009.

5. NRG hereby applies to the Board for further orders effective April 1, 2008 as follows:

- a) an order changing the reference price for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.046462 per m<sup>3</sup> from the Board approved level of \$0.305418 per m<sup>3</sup> to \$0.351880 per m<sup>3</sup>;
- b) an order changing the rates and other charges from those authorized by the Board's EB-2007-0927 rate order to reflect a projected \$0.057204 per m<sup>3</sup> change in the gas supply charge from the Board approved level of \$0.305213 m<sup>3</sup> to a projected cost of \$0.362417 per m<sup>3</sup>. This change is the sum of the change in the PGCVA reference price and the change required to prospectively clear the balance of the GPRA.

6. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2005-0544.

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

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Natural Resource Gas Limited  
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And

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Dated at Aylmer, Ontario, this 7<sup>th</sup> day of March, 2008.

**NATURAL RESOURCE GAS LIMITED**

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Chuck Hindley  
General Manager

**NATURAL RESOURCE GAS LIMITED**

**INTRODUCTION**

As part of the EB-2007-0927 Decision and Order dated December 21, 2007, the Board approved a PGCVA reference price of \$0.305418 per m<sup>3</sup> and a gas supply charge of \$0.305213 per m<sup>3</sup>, both effective January 1, 2008.

In EB-2005-0544 (Decision with Reasons dated September 20, 2006), the Board approved a Purchased Gas Transportation Variance Account ("PGTVA") reference price of \$0.019029 per m<sup>3</sup>, effective October 1, 2006.

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. In EB-2007-0927, the Board approved a GPRA rate of (\$0.002033) per m<sup>3</sup>.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 1, 2008 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

NRG is not proposing any change to the PGTVA reference price as part of this proceeding.

**PGCVA**

**Updated Forecasts**

The purpose of this evidence is to provide the projected PGCVA account balance for the twelve-month period ending March, 2008 and for the twelve-month period ending March, 2009. Based on actual and forecast costs, the PGCVA account balance totals a charge of \$7.47 per residential customer for the twelve month period ending March, 2008

**March, 2008**

1 (Schedule 2). This debit, in the absence of a change in the PGCVA reference price,  
2 would become a debit of \$95.54 per residential customer by the end of March, 2009  
3 (Schedule 5).

4  
5 The current forecast reflects the forecast for natural gas prices over the relevant period.  
6 These gas prices reflect current market conditions, including alternative energy prices,  
7 demand for natural gas, the weather outlook and the impact of current storage levels.

8  
9 The PGCVA balance has been calculated using the most recent information available,  
10 including actual volumes and costs through December, 2007. The remaining months in  
11 the twelve-month period ending March, 2008 are calculated using estimated prices based  
12 on the best information available at the current time. Forecast prices have been used for  
13 the period April, 2008 through March, 2009 period, except where actual contracted prices  
14 are available.

15  
16 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized  
17 by NRG for system gas purchases.

18  
19 Gas Supply Portfolio

20 NRG's gas supply portfolio includes local production, deliveries of Western Canadian  
21 gas at the Alberta border and purchases at Parkway on the Union Gas ("Union") system.  
22 When required, NRG also purchases additional Ontario Delivered gas in February and/or  
23 September. The requirement for these purchases is discussed below.

24  
25 NRG is required to balance its total supply with its total demand on the Union Gas  
26 system on an annual basis, at the time that the direct purchase contract with Union Gas is  
27 renewed. This may entail NRG purchasing Ontario Delivered gas or shedding excess  
28 gas.

29

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

Additional Ontario delivered gas that may be purchased in February of each year is required for NRG to meet its forecast banked gas account winter balancing checkpoint on the Union Gas system at the end of February 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).

NRG is currently required to deliver 1,500 GJ/day to Union Gas. Of this amount, NRG has assigned a total of 180 GJ/day to its direct purchase customers, leaving 1,320 GJ/day for system gas customers. The composition of this 1,320 GJ/day is 581 GJ/day at AECO and 739 GJ/day at Parkway. A direct purchase customer has requested an increase of 5 GJ/day and this change is expected to be effective April 1, 2008. This will increase the assigned capacity to direct purchase customers to 185 GJ/day and reduce the system gas customer capacity to 1,315 GJ/day. This decrease for system gas customers will be reflected in a reduction of the AECO deliveries.

The composition of the gas deliveries for direct purchase and system gas customers is shown in the following table.

**GJ/s per Day**

Delivery Point	Oct., 2007	April, 2008
Direct Purchase	180	185
AECO	581	576
Parkway	739	739
Dawn	0	0
Total	1,500	1,500

In addition to the obligated deliveries described above, NRG purchases gas from local producers in its franchise area.

1 As indicated previously, NRG is required to balance its supply with its demand on the  
2 Union system to within +/- 4% at the end of the contract year under its bundled  
3 transportation contract with Union. The bundled transportation contract year-end  
4 corresponds with the end of NRG's fiscal year (September 30). NRG purchases  
5 additional balancing gas (or Ontario Delivered gas) or sells gas and/or reduces deliveries  
6 such that total demand on the Union system is offset by the supply provided to Union Gas  
7 to remain within the contract parameters.

8  
9 The composition of the gas supply portfolio volumes for the April, 2007 through March,  
10 2008 period is shown on the top of Schedule 3. This schedule shows the monthly volume  
11 of gas purchased or forecast to be purchased from local producers, obligated deliveries at  
12 Dawn, Parkway and the Alberta border (Western), and balancing gas (Ontario Delivered).  
13 Similarly, the composition of the gas supply portfolio volumes for the April, 2008  
14 through March, 2009 period is shown on the top of Schedule 6.

15  
16 Gas Costs

17 NRG's actual and forecast gas costs for the April, 2007 through March, 2008 period, by  
18 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the  
19 middle section of Schedule 3 in \$/m<sup>3</sup>. The conversion factor used is based on the heat  
20 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.  
21 The conversion factors used are shown in Schedule 4. All prices shown are actual prices  
22 paid in April, 2007 through December, 2007. Prices for the remaining months in this  
23 period are based on estimated and contracted prices to be paid in these months.

