

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, 2012;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2011-0392 Decision and Order dated December 21, 2011 the Board approved a PGCVA reference price of \$0.201212 per m³ and a gas supply charge of \$0.199097 per m³, both effective January 1, 2012.
2. Based on actual and forecast natural gas prices for the April, 2011 through March, 2012 period the PGCVA balance is projected to be a rebate of approximately \$9 per residential customer.
3. NRG hereby applies to the Board for further orders effective April 1, 2012 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2011-0392 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.017158 per m³ from the Board approved level of \$0.201212 per m³ to \$0.184054 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2011-0392 Decision and Order to reflect a projected

\$0.018052 per m³ change in the gas supply charge from the Board approved level of \$0.199097 m³ to a projected cost of \$0.181045 per m³. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

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

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

- * Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. Tuesday, March 13, 2012.
- * 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., Friday, March 16, 2012.
- * The Board issues its Decision and Order by Sunday, March 25, 2012 for implementation effective April 1, 2012.

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

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Dated at London, Ontario, this 7th day of March, 2012.

NATURAL RESOURCE GAS LIMITED

Laurie O'Meara
Controller

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2011-0392 Decision and Order dated December 21, 2011 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.201212 per m³ and a gas supply charge of \$0.199097 per m³, both effective January 1, 2012.

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-2011-0392, the Board approved a GPRA rate of (\$0.002478) per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 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 rebate of \$8.77 per residential customer for the twelve month period ending March, 2012 (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.

The PGCVA balance has been calculated using the most recent information available, including actual volumes and costs through January, 2012. The remaining months in the

March, 2012

1 twelve-month period ending March, 2012 are calculated using estimated prices based on
2 the best information available at the time of filing.

3
4 Forecast prices have been used for the period April, 2012 through March, 2013 period,
5 except where actual contracted prices are available.

6
7 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
8 by NRG for system gas purchases.

9
10 Gas Supply Portfolio

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

16
17 NRG is required to balance its total supply with its total demand on the Union Gas
18 system on an annual basis, at the time that the direct purchase contract with Union Gas is
19 renewed. This may entail NRG purchasing gas or shedding excess gas.

20
21 NRG is a direct purchase customer on the Union Gas system. Under its bundled
22 transportation contract, NRG is obligated to deliver a fixed amount of gas each day to
23 Union. This amount is determined by Union and is based on the expected annual volume
24 divided by 365 (or 366 in a leap year).

25
26 Additional gas may be purchased in the period leading up to the end of February of each
27 year if required for NRG to meet its forecast banked gas account winter balancing
28 checkpoint on the Union Gas system if consumption is greater than forecast. The Board
29 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063
30 (Decisions with Reasons, dated March 18, 2004). As shown in Schedule 3, NRG

1 purchased additional Ontario Delivered gas in January, 2012 in order to meet its
2 balancing requirements with Union.

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

10
11 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
12 purchase customers has been set at 1,991 GJ/day. The direct purchase customer
13 assignment was 132 GJ/day in November, 2011 and was increased to 180 GJ/day
14 effective January 1, 2012. This increase will allow direct purchase customers to bring
15 their supplies more in line with their actual and projected consumption. This results in
16 deliveries for system gas customers of 1,811 GJ/day beginning in January, 2012 and
17 remaining at those levels in subsequent months.

18
19 The composition of these obligated system gas deliveries is as follows. In January, 2012,
20 and subsequent months, Parkway deliveries are forecast to be 1,428 GJ/day. In January,
21 2012 and subsequent months, the obligated deliveries for system gas customers at AECO
22 are 383 GJ/day.

23
24 The composition of the gas purchases for direct purchase and system gas customers for
25 the January, 2012 through March, 2013 period is shown in the following table. Please
26 note that these figures do not include the direct purchase deliveries associated with a
27 large ethanol plant served by NRG.

28 **GJ/s per Day**

Delivery Point	Jan, 2012 - March, 2013
Direct Purchase	180
AECO	383

Parkway	1,428
Dawn	<u>0</u>
Total	1,991

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

The composition of the gas supply portfolio volumes for the April, 2011 through March, 2012 period is shown on the top of Schedule 3. This schedule shows the monthly volume of gas purchased or forecast to be purchased from local producers, obligated deliveries at Parkway and the Alberta border (Western), and balancing gas (purchased at Dawn or Ontario delivered gas). Similarly, the composition of the gas supply portfolio volumes for the April, 2012 through March, 2013 period is shown on the top of Schedule 6.

Gas Costs

NRG's actual and forecast gas costs for the April, 2011 through March 2012 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account balances. The conversion factors used are also shown in Schedule 4. All prices shown are actual prices paid in April, 2011 through January, 2012. Prices for the remaining months in this period are based on estimated and contracted prices to be paid in these months.

