

**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 January 1, 2012;

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

**APPLICATION**

1. As part of the EB-2011-0301 Decision and Order dated September 20, 2011 the Board approved a PGCVA reference price of \$0.206383 per m<sup>3</sup> and a gas supply charge of \$0.202318 per m<sup>3</sup>, both effective October 1, 2011.
2. Based on actual and forecast natural gas prices for the January, 2011 through December, 2011 period the PGCVA balance is projected to be a charge of approximately \$6 per residential customer.
3. NRG hereby applies to the Board for further orders effective January 1, 2012 as follows:
  - a) an order changing the reference price authorized by the Board's EB-2011-0301 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.005171 per m<sup>3</sup> from the Board approved level of \$0.206383 per m<sup>3</sup> to \$0.201212 per m<sup>3</sup>;
  - b) an order changing the rates and other charges from those authorized by the Board's EB-2011-0301 Decision and Order to reflect a projected

\$0.003221 per m<sup>3</sup> change in the gas supply charge from the Board approved level of \$0.202318 m<sup>3</sup> to a projected cost of \$0.1999097 per m<sup>3</sup>. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2010-0018.

5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- \* Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. Monday, December 12, 2011.
- \* NRG shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m., Thursday, December, 15, 2011.
- \* The Board issues its Decision and Order by Sunday, December 25, 2011 for implementation effective January 1, 2012.

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

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And

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Dated at London, Ontario, this 6<sup>th</sup> day of December, 2011.

**NATURAL RESOURCE GAS LIMITED**

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Laurie O'Meara  
Controller

# **NATURAL RESOURCE GAS LIMITED**

## **INTRODUCTION**

As part of the EB-2011-0301 Decision and Order dated September 20, 2011 the Board approved a Purchased Gas Commodity Variance Account ("PGCVA") reference price of \$0.206383 per m<sup>3</sup> and a gas supply charge of \$0.202318 per m<sup>3</sup>, both effective October 1, 2011.

In RP-2002-0147/EB-2003-0286 (Accounting Order dated January 30, 2004), the Board approved a Gas Purchase Rebalancing Account ("GPRA") to record the increase (decrease) in the value of the gas inventory available for sale to sales service customers due to changes in NRG's PGCVA reference price. This account was maintained in the EB-2010-0018 Rate Order dated February 17, 2011. In EB-2011-0301, the Board approved a GPRA rate of (\$0.004428) per m<sup>3</sup>.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective January 1, 2012 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

## **PGCVA**

### **Updated Forecasts**

Based on actual and forecast costs, the PGCVA account balance totals a charge of \$5.99 per residential customer for the twelve month period ending December, 2011 (Schedule 2).

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

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

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

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

11  
12 Gas Supply Portfolio

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

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

22  
23 NRG is a direct purchase customer on the Union Gas system. Under its bundled  
24 transportation contract, NRG is obligated to deliver a fixed amount of gas each day to  
25 Union. This amount is determined by Union and is based on the expected annual volume  
26 divided by 365 (or 366 in a leap year).

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

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

5  
6 Effective October 1, 2011, the obligated deliveries to Union by NRG on behalf of both  
7 system gas customers and direct purchase customers was increased from 1,791 GJ/day to  
8 1,991 GJ/day. The direct purchase customer assignment was 128 GJ/day and was  
9 increased to 132 GJ/day in November, 2011 and is forecast to increase to 171 GJ/day  
10 effective January 1, 2012. This projected increase will allow direct purchase customers  
11 to bring their supplies more in line with their actual and projected consumption. This  
12 results in deliveries for system gas customers of 1,863 GJ/day in October, 2011, 1,859  
13 GJ/day in November and December, 2011, and 1,820 GJ/day in January, 2012 and  
14 subsequent months.

15  
16 The composition of these obligated system gas deliveries is as follows. In October, 2011,  
17 and subsequent months, Parkway deliveries are forecast to be 1,428 GJ/day. In October,  
18 2011 the obligated deliveries for system gas customers at AECO are 435 GJ/day, falling  
19 to 431 GJ/day in November and December, 2011 and then to 392 GJ/day for January,  
20 2012 and subsequent months.

21  
22 The composition of the gas purchases for direct purchase and system gas customers for  
23 the October, 2011 through December, 2012 period is shown in the following table.  
24 Please note that these figures do not include the direct purchase deliveries associated with  
25 a large ethanol plant served by NRG.

26 **GJ/s per Day**

Delivery Point	Oct, 2011	Nov-Dec, 2011	Jan, 2012 - Dec, 2012
Direct Purchase	128	132	171
AECO	435	431	392
Parkway	1,428	1,428	1,428
Dawn	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,991	1,991	1,991

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

3  
4 As indicated previously, NRG is required to balance its supply with its demand on the  
5 Union system to within +/- 4% at the end of the contract year under its bundled  
6 transportation contract with Union. The bundled transportation contract year-end  
7 corresponds with the end of NRG's fiscal year (September 30). NRG purchases  
8 additional balancing gas or sells gas and/or reduces deliveries such that total demand on  
9 the Union system is offset by the supply provided to Union Gas to remain within the  
10 contract parameters. As shown on Schedule 3, NRG purchased approximately 3 million  
11 m<sup>3</sup> in September, 2011 in order to balance the bundled transportation contract with Union  
12 Gas.

13  
14 The composition of the gas supply portfolio volumes for the January, 2011 through  
15 December, 2011 period is shown on the top of Schedule 3. This schedule shows the  
16 monthly volume of gas purchased or forecast to be purchased from local producers,  
17 obligated deliveries at Parkway and the Alberta border (Western), and balancing gas  
18 (purchased at Dawn or Ontario delivered gas). Similarly, the composition of the gas  
19 supply portfolio volumes for the January, 2012 through December, 2012 period is shown  
20 on the top of Schedule 6.