24  
25 Prices for April, 2008 through March, 2009 are based on prices averaged over 10 days in  
26 the period February 8, 2008 through February 27, 2008. NRG attempted to use 10  
27 consecutive trading days for the average prices. However, NRG was not able to obtain  
28 the necessary pricing information from its suppliers for February 11, 15 or 20<sup>th</sup>. In  
29 addition February 18<sup>th</sup> was a holiday. Given these restrictions on the data available to  
30 NRG, the 10 day average required the use of daily pricing data from February 8<sup>th</sup> through

1 February 27<sup>th</sup>. These prices are shown in Schedule 7 in \$/GJ and in the middle section of  
2 Schedule 6 in \$/m<sup>3</sup>. Gas prices for each of the sources of supply are described below. In  
3 addition to the above, contracted prices have been used where purchase decisions have  
4 been made.

5  
6 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This  
7 refers to gas that is produced in NRG's franchise area and purchased from a related  
8 company. This gas has been contracted for through September 30, 2008 at a fixed price  
9 of \$0.3012/m<sup>3</sup> (Schedule 6) or \$8.017/GJ as shown in Schedule 7. The forecast price of  
10 \$9.649/GJ shown in Schedule 7 for the October, 2008 through March, 2009 period is the  
11 forecast price for Dawn gas in these months.

12  
13 The second source of local production is noted as "Local Production (B)" in Schedules 4  
14 and 7. The price paid for this gas is for Dawn delivery. NRG is not forecasting the  
15 purchase of any gas from this source in the April, 2008 through March, 2009 period.

16  
17 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at  
18 these delivery points is discussed below.

19  
20 The Empress price over the April, 2008 through March, 2009 period shown in Schedule 7  
21 (Western Deliveries) is entirely based on forecast prices as NRG has not yet contracted  
22 for any of this gas on a fixed price basis. The Empress delivery rate forecast is \$8.074/GJ  
23 in both April and May, \$8.3290/GJ in June through October and \$9.111/GJ in November  
24 through March. Fuel costs of 6% are included in these rates.

25  
26 The Parkway price over the April, 2008 through March, 2009 period is also based on  
27 forecast prices only over this period as NRG has not yet contracted for any of this gas on  
28 a fixed price basis. The forecasted prices are \$8.817/GJ in April, \$9.020/GJ in May  
29 through October and \$9.938/GJ in November through March.

1 NRG is not forecasting the purchase of any delivered gas in September, 2008.

2

3 Other Forecast Assumptions

4 A number of other assumptions have been used to calculate the projected balance in the  
5 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been  
6 forecast at 6.0%. This ratio has been reflected in the forecast prices shown in the  
7 schedules for western deliveries.

8

9 TCPL tolls have been forecast at a rate of \$1.090000/GJ. This is the current rate charged  
10 by TCPL and approved by the National Energy Board effective January 1, 2008.

11

12 PGCVA Balance

13 The projected March, 2008 balance in the PGCVA is a debit of \$73,884.76, including a  
14 debit of \$44,779.56 in accumulated interest, based on the Board approved short term  
15 interest rate. This estimate is based on actual and forecasted purchases and the balance  
16 brought forward from March, 2007. The PGCVA debit amounts to a charge of  
17 approximately \$7.47 for a typical residential customer consuming approximately 1,893  
18 m<sup>3</sup> per year. These figures are shown on Schedule 2. The interest rate used is that  
19 prescribed by the Board.

20

21 Proposed PGCVA Rate Changes

22 Schedule 5 shows the impact at the end of the twelve-month period beginning April,  
23 2008 if no change is made to the reference price. At the end of March, 2009, the balance  
24 in the PGCVA is a debit balance of \$976,188.26, including a debit balance of \$61,237.50  
25 in accumulated interest. This represents a charge of \$95.54 for a residential customer  
26 consuming approximately 2,000 m<sup>3</sup> per year.

27

28 NRG proposes to adjust the reference price effective April 1, 2008 based on the projected  
29 accumulated balance in the PGCVA as of the end of March, 2008 and the forecasted cost  
30 of gas over the 12 month period beginning April, 2008 and ending March, 2009. The

1 reference price will be set such that the projected PGCVA balance at the end of March,  
2 2009 would be close to zero.

3  
4 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the  
5 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM  
6 applications, which were accepted by the Board. In those proceedings, NRG indicated  
7 that its customers had made clear their opinion on retroactive adjustments. A large  
8 percentage of NRG's gas sales volumes are agriculturally based and these customers  
9 cannot recover any retroactive charges. The proposal contained in this application is  
10 designed to minimize, and eliminate where possible, the existence of further retroactive  
11 billing adjustments.

12  
13 NRG proposes to change the reference price by \$0.046462 per m<sup>3</sup> effective April 1, 2008,  
14 from \$0.305418 per m<sup>3</sup> to \$0.351880 per m<sup>3</sup>. The derivation of this rate is shown in  
15 Schedule 8. This is the reference price required to bring the PGCVA balance close to  
16 zero on a twelve month forecast basis. This change will also be reflected in the gas  
17 commodity charge.

## 18 19 **GAS PURCHASE REBALANCING ACCOUNT**

20 The impact on the GPRA of the proposed April 1, 2008 change in the PGCVA reference  
21 price from \$0.305418 per m<sup>3</sup> to \$0.351880 per m<sup>3</sup> is a debit of \$206,892.22, as shown on  
22 Schedule 9. This figure is shown in column (J) of Schedule 9 and on the March, 2008  
23 line. It is calculated as the change in the PGCVA reference price between April and  
24 March, multiplied by the cumulative inventory balance at the end of March. This  
25 cumulative inventory balance is the sum of the actual monthly inventory balances for  
26 December, 2007 and forecasts for the subsequent months. These forecasts will be  
27 replaced with actual balances for these months in subsequent QRAM applications as this  
28 information becomes available. As well, the monthly inventory balances are based on a  
29 deemed level of unaccounted for gas ("UFG") of the total throughput volume, as shown

1 in column (E) of Schedule 9. The 0.0% is the Board approved level of UFG from EB-  
2 2005-0544.

3  
4 NRG proposes to adjust the gas commodity charge effective April 1, 2008 based on the  
5 projected accumulated balance in the GPRA. The adjustment to the gas commodity  
6 charge will be set such that the projected GPRA balance at the end of March, 2009 would  
7 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 9.  
8 Column (P) shows the reduction of the inventory revaluation debit based on this rate of  
9 \$0.008709 per m<sup>3</sup> over the April, 2008 through March, 2009 period.

