

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, 2013;

AND IN THE MATTER OF the Quarterly Rate Adjustment Mechanism.

APPLICATION

1. As part of the EB-2012-0454 Decision and Order dated December 19, 2012 the Board approved a PGCVA reference price of \$0.194790 per m³ and a gas supply charge of \$0.193669 per m³, both effective January 1, 2013.
2. Based on actual and forecast natural gas prices for the April, 2012 through March, 2013 period the PGCVA balance is projected to be a rebate of approximately \$1.27 per residential customer.
3. NRG hereby applies to the Board for further orders effective April 1, 2013 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2012-0454 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.000435 per m³ from the Board approved level of \$0.194790 per m³ to \$0.194355 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2012-0454 Decision and Order to reflect a projected

\$0.000618 per m³ change in the gas supply charge from the Board approved level of \$0.193669 m³ to a projected cost of \$0.194287 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. Wednesday, March 13, 2013.
- * 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., Saturday, March 16, 2013.
- * The Board issues its Decision and Order by Monday, March 25, 2013 for implementation effective April 1, 2013.

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

Mr. Jack Howley
Natural Resource Gas Limited
39 Beech Street East
P.O. Box 307
Aylmer, Ontario, N5H 2S1

Telephone: (519) 773-5321
Fax: (519) 773-5335

And

Mrs. Laurie O'Meara
Natural Resource Gas Limited
P.O. Box 3117, Terminal A
London, Ontario, N6A 4J4

Telephone: (519) 433-8126
Fax: (519) 433-6132
E-mail: lomeara@cpirentals.com

And

Mr. Randy Aiken
Aiken & Associates
578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Telephone: (519) 351-8624
Fax: (519) 351-4331
E-mail: randy.aiken@sympatico.ca

Dated at London, Ontario, this 8th day of March, 2013.

NATURAL RESOURCE GAS LIMITED

Laurie O'Meara
Controller

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2012-0454 Decision and Order dated December 19, 2012 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.194790 per m³ and a gas supply charge of \$0.193669 per m³, both effective January 1, 2013.

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-2012-0454, the Board approved a GPRA rate of (\$0.001484) per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective April 1, 2013 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 \$1.27 per residential customer for the twelve month period ending March, 2013 (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, 2013. The remaining months in the

March, 2013

1 twelve-month period ending March, 2013 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, 2013 through March, 2014 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 or sheds excess gas when required. The requirement
14 for these purchases is discussed below. This gas may be Ontario Delivered gas, gas
15 purchased/sold at Dawn or additional deliveries/curtailments at Parkway or at the Alberta
16 border.

17

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

22

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

26

27 As indicated above, NRG is required to balance its supply with its demand on the Union
28 system to within +/- 4% at the end of the contract year under its bundled transportation
29 contract with Union. The bundled transportation contract year-end corresponds with the
30 end of NRG's fiscal year (September 30). NRG purchases additional balancing gas or

1 sells gas and/or reduces deliveries such that total demand on the Union system is offset
2 by the supply provided to Union Gas to remain within the contract parameters.

3
4 In September, 2012 NRG had to shed gas supplies in order to remain in balance with its
5 contract parameters with Union Gas. NRG sold 35,700 GJ of gas delivered to Parkway at
6 a price of \$2.926/GJ (shown in Schedule 4), for a total offset to gas costs of \$104,444.
7 This reduction in volumes (in cubic meters) and the related reduction in gas costs is
8 shown in Schedule 3 on the Ontario Delivered Gas line.

9
10 NRG had to purchase additional gas supplies in January, 2012 in order to balance on the
11 Union Gas system at the end of February, 2012. This balancing forecast, which was
12 provided by Union Gas, was based on normal weather. Customer consumption on an
13 actual basis was lower than forecast due primarily to warmer than normal weather in
14 March. This resulted in NRG being over supplied as it approached its second balancing
15 point with Union Gas at the end of September, 2012.