#### 21 22 Gas Costs

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

1 Prices for January, 2012 through December, 2012 are based on prices averaged over 10  
2 days in the period November 7, 2011 through November 30, 2011 (pricing reports were  
3 not available for the dates of November 10, 11, 16, 17, 18, 22, 24 or 25). These prices,  
4 which have been sourced from the Shell Energy North America report entitled 'Daily  
5 Energy Market Update', have been utilized in calculating the prices shown in Schedule 7  
6 in \$/GJ and in the middle section of Schedule 6 in  $\$/\text{m}^3$ . The source of the foreign  
7 exchange rates used in the calculations is the daily noon exchange rates for the 10-year  
8 lookup from the Bank of Canada that are available on their website at  
9 [www.bankofcanada.ca/rates/exchange](http://www.bankofcanada.ca/rates/exchange).

10  
11 Gas prices for each of the sources of supply are described below. In addition to the  
12 above, contracted prices have been used where purchase decisions have been made.

13  
14 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)". This  
15 refers to gas that is produced in NRG's franchise area and purchased from a related  
16 company. This gas has been forecasted at a price of  $\$0.241357/\text{m}^3$  (Schedule 3). This  
17 price is equivalent to  $\$6.80/\text{mcf}$  which is the price to be used for the first 2.4 million  
18 cubic metres of gas purchased from NRG Corp. as set out in the EB-2010-0018 Decision  
19 and Order dated December 6, 2010.

20  
21 NRG also tracks the October, 2010 amount purchased from NRG Corp. in the PGCVA,  
22 as directed in the Decision. The excess gas cost in October, 2010 based on the price paid  
23 of  $\$0.3012 \text{ cents}/\text{m}^3$  relative to the  $\$0.241357/\text{m}^3$  on the volume of gas purchased from  
24 NRG Corp. in that month ( $85,088 \text{ m}^3$ ) is a cost of  $\$5,091.92$ , plus the associated year-to-  
25 date carrying charges.

26  
27 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at  
28 these delivery points is discussed below.

29

30



1 Empress Pricing

2 The Empress price over the January, 2012 through December, 2012 period shown in  
 3 Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices  
 4 and forecasted prices. The average Empress delivery rate is \$3.921/GJ in January  
 5 through March, 2012, \$3.925/GJ in April through October, 2012 and \$4.139/GJ in  
 6 November and December, 2012. Fuel costs of 4% are included in these rates.

7  
 8 The average Empress delivery price includes a mix of fixed price contracts over the  
 9 January, 2012 through December, 2012 period. Over this period, the Empress delivery  
 10 price includes a forecast price for the remainder of the purchases.

11  
 12 The following table shows the current mix of volumes and prices over the forecast  
 13 period.

<u>Contracted?</u>	<u>Empress Deliveries</u>					
	<u>Jan-March</u>		<u>Apr-Oct</u>		<u>Nov-Dec</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	90	3.890	90	3.890		
Yes	180	4.300	180	4.300	180	4.540
No	122	2.901	122	2.912	212	3.505
Total	392	3.770	392	3.774	392	3.980
with Fuel (4%)		3.921		3.925		4.139

14  
 15 The prices shown for the 122 GJ/day that has not been contracted for in January through  
 16 October, 2012 and the 212 GJ/day that has not been contracted for in November and  
 17 December, 2012 are based on the average price forecasts for the November 7, 2011  
 18 through November 30, 2011 period.

19  
 20 The calculations used to forecast the Empress delivery prices are shown in the following  
 21 table. The only calculation used in the table is the calculation of the 10 day average.  
 22 The prices used are shown in the Daily Energy Market Report as the price at Empress,  
 23 AB in Cdn\$/GJ.

24

**Empress Delivery Price Forecast**

	<b><u>Jan-12</u></b>	<b><u>Apr-12</u></b>	<b><u>Nov-12</u></b>
	<b><u>Mar-12</u></b>	<b><u>Oct-12</u></b>	<b><u>Dec-12</u></b>
7-Nov-11	3.080	3.020	3.600
8-Nov-11	3.080	3.040	3.600
9-Nov-11	2.980	2.940	3.510
14-Nov-11	2.880	2.890	3.450
15-Nov-11	2.870	2.860	3.450
21-Nov-11	2.830	2.860	3.470
23-Nov-11	2.890	2.940	3.540
28-Nov-11	2.770	2.840	3.450
29-Nov-11	2.860	2.900	3.520
30-Nov-11	2.770	2.830	3.460
10 Day Average	\$ 2.901	\$ 2.912	\$ 3.505

**Parkway Pricing**

The Parkway price over the January, 2012 through December, 2012 period shown in Schedule 7 is based on a combination of forecast prices and actual contracted prices. The average Parkway delivery rate forecast is \$4.778/GJ in January through March, 2012, \$4.752/GJ in April through October, 2012 and \$4.838/GJ in November and December, 2012.

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

<b><u>Parkway Deliveries</u></b>						
<b><u>Contracted?</u></b>	<b><u>Jan-March</u></b>		<b><u>Apr-Oct</u></b>		<b><u>Nov-Dec</u></b>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	320	4.960	320	4.960		
Yes	600	5.330	600	5.330	600	5.400
No	508	4.011	508	3.939	828	4.431
Total	1,428	4.778	1,428	4.752	1,428	4.838

The prices shown for the 508 GJ/day that has not been contracted for in January through October, 2012 and the 828 GJ/day that has not be contracted for in November and

December, 2012 are based on the average price forecasts for the November 7, 2011 through November 30, 2011 period.