10  
11 NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need  
12 for retroactive adjustments. This is consistent with NRG's proposal for the continued  
13 prospective clearance of the PGCVA and is made with the same reasons in mind as  
14 outlined above for the PGCVA. This change will also be reflected in the gas commodity  
15 charge.

### 16 17 **GAS COMMODITY CHARGE**

18 The system gas supply cost of \$0.001828 per m<sup>3</sup> will be maintained. This figure  
19 represents the functionalization of additional costs over and above the commodity and  
20 transportation costs that form the PGCVA reference price to the gas supply function.  
21 These additional costs are portions of the wages and benefits, management fee, return on  
22 rate base (working cash) and income taxes. This functionalization is unchanged from that  
23 approved in EB-2005-0544.

24  
25 The change in the gas commodity charge proposed for April 1, 2008 is summarized  
26 below. The change in the gas commodity charge reflects both the change in the PGCVA  
27 reference price and the change in the recovery of the inventory revaluation amount in the  
28 GPRA. The change in the gas commodity charge is as follows:

	EB-2007-0927	Proposed	
	Jan. 1, 2008	Apr. 1, 2008	Difference
PGCVA Reference Price	\$0.305418	\$0.351880	\$0.046462
GPRA Recovery	(\$0.002033)	\$0.008709	\$0.010742
System Gas Supply Cost	\$0.001828	\$0.001828	\$0.000000
Gas Commodity Charge	\$0.305213	\$0.362417	\$0.057204

## PGTVA

### PGTVA Balance

Based on the current reference price of \$0.019029 per m<sup>3</sup>, the projected March, 2008 balance in the PGTVA is a credit of \$77,944.30 including a credit of \$2,536.72 in accumulated interest, based on the Board approved short term interest rate. This estimate is based on actual and forecasted costs over this period. The PGTVA credit amounts to a rebate of approximately \$6.69 for a typical residential customer consuming approximately 1,893 m<sup>3</sup> per year. These figures are shown on Schedule 10.

Schedule 11 shows the impact at the end of the twelve-month period beginning April, 2008 based on the reference price of \$0.019029 per m<sup>3</sup>. At the end of March, 2009, the balance in the PGTVA is a credit balance of \$84,237.25, including a credit balance of \$2,491.14 in accumulated interest. This represents a rebate of \$7.83 for a residential customer consuming approximately 2,000 m<sup>3</sup> per year.

The balance in the PGTVA forms part of the distribution delivery rate charged by NRG and, as such, is not impacted by changes in gas costs. NRG is not proposing to change the PGTVA reference price as part of this gas cost proceeding. NRG plans to dispose of the actual balance in the PGTVA at the end of September, 2007 based on final fiscal 2007 delivery volumes by way of a one-time rebate to customers based on their actual consumption in fiscal 2007. This is the same approach as approved by the Board in EB-2007-0092 for the actual balance in the PGTVA at the end of September, 2006. NRG expects to file a separate application shortly to clear this balance when the fiscal 2007 figures have been confirmed.

1 **SUMMARY**

2 In summary, NRG proposes to change the reference price for amounts to be recorded in  
3 the Purchased Gas Commodity Variance Account from \$0.305418 by \$0.046462 to  
4 \$0.351880 per m<sup>3</sup> effective April 1, 2008. This change is shown in Appendix B.

5  
6 NRG also proposes to change the gas supply charge from \$0.305213 to \$0.362417 per m<sup>3</sup>  
7 effective April 1, 2008. This change reflects the change of \$0.046462 per m<sup>3</sup> related to  
8 the change in the PGCVA reference price, as described above and the change of  
9 \$0.010742 per m<sup>3</sup> related to the recovery of the GPRA balance, also as described above.  
10 These changes apply to all system gas customers served under Rates 1, 2, 3, 4 and 5.  
11 There are no other changes to these rate schedules. The proposed rate schedules are  
12 attached as Appendix A. The proposed customer notices are attached as Appendix C.

13  
14 Schedule 12 provides a residential bill comparison showing the impact of the proposed  
15 changes on a year over year basis for the appropriate quarter as well as the annual bill  
16 impact of the most recent quarterly change. The annual impact on a customer consuming  
17 approximately 2,000 m<sup>3</sup> is an increase of \$114.95.

18

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - APRIL, 2007 TO MARCH, 2008

Act/Fcst	Month	Purchase Cost (\$'s)	M*3	Actual/ 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
Actual	April	488,678	1,546,888	0.315910	0.365402	0.049492	76,558.57	(308,199.95)	(1,471.70)	(42,359.87)	75,086.87	(350,559.82)	175.0	4.59%
Actual	May	398,689	1,279,893	0.311502	0.365402	0.053900	68,986.24	(239,213.71)	(1,178.86)	(43,538.73)	67,807.38	(282,752.44)	74.6	4.59%
Actual	June	366,082	1,158,510	0.315993	0.365402	0.049409	57,240.84	(181,972.87)	(914.99)	(44,453.72)	56,325.85	(226,426.59)	40.7	4.59%
Actual	July	354,177	1,149,625	0.308080	0.344251	0.036171	41,583.09	(140,389.78)	(696.05)	(45,149.77)	40,887.04	(185,539.55)	37.8	4.59%
Actual	August	432,224	1,426,431	0.303011	0.344251	0.041240	58,825.99	(81,563.79)	(536.99)	(45,686.76)	58,289.00	(127,250.55)	35.1	4.59%
Actual	September	487,974	1,667,269	0.292679	0.344251	0.051572	85,984.37	4,420.58	(311.98)	(45,998.74)	85,672.39	(41,578.16)	40.6	4.59%
Actual	October	568,250	1,872,398	0.303488	0.326729	0.023241	43,516.39	47,936.97	18.93	(45,979.81)	43,535.32	1,957.16	88.5	5.14%
Actual	November	549,850	1,753,624	0.313551	0.326729	0.013178	23,109.26	71,046.23	205.33	(45,774.48)	23,314.59	25,271.75	208.9	5.14%
Actual	December	556,719	1,739,689	0.320011	0.326729	0.006718	11,687.23	82,733.46	304.31	(45,470.17)	11,991.54	37,263.29	297.3	5.14%
Forecast	January	557,213	1,739,167	0.320391	0.305418	(0.014973)	(26,040.55)	56,692.91	354.37	(45,115.80)	(25,686.18)	11,577.11	355.2	5.14%
Forecast	February	538,488	1,648,898	0.326575	0.305418	(0.021157)	(34,885.74)	21,807.17	242.83	(44,872.97)	(34,642.91)	(23,065.80)	293.2	5.14%
Forecast	March	<u>582,085</u>	<u>1,739,167</u>	<u>0.334692</u>	0.305418	(0.029274)	<u>(50,912.37)</u>	<u>(29,105.20)</u>	<u>93.41</u>	<u>(44,779.56)</u>	<u>(50,818.96)</u>	<u>(73,884.76)</u>	<u>246.2</u>	5.14%
	Total	5,880,428	18,721,558	0.314099			355,653.32	(29,105.20)	(3,891.39)	(44,779.56)	351,761.93	(73,884.76)	1,893.1	

