



Natural Gas Resource Limited
39 Beech Street East
Aylmer, ON
N5H 1A1

March 5, 2013

Ms. Kirstin Walli
Board Secretary
Ontario Energy Board
P.O. Box 2319
2300 Yonge Street, 27th Floor
Toronto, ON M4P 1E4

Re: 2012 IRM Application EB-2012-0342

Dear Ms. Walli:

Natural Gas Resource Limited ("NRG") hereby files its response to VECC's March 1, 2013 letter of comment with respect to our February 12, 2013 draft rate order with respect to its 2012 IRM application for rates effective October 1, 2012 and implemented April 1, 2013.

VECC has requested a live excel version of our as submitted rate model, which will be emailed to VECC upon OEB confirmation of receipt of this submission, copy to Board Staff.

This document is being filed pursuant to the Board's e-Filing Services.

Yours Truly,

Laurie O'Meara

Laurie O'Meara
Controller



1 Calculation of Current Revenue Requirement

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3 VECC has requested an explanation as to how this “Current Revenue Requirement” of
 4 \$5,580,347 has been calculated.

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6 The model as presented calculates the Current Revenue Requirement using the current tariff
 7 sheets rates (model worksheet “B1.1 Current Distribution Rates”) times the Re-basing Billing
 8 Determinants (model worksheet “B1.2 Billing Determinants”) to determine the current revenue
 9 requirement (model worksheet “B1.3 Current Rev Req From Rates”).

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11 Table 1 - B1.1 Current Distribution Rates

Current Distribution Tariff Sheet Rates

Rate Group	Monthly Service Charge	Delivery First 1,000 m ³	Delivery Over 1,000 m ³	Delivery Next 24,000 m ³	Delivery Over 25,000 m ³	Delivery - Firm	Demand - Firm	Commodity	Delivery - Int - Lower	Delivery - Int - Upper
RATE 1 - General Service Rate - Residential	13.50	15.4014	10.5303					0.0363		
RATE 1 - General Service Rate - Commercial	13.50	15.4014	10.5303					0.0363		
RATE 1 - General Service Rate - Industrial	13.50	15.4014	10.5303					0.0363		
RATE 2 - Seasonal Service - Apr to Oct	15.00	13.905		9.4826	6.1698			0.0363		
RATE 2 - Seasonal Service - Nov to Mar	15.00	17.527		15.696	15.2899			0.0363		
RATE 3 - Special Large Volume Contract Rate	150.00					3.7644	29.0974	0.0363	7.9412	10.9612
RATE 4 - General Service Peaking - Apr to Dec	15.00	14.7971	10.5218					0.0363		
RATE 4 - General Service Peaking - Jan to Mar	15.00	18.8772	16.9052					0.0363		
RATE 5 - Interruptible Peaking Contract Rate	150.00					6.9150 ¹		0.0363	5.4612	8.4612
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	150.00					3.7539	18.1837		7.9412	10.9612

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13 Table 2 - B1.2 Billing Determinants

Re-Basing Billing Determinants

Rate Group	Monthly Service Charge	Delivery First 1,000 m ³	Delivery Over 1,000 m ³	Delivery Next 24,000 m ³	Delivery Over 25,000 m ³	Delivery - Firm	Demand - Firm	Commodity	Delivery - Int - Lower	Delivery - Int - Upper
RATE 1 - General Service Rate - Residential	6,560	12,369,781	733,800					13,103,581		
RATE 1 - General Service Rate - Commercial	414	1,760,200	2,371,550					4,131,750		
RATE 1 - General Service Rate - Industrial	42	131,100	466,928					598,028		
RATE 2 - Seasonal Service - Apr to Oct	73	123,779		329,621	-			453,400		
RATE 2 - Seasonal Service - Nov to Mar	73	5,688		43,772	-			49,460		
RATE 3 - Special Large Volume Contract Rate	4					2,195,299	256,932	2,195,299		
RATE 4 - General Service Peaking - Apr to Dec	23	215,710	221,214					436,924		
RATE 4 - General Service Peaking - Jan to Mar	23	4,368	12,970					17,338		
RATE 5 - Interruptible Peaking Contract Rate	5					947,162		947,162		
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	1					33,416,816	1,298,256			
	7,122	14,610,626	3,806,462	373,393	-	36,559,277	1,555,188	21,932,942	-	-

