

**Natural Resource Gas Limited**  
**Response to Board Staff Interrogatories**  
**GRAM Application – EB-2008-0031**

1. Ref: GRAM Application, Schedule 1, Page 4, Lines 26-29

NRG's application states that "[Forecast gas costs] are based on prices averaged over 10 days in the period February 8, 2008 through February 27, 2008. NRG attempted to use 10 consecutive trading days for the average prices. However, NRG was not able to obtain the necessary pricing information from its suppliers for February 11, 15 or 20<sup>th</sup>."

- a) Please elaborate on NRG's inability to obtain the necessary pricing information on the dates stated above.

**Answer**

NRG did not have consecutive day pricing information available during the preparation of the GRAM application. NRG's supplier has indicated they experienced computer problems that prevented NRG from receiving 10 consecutive days of pricing.

- b) Please explain how NRG completed its forecasting calculation without the aforementioned pricing information.

**Answer**

NRG used the pricing information that it did have available for this period. 10 days of pricing information had been provided within this 13 day period

- c) Does NRG think the approach taken adequately simulates the 10 consecutive day averaging approach and therefore results in a forecast outcome that is sufficiently dependable?

**Answer**

NRG does believe that the approach taken adequately simulates the 10 consecutive day averaging approach and that the outcome is sufficient for this application.

d) If so, why.

**Answer**

NRG believes that this approach is adequate because of the significant overlap in the days used as compared to the days that would have been used if they were all available to NRG. In particular, the overall overlap is 8 out of the 10 days. The 10 consecutive day period would have included Feb. 13 through Feb. 27. Eight of these days were used by NRG in calculating the prices. Feb. 15 and 20 were not available and they were replaced with the most recent two days that NRG had available, those being Feb. 8 and Feb. 12. These replacement dates were within 1 week of the days they effectively replaced. As a result, NRG does not believe this would have a significant impact on the price forecast used.

Yours very truly

**NATURAL RESOURCE GAS LIMITED**

A handwritten signature in dark ink, appearing to read "Chuck Hindley", with a stylized flourish at the end.

Chuck Hindley  
General Manager