PGCVA Balance per M\*3 Purchased (\$/M\*3) (\$0.003947)  
Forecast Average Residential Consumption per Customer 1.893.1 M\*3  
Estimated Impact on Average Residential Customer \$7.47 Customer Charge

- (1) Includes balance of (384,758.52) as of March, 2007  
(2) Includes balance of (40,888.17) as of March, 2007

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

TWELVE MONTH PERIOD - APRIL, 2007 TO MARCH, 2008

	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>	<u>Jul-07</u>	<u>Aug-07</u>	<u>Sep-07</u>	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	697,529	621,640	521,491	491,372	768,177	817,910	779,449	699,592	650,522	650,000	630,000	650,000	7,977,681
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	592,147	392,468	379,808	392,468	392,468	592,147	611,886	590,098	609,768	609,768	570,429	609,768	6,343,224
Western Delivery	257,212	265,785	257,212	265,785	265,785	257,212	481,063	463,934	479,398	479,398	448,470	479,398	4,400,652
Ontario Delivered Gas	<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>0</u>	<u>0</u>
Total	1,546,888	1,279,893	1,158,510	1,149,625	1,426,431	1,667,269	1,872,398	1,753,624	1,739,689	1,739,167	1,648,898	1,739,167	18,721,558
<b><u>Price (\$/m3)</u></b>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
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	0.327226	0.323951	0.327783	0.324046	0.324046	0.289071	0.293098	0.329290	0.336783	0.336590	0.346696	0.359921	
Western Delivery	0.291178	0.278638	0.290003	0.258651	0.238608	0.235312	0.225165	0.273448	0.285493	0.284856	0.295676	0.307060	
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	
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	210,096	187,238	157,073	148,001	231,375	246,354	234,770	210,717	195,937	195,780	189,756	195,780	2,402,878
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	27,261	0	0	0	0	0	27,261
Parkway Delivery	193,766	127,140	124,495	127,178	127,178	171,173	179,343	194,313	205,360	205,242	197,765	219,468	2,072,419
Western Delivery	74,894	74,058	74,592	68,746	63,419	60,525	108,319	126,862	136,865	136,560	132,602	147,204	1,204,644
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>9,922</u>	<u>10,253</u>	<u>9,922</u>	<u>10,253</u>	<u>10,253</u>	<u>9,922</u>	<u>18,557</u>	<u>17,958</u>	<u>18,557</u>	<u>19,632</u>	<u>18,365</u>	<u>19,632</u>	<u>173,226</u>
Total	488,678	398,689	366,082	354,177	432,224	487,974	568,250	549,850	556,719	557,213	538,488	582,085	5,880,428

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

TWELVE MONTH PERIOD - APRIL, 2007 TO MARCH, 2008

	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>	<u>Jul-07</u>	<u>Aug-07</u>	<u>Sep-07</u>	<u>Oct-07</u>	<u>Nov-07</u>	<u>Dec-07</u>	<u>Jan-08</u>	<u>Feb-08</u>	<u>Mar-08</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	8.045	8.045	8.045	8.045	8.045	8.045	8.045	8.017	8.017	8.017	8.017	8.017
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	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	8.740	8.653	8.755	8.655	8.655	7.721	7.828	8.765	8.964	8.959	9.228	9.580
<u>Western Deliveries</u> (\$/GJ)	7.777	7.442	7.746	6.908	6.373	6.285	6.014	7.278	7.599	7.582	7.870	8.173
Fuel Ratio (%)	4.67%	4.67%	4.67%	4.67%	4.67%	4.05%	4.65%	5.16%	4.65%	6.00%	6.00%	6.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.030320	1.030320	1.030320	1.030320	1.030320	1.030320	1.030320	1.030320	1.030320	1.090000	1.090000	1.090000
GJ/day (TCPL)	321	321	321	321	321	321	581	581	581	581	581	581
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)	1,060	795	795	795	795	1,060	1,320	1,320	1,320	1,320	1,320	1,320
<u>Ontario Delivered Gas</u> (\$/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
Heat Value (GJ/103m3)	37.44	37.44	37.44	37.44	37.44	37.44	37.44	37.57	37.57	37.57	37.57	37.57

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2008 TO MARCH, 2009  
(NO 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
April	549,607	1,700,040	0.323291	0.305418	(0.017873)	(30,384.81)	(59,490.01)	(124.67)	(44,904.23)	(30,509.48)	(104,394.24)	186.6	5.14%
May	557,015	1,705,041	0.326687	0.305418	(0.021269)	(36,264.52)	(95,754.53)	(254.82)	(45,159.05)	(36,519.34)	(140,913.58)	89.7	5.14%
June	519,358	1,570,040	0.330793	0.305418	(0.025375)	(39,839.76)	(135,594.29)	(410.15)	(45,569.20)	(40,249.91)	(181,163.49)	53.1	5.14%
July	522,413	1,575,041	0.331682	0.305418	(0.026264)	(41,366.88)	(176,961.17)	(580.80)	(46,150.00)	(41,947.68)	(223,111.17)	40.9	5.14%
August	585,665	1,785,041	0.328096	0.305418	(0.022678)	(40,481.17)	(217,442.34)	(757.98)	(46,907.98)	(41,239.15)	(264,350.32)	42.8	5.14%
September	573,574	1,750,040	0.327749	0.305418	(0.022331)	(39,080.14)	(256,522.48)	(931.38)	(47,839.36)	(40,011.52)	(304,361.84)	58.5	5.14%
October	657,386	1,864,491	0.352582	0.305418	(0.047164)	(87,936.87)	(344,459.35)	(1,098.77)	(48,938.13)	(89,035.64)	(393,397.48)	118.7	5.14%
November	650,210	1,749,632	0.371627	0.305418	(0.066209)	(115,841.38)	(460,300.73)	(1,475.43)	(50,413.56)	(117,316.81)	(510,714.29)	202.7	5.14%
December	645,641	1,735,563	0.372007	0.305418	(0.066589)	(115,569.42)	(575,870.15)	(1,971.62)	(52,385.18)	(117,541.04)	(628,255.33)	321.8	5.14%
January	645,452	1,735,041	0.372010	0.305418	(0.066592)	(115,539.87)	(691,410.02)	(2,466.64)	(54,851.82)	(118,006.51)	(746,261.84)	355.2	5.14%
February	604,418	1,625,369	0.371865	0.305418	(0.066447)	(108,000.87)	(799,410.89)	(2,961.54)	(57,813.36)	(110,962.41)	(857,224.25)	293.2	5.14%
March	<u>645,452</u>	<u>1,735,041</u>	<u>0.372010</u>	0.305418	(0.066592)	<u>(115,539.87)</u>	<u>(914,950.76)</u>	<u>(3,424.14)</u>	<u>(61,237.50)</u>	<u>(118,964.01)</u>	<u>(976,188.26)</u>	<u>246.2</u>	5.14%
Total	7,156,191	20,530,381	0.348566			(885,845.56)	(914,950.76)	(16,457.94)	(61,237.50)	(902,303.50)	(976,188.26)	2,009.4	