16
17 Additional gas may be purchased in the period leading up to the end of February of each
18 year if required for NRG to meet its forecast banked gas account winter balancing
19 checkpoint on the Union Gas system if consumption is greater than forecast. The Board
20 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063
21 (Decisions with Reasons, dated March 18, 2004).

22
23 As shown in Schedule 3 in the Ontario Delivered Gas line, NRG was required to
24 purchase additional gas in February, 2013. The amount purchased was 419,444 m³
25 (15,834 GJ) at a cost of \$55,894. This gas was required because of higher than
26 forecasted consumption primarily in the months of October and November, 2012. The
27 price for this gas was \$3.53/GJ, as shown in Schedule 4.

28
29 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
30 purchase customers has been set at 2,063 GJ/day effective October 1, 2012. The direct

1 purchase customer assignment was 171 GJ/day in October, 2012, declining to 154 GJ/day
 2 in November, 2012 where it is forecast to remain through March, 2014. These changes
 3 will allow direct purchase customers to bring their supplies more in line with their actual
 4 and projected consumption. This resulted in deliveries for system gas customers of 1,892
 5 GJ/day in October, 2012 and 1,909 GJ/day in November, 2012 and subsequent months.

6
 7 The composition of these obligated system gas deliveries over this period is as follows.
 8 Parkway deliveries are forecast to be 1,500 GJ/day over the entire November, 2012
 9 through March, 2014 period. Obligated deliveries for system gas customers at AECO are
 10 409 GJ/day over the same period and were 392 GJ/day in October, 2012.

11
 12 The composition of the gas purchases for direct purchase and system gas customers for
 13 the October, 2012 through March, 2014 period is shown in the following table. Please
 14 note that these figures do not include the direct purchase deliveries associated with a
 15 large ethanol plant served by NRG.

16 **GJ/s per Day**

Delivery Point	Oct. 2012	Nov., 2012 – March, 2014
Direct Purchase	171	154
AECO	392	409
Parkway	1,500	1,500
Dawn	0	0
Total	2,063	2,063

17
 18 In addition to the obligated deliveries described above, NRG purchases gas from a local
 19 producer in its franchise area.

20
 21 The composition of the gas supply portfolio volumes for the April, 2012 through March,
 22 2013 period is shown on the top of Schedule 3. This schedule shows the monthly volume
 23 of gas purchased or forecast to be purchased from local producers, obligated deliveries at
 24 Parkway and the Alberta border (Western), and balancing gas (Dawn or Ontario
 25 delivered gas). Similarly, the composition of the gas supply portfolio volumes for the
 26 April, 2013 through March, 2014 period is shown on the top of Schedule 6.

1

2 Gas Costs

3 NRG's actual and forecast gas costs for the April, 2012 through March, 2013 period, by
4 source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the
5 middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat
6 values used by Union Gas in their calculation of NRG's Banked Gas Account balances.
7 The conversion factors used are also shown in Schedule 4. All prices shown are actual
8 prices paid in April, 2012 through January, 2013. Prices for the remaining months in this
9 period are based on estimated and contracted prices to be paid in those months.

10

11 Prices for April, 2013 through March, 2014 are based on prices averaged over 10 days in
12 the period February 14, 2013 through February 28, 2013 (pricing reports were not
13 available for February 18, 2013 due to a holiday). These prices, which have been sourced
14 from the Shell Energy North America report entitled 'Daily Energy Market Update', have
15 been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in the middle
16 section of Schedule 6 in \$/m³. The source of the foreign exchange rates used in the
17 calculations is the daily noon exchange rates for the 10-year lookup from the Bank of
18 Canada that are available on their website at www.bankofcanada.ca/rates/exchange.