Prices for April, 2012 through March, 2013 are based on prices averaged over 10 days in the period February 3, 2012 through February 29, 2012 (pricing reports were not available for the dates of February 8, 13, 14, 17, 20-23 or 29 due to computer corruption issues at the provider). These prices, which have been sourced from the Shell Energy North America report entitled 'Daily Energy Market Update', have been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule 6 in \$/m³. The source of the foreign exchange rates used in the calculations is the daily

1 noon exchange rates for the 10-year lookup from the Bank of Canada that are available
2 on their website at www.bankofcanada.ca/rates/exchange.

3
4 Gas prices for each of the sources of supply are described below. In addition to the
5 above, contracted prices have been used where purchase decisions have been made.

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

13
14 In the EB-2011-0392 Decision and Order dated December 21, 2011, the Board directed
15 NRG to make the appropriate adjustment in the PGCVA to ensure that \$21,139.90 was
16 refunded to ratepayers in the next QRAM application. This amount was the net amount
17 related to gas purchased from NRG Corp. from October 1, 2010 through December 5,
18 2010. NRG has reduced the cost paid to NRG Corp. for PGCVA calculation purposes
19 related to the gas purchased over this period, thereby refunding the amounts to ratepayers
20 by the \$21,139.90 specified by the Board.

21
22 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at
23 these delivery points is discussed below.

24 25 Empress Pricing

26 The Empress price over the April, 2012 through March, 2013 period shown in Schedule 7
27 (Western Deliveries) is based on a combination of actual contracted prices and forecasted
28 prices. The average Empress delivery rate is \$3.642/GJ in April, 2012, \$3.651/GJ in
29 May, \$3.682/GJ in June through October, 2012 and \$3.802/GJ in November, 2012
30 through March, 2013. Fuel costs of 4% are included in these rates.

The average Empress delivery price includes a mix of fixed price contracts over the April, 2012 through March, 2013 period. Over this period, the Empress delivery price includes a forecast price for the remainder of the purchases.

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

<u>Empress Deliveries</u>								
<u>Contracted?</u>	<u>April</u>		<u>May</u>		<u>June-Oct</u>		<u>Nov-March</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	90	3.890	90	3.890	90	3.890		
Yes	180	4.300	180	4.300	180	4.300	180	4.540
No	<u>113</u>	<u>1.920</u>	<u>113</u>	<u>1.951</u>	<u>113</u>	<u>2.051</u>	<u>203</u>	<u>2.872</u>
Total	383	3.501	383	3.511	383	3.540	383	3.656
with Fuel (4%)		3.642		3.651		3.682		3.802

The prices shown for the 113 GJ/day that has not been contracted for in April through October, 2012 and the 209 GJ/day that has not been contracted for in November, 2012 through March, 2013 are based on the average price forecasts for the February 3, 2012 through February 29, 2012 period.

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

<u>Empress Delivery Price Forecast</u>				
	<u>Apr-12</u>	<u>May-12</u>	<u>Apr-12</u>	<u>Nov-12</u>
	<u>Apr-12</u>	<u>May-12</u>	<u>Oct-12</u>	<u>Oct-13</u>
3-Feb-12	2.020	2.050	2.140	2.880
6-Feb-12	2.050	2.080	2.180	2.940
7-Feb-12	1.940	1.970	2.050	2.830
9-Feb-12	1.990	2.030	2.110	2.890
10-Feb-12	2.030	2.080	2.170	2.980
15-Feb-12	1.890	1.910	2.020	2.950
16-Feb-12	1.950	1.960	2.060	2.980
24-Feb-12	1.850	1.890	2.000	2.840
27-Feb-12	1.780	1.810	1.930	2.760

28-Feb-12	1.700	1.730	1.850	2.670
10 Day Average	\$ 1.920	\$ 1.951	\$ 2.051	\$ 2.872

Parkway Pricing

The Parkway price over the April, 2012 through March, 2013 period shown in Schedule 7 is based on a combination of actual contracted prices. The average Parkway delivery rate forecast is \$4.536/GJ in April through October, 2012 and \$4.568/GJ in November through March, 2013.

The average Parkway delivery price includes a mix of fixed price contracts and no amounts that are not contracted for over this period. The following table shows the current mix of volumes and prices over the forecast period.

<u>Contracted?</u>	<u>Parkway Deliveries</u>			
	<u>Apr-Oct</u>		<u>Nov-March</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	320	4.960	414	3.950
Yes	600	5.330	600	5.400
Yes	<u>508</u>	<u>3.330</u>	<u>414</u>	<u>3.980</u>
Total	1,428	4.536	1,428	4.568

As shown in the above table, all of the Parkway purchases forecast by NRG over the April, 2012 through March, 2013 period have been contracted for. For reference purposes, NRG has provided the forecast costs based on the average price forecasts for the February 3, 2012 through February 29, 2012 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

1 x Foreign Exchange Rate. These calculations are show below for each of the two
 2 different pricing periods noted in the above table.

Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBTU - GJ	F/X	\$/GJ (Cdn)
Apr-12 - Oct-12					
3-Feb-12	2.910	0.29	1.05462	0.9945	\$3.018
6-Feb-12	2.980	0.29	1.05462	0.9954	\$3.086
7-Feb-12	2.860	0.29	1.05462	0.9948	\$2.971
9-Feb-12	2.880	0.31	1.05462	0.9941	\$3.007
10-Feb-12	2.920	0.30	1.05462	1.0016	\$3.058
15-Feb-12	2.860	0.27	1.05462	0.9965	\$2.958
16-Feb-12	2.930	0.27	1.05462	0.9962	\$3.023
24-Feb-12	2.930	0.23	1.05462	0.9988	\$2.993
27-Feb-12	2.820	0.23	1.05462	0.9983	\$2.887
28-Feb-12	2.740	0.24	1.05462	0.9956	\$2.813
10 Day Average					\$2.981

Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBTU - GJ	F/X	\$/GJ (Cdn)
Nov-12 - Mar-13					
3-Feb-12	3.610	0.27	1.05462	0.9945	\$3.659
6-Feb-12	3.680	0.24	1.05462	0.9954	\$3.700
7-Feb-12	3.570	0.24	1.05462	0.9948	\$3.594
9-Feb-12	3.590	0.25	1.05462	0.9941	\$3.620
10-Feb-12	3.640	0.24	1.05462	1.0016	\$3.685
15-Feb-12	3.650	0.23	1.05462	0.9965	\$3.666
16-Feb-12	3.690	0.24	1.05462	0.9962	\$3.712
24-Feb-12	3.570	0.23	1.05462	0.9988	\$3.599
27-Feb-12	3.470	0.23	1.05462	0.9983	\$3.502
28-Feb-12	3.370	0.23	1.05462	0.9956	\$3.399
10 Day Average					\$3.614

4
 5 **Dawn Pricing**

6 NRG is not forecasting the need to purchase gas in September, 2012. This gas could be
 7 required to ensure that NRG remains within its contract parameters with Union Gas. For
 8 completeness, NRG has provided forecast price data for September, 2012. The

forecasted price for this Dawn gas is \$2.980/GJ and is based on price forecasts for the February 3, 2012 through February 29, 2012 period for September, 2012 deliveries.

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

Dawn Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
Sep-12					
3-Feb-12	2.910	0.28	1.054615	0.9945	3.008
6-Feb-12	2.980	0.29	1.054615	0.9954	3.086
7-Feb-12	2.860	0.29	1.054615	0.9948	2.971
9-Feb-12	2.880	0.31	1.054615	0.9941	3.007
10-Feb-12	2.920	0.30	1.054615	1.0016	3.058
15-Feb-12	2.860	0.27	1.054615	0.9965	2.958
16-Feb-12	2.930	0.27	1.054615	0.9962	3.023
24-Feb-12	2.930	0.23	1.054615	0.9988	2.993
27-Feb-12	2.820	0.23	1.054615	0.9983	2.887
28-Feb-12	2.740	0.24	1.054615	0.9956	2.813
10 Day Average					<u>2.980</u>

Other Forecast Assumptions

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

1 TCPL tolls have been forecast at a rate of \$2.2429/GJ. This rate came into effect March
2 1, 2011 and reflects the current tolls approved by the National Energy Board.

3
4 PGCVA Balance

5 The projected March, 2012 balance in the PGCVA is a credit of \$118,561.43 including a
6 debit of \$44,975.45 in accumulated interest, based on the Board's prescribed interest rate.
7 This estimate is based on actual and forecasted purchases and the balance brought
8 forward from March, 2011. The PGCVA credit amounts to a rebate of approximately
9 \$8.77 for a typical residential customer consuming approximately 1,766 m³ per year.
10 These figures are shown on Schedule 2.

11
12 Proposed PGCVA Rate Changes

13 NRG proposes to adjust the reference price effective April 1, 2012 based on the projected
14 accumulated balance in the PGCVA as of the end of March, 2012 and the forecasted cost
15 of gas over the 12 month period beginning April, 2012 and ending March, 2013. The
16 reference price is set such that the projected PGCVA balance at the end of March, 2013 is
17 close to zero.

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

22
23 NRG proposes to change the reference price by \$0.017158 per m³ effective April 1, 2012,
24 from \$0.201212 per m³ to \$0.184054 per m³. The derivation of this rate is shown in
25 Schedule 5. This is the reference price required to bring the PGCVA balance close to
26 zero on a twelve month forecast basis. This change will also be reflected in the gas
27 commodity charge.