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

**Parkway Delivery Price Forecast**

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBTU - GJ	F/X	\$/GJ (Cdn)
<b>Jan-12 - Mar-12</b>					
7-Nov-11	3.780	0.49	1.05462	1.0172	\$4.119
8-Nov-11	3.820	0.49	1.05462	1.0140	\$4.144
9-Nov-11	3.730	0.49	1.05462	1.0173	\$4.071
14-Nov-11	3.570	0.50	1.05462	1.0178	\$3.928
15-Nov-11	3.510	0.52	1.05462	1.0235	\$3.911
21-Nov-11	3.520	0.50	1.05462	1.0385	\$3.959
23-Nov-11	3.580	0.51	1.05462	1.0480	\$4.064
28-Nov-11	3.500	0.52	1.05462	1.0327	\$3.936
29-Nov-11	3.580	0.55	1.05462	1.0296	\$4.032
30-Nov-11	3.520	0.56	1.05462	1.0197	\$3.945
10 Day Average					<b>\$4.011</b>

Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBTU - GJ	F/X	\$/GJ (Cdn)
<b>Apr-12 - Oct-12</b>					
7-Nov-11	3.900	0.28	1.05462	1.0172	\$4.032
8-Nov-11	3.940	0.27	1.05462	1.0140	\$4.048
9-Nov-11	3.840	0.26	1.05462	1.0173	\$3.955
14-Nov-11	3.740	0.28	1.05462	1.0178	\$3.880
15-Nov-11	3.680	0.29	1.05462	1.0235	\$3.853
21-Nov-11	3.720	0.26	1.05462	1.0385	\$3.919
23-Nov-11	3.770	0.25	1.05462	1.0480	\$3.995
28-Nov-11	3.720	0.25	1.05462	1.0327	\$3.888
29-Nov-11	3.790	0.26	1.05462	1.0296	\$3.954
30-Nov-11	3.730	0.27	1.05462	1.0197	\$3.868
10 Day Average					<b>\$3.939</b>

Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBTU - GJ	F/X	\$/GJ (Cdn)
<b>Nov-12 - Dec-12</b>					
7-Nov-11	4.430	0.26	1.05462	1.0172	\$4.524
8-Nov-11	4.450	0.25	1.05462	1.0140	\$4.519
9-Nov-11	4.370	0.24	1.05462	1.0173	\$4.447
14-Nov-11	4.260	0.24	1.05462	1.0178	\$4.343
15-Nov-11	4.240	0.24	1.05462	1.0235	\$4.348
21-Nov-11	4.270	0.22	1.05462	1.0385	\$4.421
23-Nov-11	4.290	0.23	1.05462	1.0480	\$4.492
28-Nov-11	4.260	0.23	1.05462	1.0327	\$4.397
29-Nov-11	4.320	0.24	1.05462	1.0296	\$4.452
30-Nov-11	4.280	0.24	1.05462	1.0197	\$4.370
10 Day Average					<b>\$4.431</b>

Dawn Pricing

NRG is not forecasting the need to purchase gas in September, 2012. This gas could be required to ensure that NRG remains within its contract parameters with Union Gas. For completeness, NRG has provided forecast price data for September, 2012. The forecasted price for this Dawn gas is \$3.949/GJ and is based on price forecasts for the November 7, 2011 through November 30, 2011 period for September, 2011 deliveries.

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

**Dawn Delivery Price Forecast**

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBTU - GJ	F/X	\$/GJ (Cdn)
<b>Sep-12</b>					
7-Nov-11	3.900	0.29	1.05462	1.0172	\$4.041
8-Nov-11	3.940	0.28	1.05462	1.0140	\$4.057
9-Nov-11	3.840	0.27	1.05462	1.0173	\$3.965
14-Nov-11	3.740	0.29	1.05462	1.0178	\$3.889
15-Nov-11	3.680	0.30	1.05462	1.0235	\$3.863
21-Nov-11	3.720	0.27	1.05462	1.0385	\$3.929
23-Nov-11	3.770	0.26	1.05462	1.0480	\$4.005
28-Nov-11	3.720	0.26	1.05462	1.0327	\$3.897
29-Nov-11	3.790	0.27	1.05462	1.0296	\$3.964
30-Nov-11	3.730	0.28	1.05462	1.0197	\$3.877
9 10 Day Average					<b>\$3.949</b>

11 **Other Forecast Assumptions**

12 A number of other assumptions have been used to calculate the projected balance in the  
 13 PGCVA. As shown on Schedules 4 and 7, the fuel ratio for Western deliveries has been  
 14 forecast at 4.0%. This ratio has been reflected in the forecast prices shown in the  
 15 schedules for Western deliveries.

16  
 17 TCPL tolls have been forecast at a rate of \$2.2429/GJ. This rate came into effect March  
 18 1, 2011 and reflects the current tolls approved by the National Energy Board.

19

20

1    PGCVA Balance

2    The projected December, 2011 balance in the PGCVA is a debit of \$69,920.05 including  
3    a debit of \$45,633.99 in accumulated interest, based on the Board's prescribed interest  
4    rate. This estimate is based on actual and forecasted purchases and the balance brought  
5    forward from December, 2010. The PGCVA debit amounts to a charge of approximately  
6    \$5.99 for a typical residential customer consuming approximately 1,975 m<sup>3</sup> per year.  
7    These figures are shown on Schedule 2.

8

9    Proposed PGCVA Rate Changes

10    NRG proposes to adjust the reference price effective January 1, 2012 based on the  
11    projected accumulated balance in the PGCVA as of the end of December, 2011 and the  
12    forecasted cost of gas over the 12 month period beginning January, 2012 and ending  
13    December, 2012. The reference price is set such that the projected PGCVA balance at  
14    the end of December, 2012 is close to zero.