PGCVA Balance per M\*3 Purchased (\$/M\*3) (\$0.047548)  
Forecast Average Residential Consumption per Customer 2,009.4 M\*3  
Estimated Impact on Average Residential Customer \$95.54 Customer Charge

(1) Includes Mar., 2008 year-to-date balance of (\$29,105.20) (See Schedule 2)  
(2) Includes Mar., 2008 year-to-date balance of (\$44,779.56) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2008 TO MARCH, 2009

	<u>Apr-08</u>	<u>May-08</u>	<u>Jun-08</u>	<u>Jul-08</u>	<u>Aug-08</u>	<u>Sep-08</u>	<u>Oct-08</u>	<u>Nov-08</u>	<u>Dec-08</u>	<u>Jan-09</u>	<u>Feb-09</u>	<u>Mar-09</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	650,000	620,000	520,000	490,000	700,000	700,000	779,450	699,592	650,522	650,000	630,000	650,000	7,739,564
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	590,098	609,768	590,098	609,768	609,768	590,098	609,768	590,098	609,768	609,768	550,759	609,768	7,179,532
Western Delivery	459,941	475,273	459,941	475,273	475,273	459,941	475,273	459,941	475,273	475,273	444,610	475,273	5,611,286
Ontario Delivered Gas	<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>0</u>	<u>0</u>
Total	1,700,040	1,705,041	1,570,040	1,575,041	1,785,041	1,750,040	1,864,491	1,749,632	1,735,563	1,735,041	1,625,369	1,735,041	20,530,381
<b><u>Price (\$/m3)</u></b>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.362513	0.362513	0.362513	0.362513	0.362513	0.362513	
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	0.331255	0.338881	0.338881	0.338881	0.338881	0.338881	0.338881	0.373371	0.373371	0.373371	0.373371	0.373371	
Western Delivery	0.303340	0.303340	0.312921	0.312921	0.312921	0.312921	0.312921	0.342300	0.342300	0.342300	0.342300	0.342300	
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	
<b><u>Total Gas Cost (\$)</u></b>													
Local Production (A)	195,780	186,744	156,624	147,588	210,840	210,840	282,561	253,611	235,823	235,633	228,383	235,633	2,580,061
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	195,473	206,639	199,973	206,639	206,639	199,973	206,639	220,326	227,670	227,670	205,637	227,670	2,530,948
Western Delivery	139,519	144,169	143,925	148,723	148,723	143,925	148,723	157,438	162,686	162,686	152,190	162,686	1,815,393
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>18,835</u>	<u>19,463</u>	<u>18,835</u>	<u>19,463</u>	<u>19,463</u>	<u>18,835</u>	<u>19,463</u>	<u>18,835</u>	<u>19,463</u>	<u>19,463</u>	<u>18,207</u>	<u>19,463</u>	<u>229,789</u>
Total	549,607	557,015	519,358	522,413	585,665	573,574	657,386	650,210	645,641	645,452	604,418	645,452	7,156,191

[illegible]

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2008 TO MARCH, 2009  
(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
April	549,607	1,700,040	0.323291	0.351880	0.028589	48,602.44	19,497.24	(124.67)	(44,904.23)	48,477.77	(25,406.99)	186.6	5.14%
May	557,015	1,705,041	0.326687	0.351880	0.025193	42,955.10	62,452.34	83.51	(44,820.72)	43,038.61	17,631.62	89.7	5.14%
June	519,358	1,570,040	0.330793	0.351880	0.021087	33,107.43	95,559.77	267.50	(44,553.22)	33,374.93	51,006.55	53.1	5.14%
July	522,413	1,575,041	0.331682	0.351880	0.020198	31,812.68	127,372.45	409.31	(44,143.91)	32,221.99	83,228.54	40.9	5.14%
August	585,665	1,785,041	0.328096	0.351880	0.023784	42,455.42	169,827.87	545.58	(43,598.33)	43,001.00	126,229.54	42.8	5.14%
September	573,574	1,750,040	0.327749	0.351880	0.024131	42,230.21	212,058.08	727.43	(42,870.90)	42,957.64	169,187.18	58.5	5.14%
October	657,386	1,864,491	0.352582	0.351880	(0.000702)	(1,308.87)	210,749.21	908.32	(41,962.58)	(400.55)	168,786.63	118.7	5.14%
November	650,210	1,749,632	0.371627	0.351880	(0.019747)	(34,549.98)	176,199.23	902.71	(41,059.87)	(33,647.27)	135,139.36	202.7	5.14%
December	645,641	1,735,563	0.372007	0.351880	(0.020127)	(34,931.68)	141,267.55	754.72	(40,305.15)	(34,176.96)	100,962.40	321.8	5.14%
January	645,452	1,735,041	0.372010	0.351880	(0.020130)	(34,926.38)	106,341.17	605.10	(39,700.05)	(34,321.28)	66,641.12	355.2	5.14%
February	604,418	1,625,369	0.371865	0.351880	(0.019985)	(32,482.99)	73,858.18	455.49	(39,244.56)	(32,027.50)	34,613.62	293.2	5.14%
March	<u>645,452</u>	<u>1,735,041</u>	<u>0.372010</u>	0.351880	(0.020130)	<u>(34,926.38)</u>	<u>38,931.80</u>	<u>316.36</u>	<u>(38,928.20)</u>	<u>(34,610.02)</u>	<u>3.60</u>	<u>246.2</u>	5.14%
Total	7,156,191	20,530,381	0.348566			68,037.00	38,931.80	5,851.36	(38,928.20)	73,888.36	3.60	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 Rebate