28
29 **GAS PURCHASE REBALANCING ACCOUNT**

1 The impact on the GPRA of the proposed April 1, 2012 PGCVA reference price change
2 from \$0.201212 per m³ to \$0.184054 per m³ is a credit of \$34,287.50, as shown on
3 Schedule 8. This figure is shown in column (J) of Schedule 8 and on the March, 2012
4 line. It is calculated as the change in the PGCVA reference price between March and
5 April, multiplied by the cumulative inventory balance at the end of March. This
6 cumulative inventory balance is the sum of the actual monthly inventory balances for
7 January, 2012 and forecasts for the subsequent months. These forecasts will be replaced
8 with actual balances for these months in subsequent QRAM applications as this
9 information becomes available. As well, the monthly inventory balances are based on a
10 deemed level of unaccounted for gas ("UFG") of the total throughput volume, as shown
11 in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-
12 2010-0018.

13
14 NRG proposes to adjust the gas commodity charge effective April 1, 2012 based on the
15 projected accumulated balance in the GPRA. The adjustment to the gas commodity
16 charge will be set such that the projected GPRA balance at the end of March, 2013, will
17 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
18 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
19 \$(0.003372) per m³ over the April, 2012 through March, 2013 period.

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

25 26 **GAS COMMODITY CHARGE**

27 The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved
28 in EB-2010-0018. This figure represents the incremental costs over and above the
29 commodity and transportation costs that form the PGCVA reference price to the gas
30 supply function. These incremental costs are portions administrative and general

expenses, regulatory and consulting fees associated with the QRAM applications, return on rate base (working cash allowance related to gas commodity) and income taxes. This functionalization is unchanged from that approved in EB-2010-0018.

The change in the gas commodity charge proposed for April 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-2011-0392 Jan. 1, 2012	Proposed Apr. 1, 2012	Difference
PGCVA Reference Price	\$0.201212	\$0.184054	\$(0.017158)
GPRA Recovery	\$(0.002478)	\$(0.003372)	\$(0.000894)
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.199097	\$0.181045	\$(0.018052)

SUMMARY

In summary, NRG proposes to change the reference price for amounts to be recorded in the Purchased Gas Commodity Variance Account from \$0.201212 by \$0.017158 to \$0.184054 per m³ effective April 1, 2012. Appendix B contains the accounting entries related to the PGCVA.

NRG also proposes to change the gas supply charge from \$0.199097 to \$0.181045 per m³ effective April 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.

1

2 Schedule 9 provides a residential bill comparison showing the impact of the proposed
3 changes on a year over year basis for the appropriate quarter as well as the annual bill
4 impact of the most recent quarterly change. The annual bill impact related to the change
5 in the commodity charges on a customer consuming approximately 2,009 m³ is a
6 decrease of \$36.27.

7

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2011 TO MARCH, 2012

<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	April	287,740	1,326,163	0.216972	0.209207	(0.007765)	-10,297.66	-137,104.70	-155.34	-44,285.16	-10,453.00	-181,389.86	134.5	1.47%
Actual	May	312,324	1,478,861	0.211192	0.209207	(0.001985)	-2,935.54	-140,040.24	-167.95	-44,453.11	-3,103.49	-184,493.35	93.7	1.47%
Actual	June	293,846	1,381,489	0.212703	0.209207	(0.003496)	-4,829.69	-144,869.93	-171.55	-44,624.66	-5,001.24	-189,494.59	41.6	1.47%
Actual	July	367,007	1,680,108	0.218442	0.210990	(0.007452)	-12,520.17	-157,390.10	-177.47	-44,802.13	-12,697.64	-202,192.23	32.0	1.47%
Actual	August	394,508	1,792,379	0.220103	0.210990	(0.009113)	-16,333.95	-173,724.05	-192.80	-44,994.93	-16,526.75	-218,718.98	33.6	1.47%
Actual	September	835,375	4,701,373	0.177688	0.210990	0.033302	156,565.13	-17,158.92	-212.81	-45,207.74	156,352.32	-62,366.66	47.1	1.47%
Actual	October	390,246	1,820,197	0.214398	0.206383	(0.008015)	-14,588.88	-31,747.80	-21.02	-45,228.76	-14,609.90	-76,976.56	105.8	1.47%
Actual	November	335,580	1,686,766	0.198949	0.206383	0.007434	12,539.42	-19,208.38	-38.89	-45,267.65	12,500.53	-64,476.03	178.1	1.47%
Actual	December	344,987	1,736,861	0.198627	0.206383	0.007756	13,471.10	-5,737.28	-23.53	-45,291.18	13,447.57	-51,028.46	255.8	1.47%
Actual	January	478,830	3,006,670	0.159256	0.201212	0.041956	126,147.85	120,410.57	-7.03	-45,298.21	126,140.82	75,112.36	304.5	1.47%
Forecast	February	297,516	1,591,232	0.186972	0.201212	0.014240	22,659.14	143,069.71	147.50	-45,150.71	22,806.64	97,919.00	293.2	1.47%
Forecast	March	<u>319,014</u>	<u>1,687,179</u>	<u>0.189081</u>	0.201212	0.012131	<u>20,467.17</u>	<u>163,536.88</u>	<u>175.26</u>	<u>-44,975.45</u>	<u>20,642.43</u>	<u>118,561.43</u>	<u>246.2</u>	1.47%
	Total	4,656,973	23,889,278	0.194940			290,343.92	163,536.88	-845.63	-44,975.45	289,498.29	118,561.43	1,766.1	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.004963
Forecast Average Residential Consumption per Customer 1,766.1 M*3
Estimated Impact on Average Residential Customer \$8.77 Customer Rebate