15

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

19

20    NRG proposes to change the reference price by \$0.005171 per m<sup>3</sup> effective January 1,  
21    2012, from \$0.206383 per m<sup>3</sup> to \$0.201212 per m<sup>3</sup>. The derivation of this rate is shown  
22    in Schedule 5. This is the reference price required to bring the PGCVA balance close to  
23    zero on a twelve month forecast basis. This change will also be reflected in the gas  
24    commodity charge.

25

26    **GAS PURCHASE REBALANCING ACCOUNT**

27    The impact on the GPRA of the proposed January 1, 2012 PGCVA reference price  
28    change from \$0.206383 per m<sup>3</sup> to \$0.201212 per m<sup>3</sup> is a credit of \$335.95, as shown on  
29    Schedule 8. This figure is shown in column (J) of Schedule 8 and on the December, 2011  
30    line. It is calculated as the change in the PGCVA reference price between December and

1 January, multiplied by the cumulative inventory balance at the end of December. This  
2 cumulative inventory balance is the sum of the actual monthly inventory balances for  
3 October, 2011 and forecasts for the subsequent months. These forecasts will be replaced  
4 with actual balances for these months in subsequent QRAM applications as this  
5 information becomes available. As well, the monthly inventory balances are based on a  
6 deemed level of unaccounted for gas ("UFG") of the total throughput volume, as shown  
7 in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-  
8 2010-0018.

9  
10 NRG proposes to adjust the gas commodity charge effective January 1, 2012 based on the  
11 projected accumulated balance in the GPRA. The adjustment to the gas commodity  
12 charge will be set such that the projected GPRA balance at the end of December, 2012,  
13 will be close to zero. The rate required to achieve this is shown in column (K) on  
14 Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based  
15 on this rate of \$(0.002478) per m<sup>3</sup> over the January, 2012 through December, 2012  
16 period.

17  
18 NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need  
19 for retroactive adjustments. This is consistent with NRG's proposal for the continued  
20 prospective clearance of the PGCVA. This change will also be reflected in the gas  
21 commodity charge.

## 22 23 **GAS COMMODITY CHARGE**

24 The system gas supply cost of \$0.000363 per m<sup>3</sup> will be maintained at the level approved  
25 in EB-2010-0018. This figure represents the incremental costs over and above the  
26 commodity and transportation costs that form the PGCVA reference price to the gas  
27 supply function. These incremental costs are portions administrative and general  
28 expenses, regulatory and consulting fees associated with the QRAM applications, return  
29 on rate base (working cash allowance related to gas commodity) and income taxes. This  
30 functionalization is unchanged from that approved in EB-2010-0018.

The change in the gas commodity charge proposed for January 1, 2012 is summarized below. The change in the gas commodity charge reflects both the change in the PGCVA reference price and the change in the recovery of the inventory revaluation amount in the GPRA. The change in the gas commodity charge is as follows:

	EB-2011-0301 Oct. 1, 2011	Proposed Jan. 1, 2012	Difference
PGCVA Reference Price	\$0.206383	\$0.201212	\$(0.005171)
GPRA Recovery	\$(0.004428)	\$(0.002478)	\$ 0.001950
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.202318	\$0.199097	\$(0.003221)

## **SUMMARY**

In summary, NRG proposes to change the reference price for amounts to be recorded in the Purchased Gas Commodity Variance Account from \$0.206383 by \$0.005171 to \$0.201212 per m<sup>3</sup> effective January 1, 2012. Appendix B contains the accounting entries related to the PGCVA.

NRG also proposes to change the gas supply charge from \$0.202318 to \$0.199097 per m<sup>3</sup> effective January 1, 2012. This change reflects the change related to the change in the PGCVA reference price, as described above, the change related to the recovery of the GPRA balance, also as described above, and the continuation of the system gas supply cost. These changes apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

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

Schedule 9 provides a residential bill comparison showing the impact of the proposed changes on a year over year basis for the appropriate quarter as well as the annual bill impact of the most recent quarterly change. The annual bill impact related to the change



1 in the commodity charges on a customer consuming approximately 2,009 m<sup>3</sup> is a  
2 decrease of \$6.47.

3  
4 **CHANGES TO PROPOSED RATE SCHEDULES**

5 The changes to the proposed rate schedules have been applied to the rate schedules filed  
6 as part of the Draft Rate Order in EB-2010-0018.

7  
8 Schedule A - Gas Supply Charges has been updated to reflect the proposed PGVA  
9 Reference Price and the GPRA Recovery Rate and the subsequent change to the Total  
10 Gas Supply Charge.

11  
12 The only other changes made to each of these draft rate schedules is the change to the  
13 effective and implementation dates of January 1, 2012 and the change in the Board file  
14 number to EB-2011-0392.