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Calculation of Current Revenue

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 2 Table 3 - B1.3 Current Rev Req From Rates

Revenue Requirement from Rates

Rate Group	Monthly Service Charge	Delivery First 1,000 m ³	Delivery Over 1,000 m ³	Delivery Next 24,000 m ³	Delivery Over 25,000 m ³	Demand - Firm	Delivery - Firm	Delivery - Commodity	Delivery - Int - Lower	Delivery - Int - Upper	Total
RATE 1 - General Service Rate - Residential	\$ 1,062,707	\$ 1,905,119	\$ 77,271	\$ -	\$ -	\$ -	\$ -	\$ 4,757	\$ -	\$ -	\$ 3,049,854
RATE 1 - General Service Rate - Commercial	\$ 67,068	\$ 271,095	\$ 249,731	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ -	\$ -	\$ 589,395
RATE 1 - General Service Rate - Industrial	\$ 6,804	\$ 20,191	\$ 49,169	\$ -	\$ -	\$ -	\$ -	\$ 217	\$ -	\$ -	\$ 76,381
RATE 2 - Seasonal Service - Apr to Oct	\$ 7,665	\$ 17,211	\$ -	\$ 31,257	\$ -	\$ -	\$ -	\$ 165	\$ -	\$ -	\$ 56,298
RATE 2 - Seasonal Service - Nov to Mar	\$ 5,475	\$ 997	\$ -	\$ 6,870	\$ -	\$ -	\$ -	\$ 18	\$ -	\$ -	\$ 13,360
RATE 3 - Special Large Volume Contract Rate	\$ 7,200	\$ -	\$ -	\$ -	\$ -	\$ 82,640	\$ 74,761	\$ 797	\$ -	\$ -	\$ 165,397
RATE 4 - General Service Peaking - Apr to Dec	\$ 3,105	\$ 31,919	\$ 23,276	\$ -	\$ -	\$ -	\$ -	\$ 159	\$ -	\$ -	\$ 58,458
RATE 4 - General Service Peaking - Jan to Mar	\$ 1,035	\$ 825	\$ 2,193	\$ -	\$ -	\$ -	\$ -	\$ 6	\$ -	\$ -	\$ 4,058
RATE 5 - Interruptible Peaking Contract Rate	\$ 9,000	\$ -	\$ -	\$ -	\$ -	\$ 65,496	\$ -	\$ 344	\$ -	\$ -	\$ 74,840
RATE 6 - Integrated Grain Processors Co-Operative Aylmer Ethanol Production Facility	\$ 1,800	\$ -	\$ -	\$ -	\$ -	\$ 1,254,434	\$ 236,071	\$ -	\$ -	\$ -	\$ 1,492,305
	\$ 1,171,859	\$ 2,247,358	\$ 401,640	\$ 38,127	\$ -	\$ 1,402,570	\$ 310,832	\$ 7,962	\$ -	\$ -	\$ 5,580,347

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 4 As an example:

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 6 Monthly Service Charge
 7 Monthly Service Charge times Billing Months Times Number of Customers
 8 I.e. Rate Class 1 – Residential - \$13.50 times 12 months times 6560 customers equals
 9 \$1,062,707

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 11 Note for annualized rates NRG uses 12 months, for seasonal NRG uses the number of months
 12 by season.

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 14 Delivery First 1,000 m3
 15 Delivery First 1,000 m3 rate 15.4014/100 times 12,369,781 billing determinant equals
 16 \$1,905,119