19

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

22

23 NRG Corp. Pricing

24 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)" and
25 "Local Production (B)". This refers to gas that is produced in NRG's franchise area and
26 purchased from a related company. This gas has been purchased at a price of
27 \$0.241357/m³ (Schedule 3) through May 16, 2012. This price is equivalent to \$6.80/mcf
28 which was the price to be used for the first 2.4 million cubic metres of gas purchased
29 from NRG Corp. as set out in the EB-2010-0018 Decision and Order dated December 6,
30 2010.

1

2 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012
3 in which the Board indicated that NRG would be permitted to recover from ratepayers a
4 maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486
5 per mcf (or \$0.3012/m³). In the EB-2012-0262 Decision and Order dated June 21, 2012,
6 the Board accepted prorated volumes for the remainder of NRG's fiscal year (to
7 September 30, 2012) as set out in a response to an interrogatory from Board Staff. In
8 particular, the prorated volumes at the \$0.3012 per m³ rate were 38,356 m³ for May 17-
9 31, 82,192 m³ for June and September and 84,931 m³ for July and August. These figures
10 can be seen in Schedule 3 on the line labeled "Local Production (A)". The price, as set
11 by the Board, can be seen in the corresponding line of the price section of Schedule 3.

12

13 The remaining gas purchased from NRG Corp. beginning in May 2012 is shown in the
14 line labeled "Local Production (B)". This gas is priced at the approved Union Gas
15 Ontario landed reference price for each quarter. In particular, the May and June gas
16 purchased from NRG Corp. reflects Union's Board approved Ontario landed reference
17 price of \$0.176430 per m³ (EB-2012-0070 Decision and Order dated March 19, 2012).
18 The July through September, 2012 price is \$0.182406 per m³, reflecting the Board's
19 Decision and Order in EB-2012-0249 dated June 19, 2012. The October through
20 December, 2012 price is \$0.190046 per m³, reflecting the Board's Decision and Order in
21 EB-2012-0345 dated September 19, 2012. The January, 2013 through March, 2013 price
22 is \$0.210506 per m³, reflecting the Board's Decision and Order in EB-2012-0437 dated
23 December 17, 2012. These prices are shown in Schedule 3.

24

25 The May, 2012 price shown for Local Production (B) is \$0.217386 per m³ and is the
26 weighted average price of the 255,231 m³ shown as being purchased in May 2012. This
27 weighted price is based on the price of \$0.241357 per m³ for a volume of 160,999 m³
28 purchased over the May 1 through May 16 period and the price of \$0.176430 per m³ for a
29 volume of 94,232 m³ purchased over the May 17 through May 31 period that was in
30 excess of the 38,356 m³ purchased at the price of \$0.301200 per m³.

1

2 The NRG Corp. prices over the April, 2013 through March, 2014 period shown in
3 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
4 shown on the Local Production (A) line. The remaining gas forecast to be purchased
5 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this
6 gas has been taken from the Union's QRAM application in EB-2013-0033 dated March 7,
7 2013, where the Ontario landed reference price has been forecast as \$0.207215 per m³.

8

9 At the time this application was prepared the Union Gas QRAM price for April 1, 2013
10 rates was not yet approved by the Board. Any differences between the applied for and
11 Board approved Ontario landed reference price for Union will be reflected in NRG's next
12 QRAM application and evidence.

13

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

16

17 Empress Pricing

18 The Empress price over the April, 2013 through March, 2014 period shown in Schedule 7
19 (Western Deliveries) is based on a combination of actual contracted prices and forecasted
20 prices. The average Empress delivery rate is \$3.684/GJ in April, 2013, \$3.679/GJ in
21 May, \$3.715/GJ in June through October and \$4.232/GJ in November through March,
22 2014. Fuel costs of 4% are included in these rates.

23

24 The average Empress delivery price includes a mix of fixed price contracts over the
25 April, 2013 through March, 2014 period. Over this period, the Empress delivery price
26 includes a forecast price for the remainder of the purchases.