(1) Includes Mar., 2008 year-to-date balance of (\$29,105.20) (See Schedule 2)  
(2) Includes Mar., 2008 year-to-date balance of (\$44,779.56) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2007 THROUGH MARCH, 2009

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
April	1,546,888	1,810,234	275,136	1,535,098	0	1,535,098	11,790	(2,533,344)	0.365402	0.00	(0.001259)	(1,932.69)	14,980.52	64.69	11,501.16	26,481.68	4.59%
May	1,279,893	882,043	150,385	731,658	0	731,658	548,235	(1,985,109)	0.365402	0.00	(0.001259)	(921.16)	14,059.36	57.30	11,558.46	25,617.82	4.59%
June	1,158,510	519,838	94,963	424,875	0	424,875	733,635	(1,251,474)	0.365402	26,469.92	(0.001259)	(534.92)	39,994.36	53.78	11,612.24	51,606.60	4.59%
July	1,149,625	500,005	63,249	436,756	0	436,756	712,869	(538,604)	0.344251	0.00	(0.002184)	(953.88)	39,040.48	152.98	11,765.22	50,805.70	4.59%
August	1,426,431	888,804	16,705	872,099	0	872,099	554,332	15,727	0.344251	0.00	(0.002184)	(1,904.66)	37,135.82	149.33	11,914.55	49,050.37	4.59%
September	1,667,269	1,341,025	56,830	1,284,195	0	1,284,195	383,074	398,801	0.344251	(6,987.78)	(0.002184)	(2,804.68)	27,343.36	142.04	12,056.59	39,399.95	4.59%
October	1,872,398	1,609,186	152,703	1,456,483	0	1,456,483	415,915	814,715	0.326729	0.00	(0.001749)	(2,547.39)	24,795.97	117.12	12,173.71	36,969.68	5.14%
November	1,753,624	2,548,367	185,971	2,362,396	0	2,362,396	(608,772)	205,944	0.326729	0.00	(0.001749)	(4,131.83)	20,664.14	106.21	12,279.92	32,944.06	5.14%
December	1,739,689	2,868,621	173,491	2,695,130	0	2,695,130	(955,441)	(749,498)	0.326729	15,972.55	(0.001749)	(4,713.78)	31,922.90	88.51	12,368.43	44,291.33	5.14%
January	1,739,167	3,208,819	193,262	3,015,557	0	3,015,557	(1,276,390)	(2,025,888)	0.305418	0.00	(0.002033)	(6,130.63)	25,792.27	136.74	12,505.17	38,297.44	5.14%
February	1,648,898	3,494,588	243,443	3,251,145	0	3,251,145	(1,602,247)	(3,628,135)	0.305418	0.00	(0.002033)	(6,609.58)	19,182.69	110.48	12,615.65	31,798.34	5.14%
March	1,739,167	2,752,036	188,070	2,563,966	0	2,563,966	(824,799)	(4,452,934)	0.305418	(206,892.22)	(0.002033)	(5,212.54)	(192,922.06)	82.17	12,697.82	(180,224.24)	5.14%
April	1,700,040	1,810,234	116,125	1,694,109	0	1,694,109	5,931	(4,447,003)	0.351880	0.00	0.008709	14,754.00	(178,168.06)	(826.35)	11,871.47	(166,296.59)	5.14%
May	1,705,041	882,043	56,171	825,872	0	825,872	879,169	(3,567,834)	0.351880	0.00	0.008709	7,192.52	(170,975.54)	(763.15)	11,108.32	(159,867.22)	5.14%
June	1,570,040	519,838	25,649	494,189	0	494,189	1,075,851	(2,491,983)	0.351880	0.00	0.008709	4,303.89	(166,671.65)	(732.35)	10,375.97	(156,295.68)	5.14%
July	1,575,041	500,005	17,278	482,727	0	482,727	1,092,314	(1,399,669)	0.351880	0.00	0.008709	4,204.07	(162,467.58)	(713.91)	9,662.06	(152,805.52)	5.14%
August	1,785,041	888,804	17,609	871,195	0	871,195	913,846	(485,822)	0.351880	0.00	0.008709	7,587.24	(154,880.34)	(695.90)	8,966.16	(145,914.18)	5.14%
September	1,750,040	1,341,025	57,952	1,283,073	0	1,283,073	466,967	(18,855)	0.351880	0.00	0.008709	11,174.28	(143,706.06)	(663.40)	8,302.76	(135,403.30)	5.14%
October	1,864,491	2,022,583	101,243	1,921,340	0	1,921,340	(56,849)	(75,704)	0.351880	0.00	0.008709	16,732.95	(126,973.11)	(615.54)	7,687.22	(119,285.89)	5.14%
November	1,749,632	2,906,513	152,703	2,753,810	0	2,753,810	(1,004,178)	(1,079,882)	0.351880	0.00	0.008709	23,982.93	(102,990.18)	(543.87)	7,143.35	(95,846.83)	5.14%
December	1,735,563	2,494,215	185,970	2,308,245	0	2,308,245	(572,682)	(1,652,564)	0.351880	0.00	0.008709	20,102.51	(82,887.67)	(441.14)	6,702.21	(76,185.46)	5.14%
January	1,735,041	3,208,819	193,262	3,015,557	0	3,015,557	(1,280,516)	(2,933,080)	0.351880	0.00	0.008709	26,262.49	(56,625.18)	(355.04)	6,347.17	(50,278.01)	5.14%
February	1,625,369	3,494,588	243,443	3,251,145	0	3,251,145	(1,625,776)	(4,558,856)	0.351880	0.00	0.008709	28,314.22	(28,310.96)	(242.54)	6,104.63	(22,206.33)	5.14%
March	1,735,041	2,752,036	188,070	2,563,966	0	2,563,966	(828,925)	(5,387,781)	0.351880	0.00	0.008709	22,329.58	(5,981.38)	(121.27)	5,983.36	1.98	5.14%