- (1) Includes balance of -126,807.04 as of Mar., 2011
(2) Includes balance of -44,129.82 as of Mar., 2011

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2011 TO MARCH, 2012

	<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>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	75,253	113,938	66,012	315,799	431,578	366,392	292,170	209,333	211,671	201,416	200,000	200,000	2,683,561
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	3,024,074	0	0	0	0	0	0	3,024,074
Parkway Delivery	972,227	1,007,893	971,381	1,007,439	1,004,849	968,006	1,171,241	1,134,898	1,171,582	1,169,981	1,097,007	1,172,662	12,849,166
Western Delivery	278,684	357,030	344,097	356,870	355,952	342,901	356,786	342,536	353,608	313,798	294,225	314,517	4,011,002
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>1,321,475</u>	<u>0</u>	<u>0</u>	<u>1,321,475</u>
Total	1,326,163	1,478,861	1,381,489	1,680,108	1,792,379	4,701,373	1,820,197	1,686,766	1,736,861	3,006,670	1,591,232	1,687,179	23,889,278
<u>Price (\$/m3)</u>													
Local Production (A)	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.154662	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.197255	0.188835	0.191337	0.194733	0.195235	0.194746	0.188664	0.182489	0.182265	0.177938	0.167195	0.171234	
Western Delivery	0.194181	0.179966	0.182458	0.180344	0.179565	0.179201	0.192028	0.142901	0.142513	0.144689	0.139071	0.137712	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.113510	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	18,163	27,500	15,932	76,220	104,164	88,431	70,517	50,524	51,088	48,613	48,271	48,271	647,696
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	467,711	0	0	0	0	0	0	467,711
Parkway Delivery	191,777	190,325	185,861	196,182	196,182	188,516	220,970	207,107	213,538	208,184	183,414	200,800	2,382,855
Western Delivery	54,115	64,253	62,783	64,359	63,916	61,448	68,513	48,949	50,394	45,403	40,918	43,313	668,364
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	150,000	0	0	150,000
TCPL Transportation	<u>23,685</u>	<u>30,246</u>	<u>29,270</u>	<u>30,246</u>	<u>30,246</u>	<u>29,270</u>	<u>30,246</u>	<u>29,001</u>	<u>29,967</u>	<u>26,630</u>	<u>24,912</u>	<u>26,630</u>	<u>340,347</u>
Total	287,740	312,324	293,846	367,007	394,508	835,375	390,246	335,580	344,987	478,830	297,516	319,014	4,656,973