27

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

<u>Contracted?</u>	<u>Empress Deliveries</u>							
	<u>April</u>		<u>May</u>		<u>June - October</u>		<u>November - March</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	180	4.420	180	4.420	180	4.420	180	4.910
No	<u>229</u>	<u>2.853</u>	<u>229</u>	<u>2.844</u>	<u>229</u>	<u>2.906</u>	<u>229</u>	<u>3.409</u>
Total	409	3.543	409	3.538	409	3.572	409	4.070
with Fuel (4%)		3.684		3.679		3.715		4.232

1

2

3 The prices shown for the 229 GJ/day that has not been contracted for in April, 2013
 4 through March, 2014 are based on the average price forecasts from the February 14, 2013
 5 through February 28, 2013 period.

6

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

11

Empress Delivery Price Forecast

	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u> <u>Oct-13</u>	<u>Nov-13</u> <u>Mar-14</u>
14-Feb-13	2.68	2.68	2.75	3.29
15-Feb-13	2.70	2.70	2.76	3.29
19-Feb-13	2.82	2.81	2.87	3.38
20-Feb-13	2.81	2.81	2.87	3.38
21-Feb-13	2.78	2.78	2.84	3.35
22-Feb-13	2.84	2.84	2.90	3.40
25-Feb-13	2.97	2.95	3.02	3.50
26-Feb-13	2.97	2.95	3.01	3.49
27-Feb-13	2.95	2.93	2.99	3.48
28-Feb-13	3.01	2.99	3.05	3.53
10 Day Average	<u>2.853</u>	<u>2.844</u>	<u>2.906</u>	<u>3.409</u>

12

13

14 Parkway Pricing

15 The Parkway price over the April, 2013 through March, 2014 period shown in Schedule 7
 16 is based on a combination of actual contracted prices and forecasted prices. The average

1 Parkway delivery rate forecast is \$4.521/GJ in April, 2013, \$4.522/GJ in May, \$4.524/GJ
2 in June through October and \$4.881/GJ in November through March, 2014.

3

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

Parkway Deliveries								
<u>Contracted?</u>	<u>April</u>		<u>May</u>		<u>June - October</u>		<u>November - March</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	414	3.980	414	3.980	414	3.980	114	4.350
Yes	414	3.950	414	3.950	414	3.950	114	4.350
Yes	600	5.400	600	5.400	600	5.400	600	5.720
Yes	0	0.000	0	0.000	0	0.000	600	4.340
No	<u>72</u>	<u>3.592</u>	<u>72</u>	<u>3.607</u>	<u>72</u>	<u>3.646</u>	<u>72</u>	<u>4.085</u>
Total	1,500	4.521	1,500	4.522	1,500	4.524	1,500	4.881

7

8

9 The prices shown for the 72 GJ/day that has not been contracted for in April, 2013
10 through March, 2014 are based on the average price forecasts from the February 14, 2013
11 through February 28, 2013 period.

12

13 The calculations used to forecast the Parkway delivery prices are shown in the following
14 table. The prices used are shown in the Daily Energy Market Report as prices at Henry
15 Hub along with a Niagara , ON basis. These two prices are added together to arrive at a
16 proxy for the Parkway price. These prices from the Market Report are in US\$/MMBtu
17 and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of
18 a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the
19 foreign exchange rate. The formula used is (Henry Hub Price + Niagara Basis) /
20 1.054615 x Foreign Exchange Rate. These calculations are show below for each of the
21 different pricing periods available.