NATURAL RESOURCE GAS LIMITED

**PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE**

**HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2011 TO DECEMBER, 2011**

<u>Act/Fcst</u>	<u>Month</u>	<u>Purchase Cost (\$'s)</u>	<u>M*3</u>	<u>Actual/ Forecast Price (\$/M*3)</u>	<u>Reference Price (\$/M*3)</u>	<u>Unit Rate Difference (\$/M*3)</u>	<u>Monthly PGCVA (\$'s)</u>	<u>Y-T-D PGCVA (\$'s) (1)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s) (2)</u>	<u>Total PGCVA (\$'s)</u>	<u>Total Y-T-D PGCVA (\$'s)</u>	<u>Average Residential Consumption (M*3)</u>	<u>Monthly Interest Rate</u>
Actual	January	451,056	1,379,735	0.326915	0.228146	(0.098769)	-136,275.06	13,525.39	183.51	-44,246.81	-136,091.55	-30,721.42	370.4	1.47%
Actual	February	645,790	2,742,259	0.235495	0.228146	(0.007349)	-20,152.86	-6,627.47	16.57	-44,230.24	-20,136.29	-50,857.71	315.6	1.47%
Actual	March	453,226	1,367,135	0.331515	0.228146	(0.103369)	-141,319.39	-147,946.86	-8.12	-44,238.36	-141,327.51	-192,185.22	276.6	1.47%
Actual	April	287,740	1,326,163	0.216972	0.209207	(0.007765)	-10,297.66	-158,244.52	-181.23	-44,419.59	-10,478.89	-202,664.11	134.5	1.47%
Actual	May	312,324	1,478,861	0.211192	0.209207	(0.001985)	-2,935.54	-161,180.06	-193.85	-44,613.44	-3,129.39	-205,793.50	93.7	1.47%
Actual	June	293,846	1,381,489	0.212703	0.209207	(0.003496)	-4,829.69	-166,009.75	-197.45	-44,810.89	-5,027.14	-210,820.64	41.6	1.47%
Actual	July	367,007	1,680,108	0.218442	0.210990	(0.007452)	-12,520.17	-178,529.92	-203.36	-45,014.25	-12,723.53	-223,544.17	32.0	1.47%
Actual	August	394,508	1,792,379	0.220103	0.210990	(0.009113)	-16,333.95	-194,863.87	-218.70	-45,232.95	-16,552.65	-240,096.82	33.6	1.47%
Actual	September	835,375	4,701,373	0.177688	0.210990	0.033302	156,565.13	-38,298.74	-238.71	-45,471.66	156,326.42	-83,770.40	47.1	1.47%
Actual	October	390,246	1,820,197	0.214398	0.206383	(0.008015)	-14,588.88	-52,887.62	-46.92	-45,518.58	-14,635.80	-98,406.20	105.8	1.47%
Forecast	November	334,607	1,677,351	0.199486	0.206383	0.006897	11,568.69	-41,318.93	-64.79	-45,583.37	11,503.90	-86,902.30	202.7	1.47%
Forecast	December	<u>339,307</u>	<u>1,726,596</u>	<u>0.196518</u>	0.206383	0.009865	<u>17,032.87</u>	<u>-24,286.06</u>	<u>-50.62</u>	<u>-45,633.99</u>	<u>16,982.25</u>	<u>-69,920.05</u>	<u>321.8</u>	1.47%
	Total	5,105,033	23,073,647	0.221249			-174,086.51	-24,286.06	-1,203.67	-45,633.99	-175,290.18	-69,920.05	1,975.4	

PGCVA Balance per M\*3 Purchased (\$/M\*3) (\$0.003030)  
Forecast Average Residential Consumption per Customer 1,975.4 M\*3  
Estimated Impact on Average Residential Customer \$5.99 Customer Charge

- (1) Includes balance of 149,800.45 as of Dec., 2010  
(2) Includes balance of -44,430.32 as of Dec., 2010

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2011 TO DECEMBER, 2011

	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	80,718	69,167	70,294	75,253	113,938	66,012	315,799	431,578	366,392	292,170	200,000	200,000	2,281,321
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	1,502,294	0	0	0	0	0	0	3,024,074	0	0	0	4,526,369
Parkway Delivery	762,680	686,176	760,047	972,227	1,007,893	971,381	1,007,439	1,004,849	968,006	1,171,241	1,134,834	1,172,662	11,619,436
Western Delivery	536,336	484,621	536,794	278,684	357,030	344,097	356,870	355,952	342,901	356,786	342,517	353,934	4,646,521
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,379,735	2,742,259	1,367,135	1,326,163	1,478,861	1,381,489	1,680,108	1,792,379	4,701,373	1,820,197	1,677,351	1,726,596	23,073,647
<b><u>Price (\$/m3)</u></b>													
Local Production (A)	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Delivery	0.000000	0.159458	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.154662	0.000000	0.000000	0.000000	
Parkway Delivery	0.338041	0.338586	0.336858	0.197255	0.188835	0.191337	0.194733	0.195235	0.194746	0.188664	0.182484	0.179162	
Western Delivery	0.290264	0.291090	0.290163	0.194181	0.179966	0.182458	0.180344	0.179565	0.179201	0.192028	0.146697	0.144016	
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)	19,482	16,694	16,966	18,163	27,500	15,932	76,220	104,164	88,431	70,517	48,271	48,271	550,613
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	239,553	0	0	0	0	0	0	467,711	0	0	0	707,263
Parkway Delivery	257,817	232,329	256,028	191,777	190,325	185,861	196,182	196,182	188,516	220,970	207,089	210,097	2,533,173
Western Delivery	155,679	141,069	155,758	54,115	64,253	62,783	64,359	63,916	61,448	68,513	50,246	50,972	993,111
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	18,078	16,145	24,475	23,685	30,246	29,270	30,246	30,246	29,270	30,246	29,001	29,967	320,873
Total	451,056	645,790	453,226	287,740	312,324	293,846	367,007	394,508	835,375	390,246	334,607	339,307	5,105,033