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2011 TO MARCH, 2012

	<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>Jan-12</u>	<u>Feb-12</u>	<u>Mar-12</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	6.370	6.390	6.364	6.387	6.371	6.342	6.386	6.394	6.388	6.379	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	0.000	0.000	0.000	0.000	4.064	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	5.206	5.000	5.045	5.153	5.153	5.117	4.992	4.834	4.824	4.703	4.429	4.536
<u>Western Deliveries</u> (\$/GJ)	5.125	4.765	4.811	4.773	4.740	4.709	5.081	3.786	3.772	3.824	3.684	3.648
Fuel Ratio (%)	4.26%	3.68%	2.76%	1.84%	1.84%	1.38%	1.38%	1.62%	3.25%	3.92%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900	2.242900
GJ/day (TCPL)	352	435	435	435	435	435	435	431	431	383	383	383
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)	1,580	1,663	1,663	1,663	1,663	1,663	1,863	1,859	1,859	1,811	1,811	1,811
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	3.000	0.000	0.000
Heat Value (GJ/103m3)	37.89	37.77	37.93	37.79	37.88	38.06	37.80	37.75	37.78	37.84	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2012 TO MARCH, 2013
(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	310,211	1,639,205	0.189245	0.184054	(0.005191)	-8,509.11	155,027.77	200.33	-44,775.12	-8,308.78	110,252.65	186.6	1.47%
May	319,049	1,687,179	0.189102	0.184054	(0.005048)	-8,516.88	146,510.89	189.91	-44,585.21	-8,326.97	101,925.68	89.7	1.47%
June	310,671	1,639,205	0.189525	0.184054	(0.005471)	-8,968.09	137,542.80	179.48	-44,405.73	-8,788.61	93,137.07	53.1	1.47%
July	319,418	1,687,179	0.189321	0.184054	(0.005267)	-8,886.37	128,656.43	168.49	-44,237.24	-8,717.88	84,419.19	40.9	1.47%
August	319,418	1,687,179	0.189321	0.184054	(0.005267)	-8,886.37	119,770.06	157.60	-44,079.64	-8,728.77	75,690.42	42.8	1.47%
September	310,671	1,639,205	0.189525	0.184054	(0.005471)	-8,968.09	110,801.97	146.72	-43,932.92	-8,821.37	66,869.05	58.5	1.47%
October	319,418	1,687,179	0.189321	0.184054	(0.005267)	-8,886.37	101,915.60	135.73	-43,797.19	-8,750.64	58,118.41	118.7	1.47%
November	313,421	1,639,205	0.191203	0.184054	(0.007149)	-11,718.68	90,196.92	124.85	-43,672.34	-11,593.83	46,524.58	202.7	1.47%
December	322,259	1,687,179	0.191005	0.184054	(0.006951)	-11,727.58	78,469.34	110.49	-43,561.85	-11,617.09	34,907.49	321.8	1.47%
January	322,259	1,687,179	0.191005	0.184054	(0.006951)	-11,727.58	66,741.76	96.12	-43,465.73	-11,631.46	23,276.03	355.2	1.47%
February	295,744	1,543,258	0.191636	0.184054	(0.007582)	-11,700.98	55,040.78	81.76	-43,383.97	-11,619.22	11,656.81	293.2	1.47%
March	<u>322,259</u>	<u>1,687,179</u>	<u>0.191005</u>	0.184054	(0.006951)	<u>-11,727.58</u>	<u>43,313.20</u>	<u>67.42</u>	<u>-43,316.55</u>	<u>-11,660.16</u>	<u>-3.35</u>	<u>246.2</u>	1.47%
Total	3,784,796	19,910,331	0.190092			-120,223.68	43,313.20	1,658.90	-43,316.55	-118,564.78	-3.35	2,009.4	

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

(1) Includes Mar., 2012 year-to-date balance of \$163,536.88 (See Schedule 2)
(2) Includes Mar., 2012 year-to-date balance of (\$44,975.45) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2012 TO MARCH, 2013

	<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>Jan-13</u>	<u>Feb-13</u>	<u>Mar-13</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	2,400,000
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,134,834	1,172,662	1,134,834	1,172,662	1,172,662	1,134,834	1,172,662	1,134,834	1,172,662	1,172,662	1,059,179	1,172,662	13,807,152
Western Delivery	304,371	314,517	304,371	314,517	314,517	304,371	314,517	304,371	314,517	314,517	284,079	314,517	3,703,179
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,639,205	1,687,179	1,639,205	1,687,179	1,687,179	1,639,205	1,687,179	1,639,205	1,687,179	1,687,179	1,543,258	1,687,179	19,910,331
<u>Price (\$/m3)</u>													
Local Production (A)	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	0.241357	
Local Production (B)	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
Parkway Delivery	0.171234	0.171234	0.171234	0.171234	0.171234	0.171234	0.171234	0.172442	0.172442	0.172442	0.172442	0.172442	
Western Delivery	0.137486	0.137825	0.138996	0.138996	0.138996	0.138996	0.138996	0.143526	0.143526	0.143526	0.143526	0.143526	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	48,271	579,257
Local Production (B)	0	0	0	0	0	0	0	0	0	0	0	0	0
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	194,322	200,800	194,322	200,800	200,800	194,322	200,800	195,693	202,216	202,216	182,647	202,216	2,371,154
Western Delivery	41,847	43,348	42,306	43,717	43,717	42,306	43,717	43,685	45,141	45,141	40,773	45,141	520,839
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>25,771</u>	<u>26,630</u>	<u>25,771</u>	<u>26,630</u>	<u>26,630</u>	<u>25,771</u>	<u>26,630</u>	<u>25,771</u>	<u>26,630</u>	<u>26,630</u>	<u>24,053</u>	<u>26,630</u>	<u>313,546</u>
Total	310,211	319,049	310,671	319,418	319,418	310,671	319,418	313,421	322,259	322,259	295,744	322,259	3,784,796