22

Parkway Delivery Price Forecast
Henry Hub
(US\$/MMBtu) Niagara Basis MMBtu -GJ F/X \$/ GJ (Cdn)

April-13

14-Feb-13	3.230	0.35	1.054615	1.0012	3.40
15-Feb-13	3.220	0.36	1.054615	1.0061	3.42
19-Feb-13	3.330	0.36	1.054615	1.0118	3.54
20-Feb-13	3.330	0.34	1.054615	1.0173	3.54
21-Feb-13	3.300	0.34	1.054615	1.0187	3.52
22-Feb-13	3.350	0.35	1.054615	1.0208	3.58
25-Feb-13	3.470	0.37	1.054615	1.0276	3.74
26-Feb-13	3.460	0.38	1.054615	1.0264	3.74
27-Feb-13	3.430	0.37	1.054615	1.0230	3.69
28-Feb-13	3.490	0.36	1.054615	1.0314	3.77

10 Day Average

3.592

May-13

14-Feb-13	3.300	0.29	1.054615	1.0012	3.41
15-Feb-13	3.290	0.30	1.054615	1.0061	3.42
19-Feb-13	3.400	0.31	1.054615	1.0118	3.56
20-Feb-13	3.390	0.31	1.054615	1.0173	3.57
21-Feb-13	3.360	0.30	1.054615	1.0187	3.54
22-Feb-13	3.410	0.32	1.054615	1.0208	3.61
25-Feb-13	3.520	0.32	1.054615	1.0276	3.74
26-Feb-13	3.500	0.34	1.054615	1.0264	3.74
27-Feb-13	3.480	0.34	1.054615	1.0230	3.71
28-Feb-13	3.530	0.33	1.054615	1.0314	3.78

10 Day Average

3.607

June-13 - October-13

14-Feb-13	3.390	0.27	1.054615	1.0012	3.47
15-Feb-13	3.370	0.27	1.054615	1.0061	3.47
19-Feb-13	3.470	0.28	1.054615	1.0118	3.60
20-Feb-13	3.470	0.27	1.054615	1.0173	3.61
21-Feb-13	3.440	0.27	1.054615	1.0187	3.58
22-Feb-13	3.490	0.27	1.054615	1.0208	3.64
25-Feb-13	3.600	0.28	1.054615	1.0276	3.78
26-Feb-13	3.580	0.29	1.054615	1.0264	3.77
27-Feb-13	3.560	0.29	1.054615	1.0230	3.73
28-Feb-13	3.610	0.28	1.054615	1.0314	3.80

10 Day Average

3.646

November-13 - March-14

14-Feb-13	3.840	0.32	1.054615	1.0012	3.95
15-Feb-13	3.820	0.32	1.054615	1.0061	3.95
19-Feb-13	3.890	0.32	1.054615	1.0118	4.04
20-Feb-13	3.880	0.32	1.054615	1.0173	4.05
21-Feb-13	3.850	0.32	1.054615	1.0187	4.03
22-Feb-13	3.890	0.32	1.054615	1.0208	4.08
25-Feb-13	3.980	0.32	1.054615	1.0276	4.19
26-Feb-13	3.970	0.32	1.054615	1.0264	4.18
27-Feb-13	3.960	0.33	1.054615	1.0230	4.16
28-Feb-13	4.000	0.33	1.054615	1.0314	4.23

10 Day Average4.085Dawn Pricing

NRG is not forecasting the need to purchase gas in September, 2013. 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, 2013. The forecasted price for this Dawn gas is \$3.642/GJ and is based on price forecasts from the February 14, 2013 through February 28, 2013 period for September, 2013 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 1.054615 to convert MMBtu to GJ and through the use of the foreign exchange rate. The formula used is (Henry Hub Price + Dawn Basis) / 1.054615 x Foreign Exchange Rate.

Dawn Delivery Price Forecast

	Henry Hub (US\$/MM Btu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>Sep-13</u>					
14-Feb-13	3.390	0.26	1.054615	1.0012	3.47
15-Feb-13	3.370	0.27	1.054615	1.0061	3.47
19-Feb-13	3.470	0.27	1.054615	1.0118	3.59
20-Feb-13	3.470	0.27	1.054615	1.0173	3.61
21-Feb-13	3.440	0.27	1.054615	1.0187	3.58
22-Feb-13	3.490	0.27	1.054615	1.0208	3.64
25-Feb-13	3.600	0.28	1.054615	1.0276	3.78
26-Feb-13	3.580	0.28	1.054615	1.0264	3.76
27-Feb-13	3.560	0.28	1.054615	1.0230	3.72
28-Feb-13	3.610	0.28	1.054615	1.0314	3.80
10 Day Average					<u>3.642</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.