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2011 TO DECEMBER, 2011

	<u>Jan-11</u>	<u>Feb-11</u>	<u>Mar-11</u>	<u>Apr-11</u>	<u>May-11</u>	<u>Jun-11</u>	<u>Jul-11</u>	<u>Aug-11</u>	<u>Sep-11</u>	<u>Oct-11</u>	<u>Nov-11</u>	<u>Dec-11</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	6.385	6.387	6.390	6.370	6.390	6.364	6.387	6.371	6.342	6.386	6.394	6.394
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	4.220	0.000	0.000	0.000	0.000	0.000	0.000	4.064	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	8.943	8.961	8.919	5.206	5.000	5.045	5.153	5.153	5.117	4.992	4.834	4.746
<u>Western Deliveries</u> (\$/GJ)	7.679	7.704	7.683	5.125	4.765	4.811	4.773	4.740	4.709	5.081	3.886	3.815
Fuel Ratio (%)	1.99%	1.68%	1.07%	4.26%	3.68%	2.76%	1.84%	1.84%	1.38%	1.38%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.638100	1.638100	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900
GJ/day (TCPL)	356	352	352	352	435	435	435	435	435	435	431	431
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)	1,584	1,580	1,580	1,580	1,663	1,663	1,663	1,663	1,663	1,863	1,859	1,859
<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)	37.80	37.79	37.77	37.89	37.77	37.93	37.79	37.88	38.06	37.80	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2012 TO DECEMBER, 2012  
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
January	334,688	1,694,570	0.197506	0.201212	0.003706	6,280.07	-18,005.99	-29.75	-45,663.74	6,250.32	-63,669.73	355.2	1.47%
February	316,210	1,598,146	0.197860	0.201212	0.003352	5,356.98	-12,649.01	-22.06	-45,685.80	5,334.92	-58,334.81	293.2	1.47%
March	334,688	1,694,570	0.197506	0.201212	0.003706	6,280.07	-6,368.94	-15.50	-45,701.30	6,264.57	-52,070.24	246.2	1.47%
April	324,382	1,646,358	0.197030	0.201212	0.004182	6,885.07	516.13	-7.80	-45,709.10	6,877.27	-45,192.97	186.6	1.47%
May	333,585	1,694,570	0.196856	0.201212	0.004356	7,381.54	7,897.67	0.63	-45,708.47	7,382.17	-37,810.80	89.7	1.47%
June	324,382	1,646,358	0.197030	0.201212	0.004182	6,885.07	14,782.74	9.67	-45,698.80	6,894.74	-30,916.06	53.1	1.47%
July	333,585	1,694,570	0.196856	0.201212	0.004356	7,381.54	22,164.28	18.11	-45,680.69	7,399.65	-23,516.41	40.9	1.47%
August	333,585	1,694,570	0.196856	0.201212	0.004356	7,381.54	29,545.82	27.15	-45,653.54	7,408.69	-16,107.72	42.8	1.47%
September	324,382	1,646,358	0.197030	0.201212	0.004182	6,885.07	36,430.89	36.19	-45,617.35	6,921.26	-9,186.46	58.5	1.47%
October	333,585	1,694,570	0.196856	0.201212	0.004356	7,381.54	43,812.43	44.63	-45,572.72	7,426.17	-1,760.29	118.7	1.47%
November	330,583	1,646,358	0.200797	0.201212	0.000415	683.24	44,495.67	53.67	-45,519.05	736.91	-1,023.38	202.7	1.47%
December	<u>339,993</u>	<u>1,694,570</u>	<u>0.200637</u>	0.201212	0.000575	<u>974.38</u>	<u>45,470.05</u>	<u>54.51</u>	<u>-45,464.54</u>	<u>1,028.89</u>	<u>5.51</u>	<u>321.8</u>	1.47%
Total	3,963,649	20,045,563	0.197732			69,756.11	45,470.05	169.45	-45,464.54	69,925.56	5.51	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 Dec., 2011 year-to-date balance of (\$24,286.06) (See Schedule 2)  
(2) Includes Dec., 2011 year-to-date balance of (\$45,633.99) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2012 TO DECEMBER, 2012

	<u>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Apr-12</u>	<u>May-12</u>	<u>Jun-12</u>	<u>Jul-12</u>	<u>Aug-12</u>	<u>Sep-12</u>	<u>Oct-12</u>	<u>Nov-12</u>	<u>Dec-12</u>	<u>Total</u>
<b><u>Volumes (m3)</u></b>													
Local Production (A)	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,172,662	1,097,007	1,172,662	1,134,834	1,172,662	1,134,834	1,172,662	1,172,662	1,134,834	1,172,662	1,134,834	1,172,662	13,844,980
Western Delivery	321,907	301,139	321,907	311,523	321,907	311,523	321,907	321,907	311,523	321,907	311,523	321,907	3,800,583
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,694,570	1,598,146	1,694,570	1,646,358	1,694,570	1,646,358	1,694,570	1,694,570	1,646,358	1,694,570	1,646,358	1,694,570	20,045,563
<b><u>Price (\$/m3)</u></b>													
Local Production (A)	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.180370	0.180370	0.180370	0.179388	0.179388	0.179388	0.179388	0.179388	0.179388	0.179388	0.182635	0.182635	
Western Delivery	0.148018	0.148018	0.148018	0.148169	0.148169	0.148169	0.148169	0.148169	0.148169	0.148169	0.156247	0.156247	
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)	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	579,257
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	211,513	197,867	211,513	203,576	210,362	203,576	210,362	210,362	203,576	210,362	207,260	214,169	2,494,496
Western Delivery	47,648	44,574	47,648	46,158	47,697	46,158	47,697	47,697	46,158	47,697	48,675	50,297	568,103
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>27,256</u>	<u>25,497</u>	<u>27,256</u>	<u>26,377</u>	<u>27,256</u>	<u>26,377</u>	<u>27,256</u>	<u>27,256</u>	<u>26,377</u>	<u>27,256</u>	<u>26,377</u>	<u>27,256</u>	<u>321,793</u>
Total	334,688	316,210	334,688	324,382	333,585	324,382	333,585	333,585	324,382	333,585	330,583	339,993	3,963,649

[illegible]

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JANUARY, 2011 THROUGH DECEMBER, 2012