[illegible]

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2011 THROUGH MARCH, 2013

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	1,326,163	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	-2,974,131	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	1,333,216	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	1,686,766	5,775,867	3,064,601	2,711,266	0	2,711,266	-1,024,500	246,730	0.206383	0.00	(0.004428)	-12,005.49	47,376.70	72.74	5,119.26	52,495.96	1.47%
December	1,736,861	5,612,597	3,037,187	2,575,410	0	2,575,410	-838,549	-591,819	0.206383	3,060.29	(0.004428)	-11,403.92	39,033.08	58.04	5,177.30	44,210.38	1.47%
January	3,006,670	5,963,082	3,062,248	2,900,834	0	2,900,834	105,836	-485,982	0.201212	0.00	(0.002478)	-7,188.27	31,844.81	47.82	5,225.12	37,069.93	1.47%
February	1,591,232	5,421,595	2,807,462	2,614,133	0	2,614,133	-1,022,901	-1,508,884	0.201212	0.00	(0.002478)	-6,477.82	25,366.99	39.01	5,264.13	30,631.12	1.47%
March	1,687,179	4,921,595	2,744,961	2,176,634	0	2,176,634	-489,455	-1,998,339	0.201212	34,287.50	(0.002478)	-5,393.70	54,260.79	31.07	5,295.20	59,555.99	1.47%
April	1,639,205	4,021,595	2,685,665	1,335,930	0	1,335,930	303,275	-1,695,064	0.184054	0.00	(0.003372)	-4,504.76	49,756.03	66.47	5,361.67	55,117.70	1.47%
May	1,687,179	3,141,595	2,661,298	480,297	0	480,297	1,206,882	-488,182	0.184054	0.00	(0.003372)	-1,619.56	48,136.47	60.95	5,422.62	53,559.09	1.47%
June	1,639,205	3,133,595	2,638,035	495,560	0	495,560	1,143,645	655,464	0.184054	0.00	(0.003372)	-1,671.03	46,465.44	58.97	5,481.59	51,947.03	1.47%
July	1,687,179	3,137,595	2,646,622	490,973	0	490,973	1,196,206	1,851,669	0.184054	0.00	(0.003372)	-1,655.56	44,809.88	56.92	5,538.51	50,348.39	1.47%
August	1,687,179	3,245,595	2,639,204	606,391	0	606,391	1,080,788	2,932,457	0.184054	0.00	(0.003372)	-2,044.75	42,765.13	54.89	5,593.40	48,358.53	1.47%
September	1,639,205	3,141,595	2,699,547	442,048	0	442,048	1,197,157	4,129,614	0.184054	0.00	(0.003372)	-1,490.59	41,274.54	52.39	5,645.79	46,920.33	1.47%
October	1,687,179	4,121,595	2,783,246	1,338,349	0	1,338,349	348,830	4,478,444	0.184054	0.00	(0.003372)	-4,512.91	36,761.63	50.56	5,696.35	42,457.98	1.47%
November	1,639,205	4,921,595	2,807,687	2,113,908	0	2,113,908	-474,703	4,003,742	0.184054	0.00	(0.003372)	-7,128.10	29,633.53	45.03	5,741.38	35,374.91	1.47%
December	1,687,179	5,421,595	2,795,357	2,626,238	0	2,626,238	-939,059	3,064,682	0.184054	0.00	(0.003372)	-8,855.67	20,777.86	36.30	5,777.68	26,555.54	1.47%
January	1,687,179	5,921,595	2,824,409	3,097,186	0	3,097,186	-1,410,007	1,654,675	0.184054	0.00	(0.003372)	-10,443.71	10,334.15	25.45	5,803.13	16,137.28	1.47%
February	1,543,258	5,421,595	2,807,462	2,614,133	0	2,614,133	-1,070,875	583,800	0.184054	0.00	(0.003372)	-8,814.86	1,519.29	12.66	5,815.79	7,335.08	1.47%
March	1,687,179	4,921,595	2,744,961	2,176,634	0	2,176,634	-489,455	94,345	0.184054	0.00	(0.003372)	-7,339.61	-5,820.32	1.86	5,817.65	-2.67	1.47%

(1) Includes balance of
(2) Includes balance of
(3) Includes balance of

-5,542,869 as of Mar., 2011
120,239.19 as of Mar., 2011
4,237.74 as of Mar., 2011

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-11 <u>EB-2011-0059</u>	Quarter Starting 01-Apr-12 <u>EB-2012-0069</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	329.4	329.4		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$50.30	\$50.73	\$0.44	0.9%
Total Commodity Charges	<u>\$66.50</u>	<u>\$59.64</u>	<u>(\$6.87)</u>	<u>-10.3%</u>
Total Customer Charges	\$157.30	\$150.87	(\$6.43)	-4.1%