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

PGCVA Balance

The projected March, 2013 balance in the PGCVA is a credit of \$14,273.25 including a debit of \$43,747.40 in accumulated interest, based on the Board's prescribed interest rate. This estimate is based on actual and forecasted purchases and the balance brought forward from March, 2012. The PGCVA credit amounts to a rebate of approximately \$1.27 for a typical residential customer consuming approximately 1,794 m³ per year. These figures are shown on Schedule 2.

1 Proposed PGCVA Rate Changes

2 NRG proposes to adjust the reference price effective April 1, 2013 based on the projected
3 accumulated balance in the PGCVA as of the end of March, 2013 and the forecasted cost
4 of gas over the 12 month period beginning April, 2013 and ending March, 2014. The
5 reference price is set such that the projected PGCVA balance at the end of March, 2014 is
6 close to zero.

7

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

11

12 NRG proposes to change the reference price by \$0.000435 per m³ effective April 1, 2013,
13 from \$0.194790 per m³ to \$0.194355 per m³. The derivation of this rate is shown in
14 Schedule 5. This is the reference price required to bring the PGCVA balance close to
15 zero on a twelve month forecast basis. This change will also be reflected in the gas
16 commodity charge.

17

18 **GAS PURCHASE REBALANCING ACCOUNT**

19 The impact on the GPRA of the proposed April 1, 2013 PGCVA reference price change
20 from \$0.194790 per m³ to \$0.194355 per m³ is a credit of \$1,208.24, as shown on
21 Schedule 8. This figure is shown in column (J) of Schedule 8 and on the March, 2013
22 line. It is calculated as the change in the PGCVA reference price between March and
23 April, multiplied by the cumulative inventory balance at the end of March. This
24 cumulative inventory balance is the sum of the actual monthly inventory balances for
25 January, 2013 and forecasts for the subsequent months. These forecasts will be replaced
26 with actual balances for these months in subsequent QRAM applications as this
27 information becomes available. As well, the monthly inventory balances are based on a
28 deemed level of unaccounted for gas ("UFG") of the total throughput volume, as shown
29 in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-
30 2010-0018.

1

2 NRG proposes to adjust the gas commodity charge effective April 1, 2013 based on the
 3 projected accumulated balance in the GPRA. The adjustment to the gas commodity
 4 charge will be set such that the projected GPRA balance at the end of March, 2014, will
 5 be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8.
 6 Column (P) shows the reduction of the inventory revaluation balance based on this rate of
 7 \$(0.000431) per m³ over the April, 2013 through March, 2014 period.

8

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

13

14 **GAS COMMODITY CHARGE**

15 The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved
 16 in EB-2010-0018. This figure represents the incremental costs over and above the
 17 commodity and transportation costs that form the PGCVA reference price to the gas
 18 supply function. These incremental costs are portions administrative and general
 19 expenses, regulatory and consulting fees associated with the QRAM applications, return
 20 on rate base (working cash allowance related to gas commodity) and income taxes. This
 21 functionalization is unchanged from that approved in EB-2010-0018.

22

23 The change in the gas commodity charge proposed for April 1, 2013 is summarized
 24 below. The change in the gas commodity charge reflects both the change in the PGCVA
 25 reference price and the change in the recovery of the inventory revaluation amount in the
 26 GPRA. The change in the gas commodity charge is as follows:

27

	EB-2012-0454	Proposed	
	<u>Jan. 1, 2013</u>	<u>April 1, 2013</u>	<u>Difference</u>
28 PGCVA Reference Price	\$0.194790	\$0.194355	\$(0.000435)
29 GPRA Recovery	\$(0.001484)	\$(0.000431)	\$0.001053

31

1	System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
2	Gas Commodity Charge	\$0.193669	\$0.194287	\$0.000618

3

4

5 SUMMARY

6 In summary, NRG proposes to change the reference price for amounts to be recorded in
7 the Purchased Gas Commodity Variance Account from \$0.194790 by \$0.000435 to
8 \$0.194355 per m³ effective April 1, 2013. Appendix B contains the accounting entries
9 related to the PGCVA.