(1) Includes balance of (2,545,134) as of Mar., 2007  
(2) Includes balance of 16,913.21 as of Mar., 2007  
(3) Includes balance of 11,436.47 as of Mar., 2007

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

TWELVE MONTH PERIOD - APRIL, 2007 TO MARCH, 2008

<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 PGTVA (\$'s)</u>	<u>Y-T-D PGTVA (\$'s) (1)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s) (2)</u>	<u>Total PGTVA (\$'s)</u>	<u>Total Y-T-D PGTVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>
Actual	April	33,491	1,901,464	0.017613	0.019029	0.001416	2,692.47	114,208.49	426.55	1,421.52	3,119.02	115,630.01	175.0
Actual	May	29,503	814,733	0.036212	0.019029	(0.017183)	(13,999.56)	100,208.93	436.85	1,858.37	(13,562.71)	102,067.30	74.6
Actual	June	28,755	528,074	0.054453	0.019029	(0.035424)	(18,706.49)	81,502.44	383.30	2,241.67	(18,323.19)	83,744.11	40.7
Actual	July	28,738	493,332	0.058253	0.019029	(0.039224)	(19,350.46)	62,151.98	311.75	2,553.42	(19,038.71)	64,705.40	37.8
Actual	August	29,226	873,928	0.033442	0.019029	(0.014413)	(12,595.92)	49,556.06	237.73	2,791.15	(12,358.19)	52,347.21	35.1
Actual	September	31,473	1,401,273	0.022460	0.019029	(0.003431)	(4,807.77)	44,748.29	189.55	2,980.70	(4,618.22)	47,728.99	40.6
Actual	October	31,704	1,410,010	0.022485	0.019029	(0.003456)	(4,872.99)	(4,872.99)	0.00	0.00	(4,872.99)	(4,872.99)	88.5
Actual	November	36,660	2,380,290	0.015401	0.019029	0.003628	8,635.69	3,762.70	(20.87)	(20.87)	8,614.82	3,741.83	208.9
Actual	December	39,603	2,954,819	0.013403	0.019029	0.005626	16,623.81	20,386.51	16.12	(4.75)	16,639.93	20,381.76	297.3
Forecast	January	41,565	3,439,139	0.012086	0.019029	0.006943	23,877.94	44,264.45	87.32	82.57	23,965.26	44,347.02	355.2
Forecast	February	40,669	3,231,787	0.012584	0.019029	0.006445	20,828.87	65,093.32	189.60	272.17	21,018.47	65,365.49	293.2
Forecast	March	<u>37,679</u>	<u>2,626,520</u>	<u>0.014346</u>	0.019029	0.004683	<u>12,299.99</u>	<u>77,393.31</u>	<u>278.82</u>	<u>550.99</u>	<u>12,578.81</u>	<u>77,944.30</u>	<u>246.2</u>
	Total	409,065	22,055,368	0.018547			10,625.58	77,393.31	2,536.72	550.99	13,162.30	77,944.30	1,893.1

PGTVA Balance per M\*3 Purchased (\$/M\*3) \$0.003534  
Forecast Average Residential Consumption per Customer 1,893.1 M\*3  
Estimated Impact on Average Residential Customer \$6.69 Customer Rebate

(1) Includes balance of 111,516.02 as of March, 2007 and assumes clearance of Fiscal 2007 year-end balances.  
(2) Includes balance of 994.97 as of March, 2007 and assumes clearance of Fiscal 2007 year-end balances.

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS TRANSPORTATION VARIANCE ACCOUNT - PROJECTED BALANCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2008 TO MARCH, 2009  
(NO CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGTVA (\$'s)	Y-T-D PGTVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGTVA (\$'s)	Total Y-T-D PGTVA (\$'s)	Average Residential Consumption (M*3)
April	33,538	1,727,268	0.019417	0.019029	(0.000388)	(670.18)	76,723.13	331.50	882.49	(338.68)	77,605.62	186.6
May	29,274	832,336	0.035171	0.019029	(0.016142)	(13,435.57)	63,287.56	328.63	1,211.12	(13,106.94)	64,498.68	89.7
June	28,227	520,026	0.054281	0.019029	(0.035252)	(18,331.96)	44,955.60	271.08	1,482.20	(18,060.88)	46,437.80	53.1
July	28,232	490,855	0.057515	0.019029	(0.038486)	(18,891.05)	26,064.55	192.56	1,674.76	(18,698.49)	27,739.31	40.9
August	28,446	744,335	0.038217	0.019029	(0.019188)	(14,282.30)	11,782.25	111.64	1,786.40	(14,170.66)	13,568.65	42.8
September	30,447	1,150,141	0.026472	0.019029	(0.007443)	(8,560.50)	3,221.75	50.47	1,836.87	(8,510.03)	5,058.62	58.5
October	31,367	1,416,316	0.022147	0.019029	(0.003118)	(4,416.07)	(1,194.32)	13.80	1,850.67	(4,402.27)	656.35	118.7
November	36,596	2,397,097	0.015267	0.019029	0.003762	9,017.88	7,823.56	(5.12)	1,845.55	9,012.76	9,669.11	202.7
December	39,701	2,977,863	0.013332	0.019029	0.005697	16,964.89	24,788.45	33.51	1,879.06	16,998.40	26,667.51	321.8
January	42,115	3,467,030	0.012147	0.019029	0.006882	23,860.10	48,648.55	106.18	1,985.24	23,966.28	50,633.79	355.2
February	41,182	3,257,805	0.012641	0.019029	0.006388	20,810.86	69,459.41	208.38	2,193.62	21,019.24	71,653.03	293.2
March	<u>38,069</u>	<u>2,646,285</u>	<u>0.014386</u>	0.019029	0.004643	<u>12,286.70</u>	<u>81,746.11</u>	<u>297.52</u>	<u>2,491.14</u>	<u>12,584.22</u>	<u>84,237.25</u>	<u>246.2</u>
Total	407,195	21,627,357	0.018828			4,352.80	81,746.11	1,940.15	2,491.14	6,292.95	84,237.25	2,009.4

PGTVA Balance per M\*3 Purchased (\$/M\*3) \$0.003895  
Forecast Average Residential Consumption per Customer 2,009.4 M\*3  
Estimated Impact on Average Residential Customer \$7.83 Customer Rebate

(1) Includes Mar., 2008 year-to-date balance of \$77,393.31 (See Schedule 10)  
(2) Includes Mar., 2008 year-to-date balance of \$550.99 (See Schedule 10)