Month	Purchase Volume (M <sup>3</sup> ) A	Throughput Volume (M <sup>3</sup> ) B	Direct Purchase Volume (M <sup>3</sup> ) C	System Sales Volume (M <sup>3</sup> ) D=B-C	Deemed U.F.G. (M <sup>3</sup> ) E	System Sales + U.F.G. (M <sup>3</sup> ) F=D+E	Monthly Inventory Balance (M <sup>3</sup> ) G=A-F	Cumulative Inventory (M <sup>3</sup> ) H (1)	Reference Price (\$/M <sup>3</sup> ) I	Inventory Revaluation (\$s) J	Inventory Rate (\$/M <sup>3</sup> ) 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 (\$s) P=M+O	Monthly Interest Rate
January	1,379,735	6,599,109	3,125,213	3,473,896	0	3,473,896	-2,094,161	-4,084,593	0.228146	0.00	(0.004427)	-15,378.94	39,910.87	67.73	4,155.94	44,066.81	1.47%
February	2,742,259	5,588,959	2,642,000	2,946,959	0	2,946,959	-204,700	-4,289,293	0.228146	0.00	(0.004427)	-13,046.19	26,864.68	48.89	4,204.83	31,069.51	1.47%
March	1,367,135	5,415,491	2,794,779	2,620,712	0	2,620,712	-1,253,577	-5,542,869	0.228146	104,976.40	(0.004427)	-11,601.89	120,239.19	32.91	4,237.74	124,476.93	1.47%
April	1,326,163	4,033,474	2,600,257	1,433,217	0	1,433,217	-107,054	-5,649,923	0.209207	0.00	(0.007679)	-11,005.67	109,233.53	147.29	4,385.03	113,618.56	1.47%
May	1,478,861	3,410,292	2,463,382	946,910	0	946,910	531,951	-5,117,972	0.209207	0.00	(0.007679)	-7,271.32	101,962.21	133.81	4,518.84	106,481.05	1.47%
June	1,381,489	2,931,615	2,431,765	499,850	0	499,850	881,639	-4,236,333	0.209207	-7,553.38	(0.007679)	-3,838.35	90,570.48	124.90	4,643.74	95,214.22	1.47%
July	1,680,108	2,689,742	2,271,835	417,907	0	417,907	1,262,201	-2,974,132	0.210990	0.00	(0.006417)	-2,681.71	87,888.77	110.95	4,754.69	92,643.46	1.47%
August	1,792,379	3,446,498	2,626,937	819,561	0	819,561	972,818	-2,001,314	0.210990	0.00	(0.006417)	-5,259.12	82,629.65	107.66	4,862.35	87,492.00	1.47%
September	4,701,373	3,970,251	2,603,407	1,366,844	0	1,366,844	3,334,529	1,333,215	0.210990	-6,142.12	(0.006417)	-8,771.04	67,716.49	101.22	4,963.57	72,680.06	1.47%
October	1,820,197	4,934,084	3,051,902	1,882,182	0	1,882,182	-61,985	1,271,230	0.206383	0.00	(0.004428)	-8,334.30	59,382.19	82.95	5,046.52	64,428.71	1.47%
November	1,677,351	4,921,595	2,807,687	2,113,908	0	2,113,908	-436,557	834,673	0.206383	0.00	(0.004428)	-9,360.38	50,021.81	72.74	5,119.26	55,141.07	1.47%
December	1,726,596	5,421,595	2,795,357	2,626,238	0	2,626,238	-899,642	-64,969	0.206383	335.95	(0.004428)	-11,628.98	38,728.78	61.28	5,180.54	43,909.32	1.47%
January	1,694,570	5,921,595	2,824,409	3,097,186	0	3,097,186	-1,402,616	-1,467,585	0.201212	0.00	(0.002478)	-7,674.83	31,053.95	47.44	5,227.98	36,281.93	1.47%
February	1,598,146	5,421,595	2,807,462	2,614,133	0	2,614,133	-1,015,987	-2,483,573	0.201212	0.00	(0.002478)	-6,477.82	24,576.13	38.04	5,266.02	29,842.15	1.47%
March	1,694,570	4,921,595	2,744,961	2,176,634	0	2,176,634	-482,064	-2,965,637	0.201212	0.00	(0.002478)	-5,393.70	19,182.43	30.11	5,296.13	24,478.56	1.47%
April	1,646,358	4,021,595	2,685,665	1,335,930	0	1,335,930	310,428	-2,655,210	0.201212	0.00	(0.002478)	-3,310.43	15,872.00	23.50	5,319.63	21,191.63	1.47%
May	1,694,570	3,141,595	2,661,298	480,297	0	480,297	1,214,273	-1,440,937	0.201212	0.00	(0.002478)	-1,190.18	14,681.82	19.44	5,339.07	20,020.89	1.47%
June	1,646,358	3,133,595	2,638,035	495,560	0	495,560	1,150,798	-290,139	0.201212	0.00	(0.002478)	-1,228.00	13,453.82	17.99	5,357.06	18,810.88	1.47%
July	1,694,570	3,137,595	2,646,622	490,973	0	490,973	1,203,597	913,457	0.201212	0.00	(0.002478)	-1,216.63	12,237.19	16.48	5,373.54	17,610.73	1.47%
August	1,694,570	3,245,595	2,639,204	606,391	0	606,391	1,088,179	2,001,636	0.201212	0.00	(0.002478)	-1,502.64	10,734.55	14.99	5,388.53	16,123.08	1.47%
September	1,646,358	3,141,595	2,699,547	442,048	0	442,048	1,204,310	3,205,945	0.201212	0.00	(0.002478)	-1,095.39	9,639.16	13.15	5,401.68	15,040.84	1.47%
October	1,694,570	4,121,595	2,783,246	1,338,349	0	1,338,349	356,221	3,562,166	0.201212	0.00	(0.002478)	-3,316.43	6,322.73	11.81	5,413.49	11,736.22	1.47%
November	1,646,358	4,921,595	2,807,687	2,113,908	0	2,113,908	-467,550	3,094,615	0.201212	0.00	(0.002478)	-5,238.26	1,084.47	7.75	5,421.24	6,505.71	1.47%
December	1,694,570	5,421,595	2,795,357	2,626,238	0	2,626,238	-931,668	2,162,947	0.201212	0.00	(0.002478)	-6,507.82	-5,423.35	1.33	5,422.57	-0.78	1.47%