ANNUAL BILL IMPACT

	01-Jan-12 <u>EB-2011-0392</u>	01-Apr-12 <u>EB-2012-0069</u>	\$ Change	Percent Change
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$309.48	\$309.48	\$0.00	0.0%
Total Commodity Charges	<u>\$400.07</u>	<u>\$363.79</u>	<u>(\$36.27)</u>	<u>-9.1%</u>
Total Customer Charges	\$871.54	\$835.27	(\$36.27)	-4.2%

RATES USED

	01-Apr-11 <u>EB-2011-0059</u>	01-Jan-12 <u>EB-2011-0392</u>	01-Apr-12 <u>EB-2012-0069</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.152693	0.154014	0.154014
Total Commodity Charge	0.201891	0.199097	0.181045

**APPENDIX “A” TO
DECISION AND ORDER
BOARD FILE No. EB-2012-0069
DATED MARCH XX, 2012**

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	\$(0.11)
b)	Delivery Charge	
	First 1,000 m ³ per month	15.4014 cents per m ³
	All over 1,000 m ³ per month	10.5303 cents per m ³
c)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2012

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

EB-2012-0069

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	\$(0.20)	\$(0.20)
b) Delivery Charge		
First 1,000 m ³ per month	13.9050 cents per m ³	17.5270 cents per m ³
Next 24,000 m ³ per month	9.4826 cents per m ³	15.6960 cents per m ³
All over 25,000 m ³ per month	6.1698 cents per m ³	15.2899 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2012

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

EB-2012-0069

NATURAL RESOURCE GAS LIMITED

RATE 3 - Special Large Volume Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 113,000 m³.

Rate

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

- a) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00 for firm or interruptible customers; or
A Monthly Customer Charge of \$175.00 for combined (firm and interruptible) customers.

Rate Rider for Shared Tax Savings - effective until September 30, 2012 \$(8.84)

- b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 cents per m³ for each m³ of daily contracted firm demand.

- c) A Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 3.7644 cents per m³,
- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.

- d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

- e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year,

including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2012

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

EB-2012-0069

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	\$(0.58)	\$(0.58)
b) Delivery Charge		
First 1,000 m ³ per month	14.7971 cents per m ³	18.8772 cents per m ³
All over 1,000 m ³ per month	10.5218 cents per m ³	16.9052 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: April 01, 2012

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

EB-2012-0069

NATURAL RESOURCE GAS LIMITED

RATE 5 - Interruptible Peaking Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a daily contracted demand for interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 50,000 m³.

Rate

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

- a) Monthly Fixed Charge \$150.00.

Rate Rider for Shared Tax Savings - effective until September 30, 2012 \$(3.20)

- b) A Monthly Delivery Charge:

A Monthly Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 8.4612 cents per m³ and not to be less than 5.4612 per m³.

- c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

- d) Overrun Gas Charge:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;

- b) The load factor of the customer's anticipated gas consumption and the pattern of annual use and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 5.6702 cents per m³ for interruptible gas.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2012

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

EB-2012-0069

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 \$(319.14)

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.1837 cents per m³ for each m³ of daily contracted firm demand.

c) A Monthly Delivery Charge:

(i) A Monthly Firm Delivery Charge for all firm volumes of 3.7539 cents per m³,

(ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and IGPC not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.

d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, IGPC should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to IGPC on such day, or if, on any day, IGPC fails to comply with any curtailment notice reducing IGPC's take of gas, then,

(i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or

(ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 6 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year, including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, IGPC shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which IGPC is willing to contract;
- b) The load factor of IGPC's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which IGPC is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, IGPC shall take delivery from the company, or in any event pay for it if available and not accepted by the IGPC, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the IGPC during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where IGPC elects under this rate schedule to directly purchase its gas from a supplier other than NRG, IGPC or its agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to IGPC if it elects said Bundled T transportation service.

Unless otherwise authorized by NRG, IGPC, when delivering gas to NRG under direct purchase arrangements, must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: April 01, 2012

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

EB-2012-0069

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-2012-0069)	18.4054 cents per m ³
GPRA Recovery Rate	(EB-2012-0069)	(0.3372) cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>18.1045</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 01, 2012

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

EB-2012-0069

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, 2012

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

EB-2012-0069

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: April 01, 2012

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

EB-2012-0069

**APPENDIX “B” TO
DECISION AND ORDER
BOARD FILE No. EB-2012-0069
DATED MARCH XX, 2012**

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-2012-0069
DATED MARCH XX, 2012**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after April 1, 2012, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.018052 per cubic meter to \$0.181045 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, 2013. 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 \$36 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.