Mar., 2008  
EB-2008-0031  
Schedule 12  
CORRECTED

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-07 <u>EB-2007-0048</u>	Quarter Starting 01-Apr-08 <u>EB-2008-0031</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	329.4	329.4		
Monthly Charges	\$34.50	\$34.50	\$0.00	0.0%
Delivery Charges	\$50.40	\$50.40	\$0.00	0.0%
Total Commodity Charges	<u>\$123.26</u>	<u>\$119.38</u>	<u>(\$3.88)</u>	<u>-3.1%</u>
Total Customer Charges	\$208.16	\$204.28	(\$3.88)	-1.9%

ANNUAL BILL IMPACT

	01-Jan-08 <u>EB-2007-0927</u>	01-Apr-08 <u>EB-2008-0031</u>	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$138.00	\$138.00	\$0.00	0.0%
Delivery Charges	\$307.44	\$307.44	\$0.00	0.0%
Total Commodity Charges	<u>\$613.30</u>	<u>\$728.24</u>	<u>\$114.95</u>	<u>18.7%</u>
Total Customer Charges	\$1,058.73	\$1,173.68	\$114.95	10.9%

RATES USED

	01-Apr-07 <u>EB-2007-0048</u>	01-Jan-08 <u>EB-2007-0927</u>	01-Apr-08 <u>EB-2008-0031</u>
Monthly charge	11.50	11.50	11.50
Delivery Charge	0.152999	0.152999	0.152999
Total Commodity Charge	0.374201	0.305213	0.362417

**CORRECTED**  
**APPENDIX "A" TO**  
**DECISION AND ORDER**  
**BOARD FILE No. EB-2008-0031**  
**DATED MARCH XX, 2008**

## 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	\$11.50
b)	Delivery Charge	
	First 1,000 m <sup>3</sup> per month	15.2999 cents per m <sup>3</sup>
	All over 1,000 m <sup>3</sup> per month	10.4073 cents per m <sup>3</sup>
c)	Gas Supply Charge (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: April 01, 2008

Implementation: All bills rendered on or after April 01, 2008

EB-2008-0031

## 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	\$12.75	\$12.75
b) Delivery Charge		
First 1,000 m <sup>3</sup> per month	14.5000 cents per m <sup>3</sup>	18.5648 cents per m <sup>3</sup>
Next 24,000 m <sup>3</sup> per month	10.0431 cents per m <sup>3</sup>	16.6254 cents per m <sup>3</sup>
All over 25,000 m <sup>3</sup> per month	6.5417 cents per m <sup>3</sup>	16.1952 cents per m <sup>3</sup>
c) Gas Supply Charge (if applicable)	Schedule A	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: April 01, 2008

Implementation: All bills rendered on or after April 01, 2008

EB-2008-0031

## 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<sup>3</sup>; and
- c) a qualifying annual volume of at least 113,000 m<sup>3</sup>.

#### 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 25.5904 cents per m<sup>3</sup> for each m<sup>3</sup> 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 m<sup>3</sup>,

- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 9.2249 cents per m<sup>3</sup> and not to be less than 6.0992 per m<sup>3</sup>.

- d) Gas Supply Charge (if applicable)

See 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 3.3853 cents per m<sup>3</sup> for firm gas and 5.7536 cents per m<sup>3</sup> 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 6.3515 cents per m<sup>3</sup> 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: April 01, 2008

Implementation: All bills rendered on or after April 01, 2008

EB-2008-0031

## 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	\$12.75	\$12.75
b) Delivery Charge		
First 1,000 m <sup>3</sup> per month	14.4501 cents per m <sup>3</sup>	18.5648 cents per m <sup>3</sup>
All over 1,000 m <sup>3</sup> per month	10.3477 cents per m <sup>3</sup>	16.6254 cents per m <sup>3</sup>
c) Gas Supply Charge (if applicable)	Schedule A	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: April 01, 2008

Implementation: All bills rendered on or after April 01, 2008

EB-2008-0031

## 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<sup>3</sup>; and
- c) a qualifying annual volume of at least 50,000 m<sup>3</sup>.

#### 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.

- 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 8.8345 cents per m<sup>3</sup> and not to be less than 5.7192 per m<sup>3</sup>.

- c) Gas Supply Charge (if applicable)

See 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<sup>3</sup>. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 5.9604 cents per m<sup>3</sup> 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: April 01, 2008

Implementation: All bills rendered on or after April 01, 2008

EB-2008-0031

**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 and 5.

**Rate**

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2008-0031)	35.1880 cents per m3
GPRA Recovery Rate	(EB-2008-0031)	0.8709 cents per m3
System Gas Fee	(EB-2005-0544)	<u>0.1828</u> cents per m3
Total Gas Supply Charge		36.2417 cents per m3

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 01, 2008

Implementation: All bills rendered on or after April 01, 2008

EB-2008-0031

## **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: April 01, 2008

Implementation: All bills rendered on or after April 01, 2008

EB-2008-0031

**CORRECTED**  
**APPENDIX "B" TO**  
**DECISION AND ORDER**  
**BOARD FILE No. EB-2008-0031**  
**DATED MARCH XX, 2008**

## 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.

Debit/Credit      -      Account No. 179-27  
Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit      -      Account No. 623  
Gas Purchases

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the difference between the unit cost of all gas commodity purchased by NRG each month including local production and NRG's weighted average cost of gas, the latter being \$0.351880 per m<sup>3</sup> approved for rate making purposes effective April 1, 2008.

Debit/Credit      -      Account No. 179-28  
Interest on PGCVA

Credit/Debit      -      Account No. 323  
Other Interest Expense

To record monthly as a debit (credit) in Deferral Account No. 179-28 (PGCVA), simple interest on the balance in Account No. 179-27. Such interest shall be computed monthly on the opening balance in the account at the Board approved short-term debt rate and shall not be compounded.

**CORRECTED**  
**APPENDIX “C” TO**  
**DECISION AND ORDER**  
**BOARD FILE No. EB-2008-0031**  
**DATED MARCH XX, 2008**

## **IMPORTANT INFORMATION ABOUT YOUR GAS BILL**

On all bills rendered by NRG on or after April 1, 2008, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.057204 per cubic meter to \$0.362417 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 March, 2009. 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 increase impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,000 cubic meters of gas annually, this price change will cause your annual heating costs to increase by approximately \$115 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.