(1) Includes balance of -1,990,432 as of Dec., 2010  
(2) Includes balance of 55,289.80 as of Dec., 2010  
(3) Includes balance of 4,088.21 as of Dec., 2010



**NATURAL RESOURCE GAS LIMITED**

**RESIDENTIAL BILL COMPARISONS**

**QUARTERLY BILL IMPACT**

	Quarter Starting 01-Jan-11 <u>EB-2010-0366</u>	Quarter Starting 01-Jan-12 <u>EB-2011-0392</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption for Quarter	894.6	894.6		
Monthly Charges	\$34.50	\$40.50	\$6.00	17.4%
Delivery Charges	\$136.87	\$136.60	(\$0.27)	-0.2%
Total Commodity Charges	<u>\$201.77</u>	<u>\$178.11</u>	<u>(\$23.66)</u>	<u>-11.7%</u>
Total Customer Charges	\$373.15	\$355.21	(\$17.94)	-4.8%

**ANNUAL BILL IMPACT**

	01-Oct-11 <u>EB-2011-0301</u>	01-Jan-12 <u>EB-2011-0392</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$306.82	\$306.82	\$0.00	0.0%
Total Commodity Charges	<u>\$406.54</u>	<u>\$400.07</u>	<u>(\$6.47)</u>	<u>-1.6%</u>
Total Customer Charges	\$875.36	\$868.89	(\$6.47)	-0.7%

**RATES USED**

	01-Jan-11 <u>EB-2010-0366</u>	01-Oct-11 <u>EB-2011-0301</u>	01-Jan-12 <u>EB-2011-0392</u>
Monthly charge	11.50	13.50	13.50
Delivery Charge	0.152999	0.152693	0.152693
Total Commodity Charge	0.225547	0.202318	0.199097

**APPENDIX “A” TO  
DECISION AND ORDER  
BOARD FILE No. EB-2011-0392  
DATED DECEMBER XX, 2011**

## NATURAL RESOURCE GAS LIMITED

### RATE 1 - General Service Rate

#### Rate Availability

The entire service area of the Company.

#### Eligibility

All customers.

#### Rate

a)	Monthly Fixed Charge	\$13.50
	Rate Rider for Shared Tax Savings - effective until September 30, 2012	\$(0.10)
b)	Delivery Charge	
	First 1,000 m <sup>3</sup> per month	15.3980 cents per m <sup>3</sup>
	All over 1,000 m <sup>3</sup> per month	10.5303 cents per m <sup>3</sup>
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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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 <sup>3</sup> per month	13.8976 cents per m <sup>3</sup>	17.5270 cents per m <sup>3</sup>
Next 24,000 m <sup>3</sup> per month	9.4826 cents per m <sup>3</sup>	15.6960 cents per m <sup>3</sup>
All over 25,000 m <sup>3</sup> per month	6.1698 cents per m <sup>3</sup>	15.2899 cents per m <sup>3</sup>
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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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.

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<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 3.7634 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 10.9612 cents per m<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.

- 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<sup>3</sup> for firm gas and 5.4412 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 5.7163 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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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 <sup>3</sup> per month	14.7933 cents per m <sup>3</sup>	18.8772 cents per m <sup>3</sup>
All over 1,000 m <sup>3</sup> per month	10.5218 cents per m <sup>3</sup>	16.9052 cents per m <sup>3</sup>
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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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) 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<sup>3</sup> and not to be less than 5.4612 per m<sup>3</sup>.

- 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<sup>3</sup>. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 5.6702 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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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<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 3.7533 cents per m<sup>3</sup>,

(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<sup>3</sup> and not to be less than 7.9412 per m<sup>3</sup>.

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<sup>3</sup> for firm gas and 5.4412 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 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<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 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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## 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-2011-0392)	20.1212 cents per m <sup>3</sup>
GPRA Recovery Rate	(EB-2011-0392)	(0.2478) cents per m <sup>3</sup>
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m <sup>3</sup>
Total Gas Supply Charge		<u>19.9097</u> cents per m <sup>3</sup>

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## **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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

## **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: January 01, 2012

Implementation: All bills rendered on or after January 01, 2012

EB-2011-0392

**APPENDIX “B” TO  
DECISION AND ORDER  
BOARD FILE No. EB-2011-0392  
DATED DECEMBER XX, 2011**

## NATURAL RESOURCE GAS LIMITED

### **Accounting Entries for the Purchased Gas Commodity Variance Account**

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the decrease (increase) to reflect the projected changes in gas costs and prospective recovery of the balances of the gas supply deferral accounts approved by the Board for rate making purposes.

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

Credit/Debit Account No. 623 Cost of Gas

To record as a debit (credit) in Deferral Account No. 179-28, interest on the balance in Deferral Account

Debit/Credit Account No. 179-28 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.



**APPENDIX “C” TO  
DECISION AND ORDER  
BOARD FILE No. EB-2011-0392  
DATED DECEMBER XX, 2011**

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

On all bills rendered by NRG on or after January 1, 2012, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.003221 per cubic meter to \$0.199097 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 December, 2012. On your gas bill this cost is on the line entitled "Gas Commodity".

As a regulated utility, NRG is permitted to recover what it pays for the purchase of gas plus any costs reasonably associated with this purchase but with no mark up or 'profit'. The price the utility charges you is based on the forecasted gas and transportation costs to NRG, which are periodically reviewed by the OEB and reconciled with actual costs. The gas commodity portion gets adjusted regularly throughout the year as the price of the gas commodity changes.

How will this price change impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,009 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$6 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.