10

11 NRG also proposes to change the gas supply charge from \$0.193669 to \$0.194287 per m³
12 effective April 1, 2013. This change reflects the change in the PGCVA reference price,
13 as described above, the change related to the recovery of the GPRA balance, also as
14 described above, and the continuation of the system gas supply cost. These changes
15 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

16

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

19

20 Schedule 9 provides a residential bill comparison showing the impact of the proposed
21 changes on a year over year basis for the appropriate quarter as well as the annual bill
22 impact of the most recent quarterly change. The annual bill impact related to the change
23 in the commodity charges on a customer consuming approximately 2,009 m³ is a increase
24 of \$1.24.

25

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - APRIL, 2012 TO MARCH, 2013

<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)</u>	<u>Monthly Interest (\$'s)</u>	<u>Y-T-D Interest (\$'s)</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>
								(1)		(2)				
Actual	April	317,890	1,665,254	0.190896	0.184054	(0.006842)	-11,393.67	150,340.57	198.12	-44,776.99	-11,195.55	105,563.58	130.1	1.47%
Actual	May	330,712	1,734,704	0.190645	0.184054	(0.006591)	-11,433.43	138,907.14	184.17	-44,592.82	-11,249.26	94,314.32	71.4	1.47%
Actual	June	317,836	1,681,790	0.188986	0.184054	(0.004932)	-8,294.59	130,612.55	170.16	-44,422.66	-8,124.43	86,189.89	37.8	1.47%
Actual	July	326,487	1,714,202	0.190460	0.185634	(0.004826)	-8,272.74	122,339.81	160.00	-44,262.66	-8,112.74	78,077.15	30.1	1.47%
Actual	August	325,378	1,713,897	0.189847	0.185634	(0.004213)	-7,220.65	115,119.16	149.87	-44,112.79	-7,070.78	71,006.37	33.1	1.47%
Actual	September	213,500	744,491	0.286773	0.185634	(0.101139)	-75,297.06	39,822.10	141.02	-43,971.77	-75,156.04	-4,149.67	46.4	1.47%
Actual	October	335,397	1,783,950	0.188008	0.185799	(0.002209)	-3,940.75	35,881.35	48.78	-43,922.99	-3,891.97	-8,041.64	120.8	1.47%
Actual	November	333,669	1,745,371	0.191174	0.185799	(0.005375)	-9,381.37	26,499.98	43.95	-43,879.04	-9,337.42	-17,379.06	199.2	1.47%
Actual	December	350,718	1,818,550	0.192856	0.185799	(0.007057)	-12,833.50	13,666.48	32.46	-43,846.58	-12,801.04	-30,180.10	261.7	1.47%
Actual	January	349,035	1,815,215	0.192283	0.194790	0.002507	4,550.74	18,217.22	16.74	-43,829.84	4,567.48	-25,612.62	324.1	1.47%
Forecast	February	365,610	2,035,391	0.179627	0.194790	0.015163	30,862.63	49,079.85	22.32	-43,807.52	30,884.95	5,272.33	293.2	1.47%
Forecast	March	<u>335,381</u>	<u>1,767,656</u>	<u>0.189732</u>	0.194790	0.005058	<u>8,940.80</u>	<u>58,020.65</u>	<u>60.12</u>	<u>-43,747.40</u>	<u>9,000.92</u>	<u>14,273.25</u>	<u>246.2</u>	1.47%
	Total	3,901,613	20,220,471	0.192954			-103,713.59	58,020.65	1,227.71	-43,747.40	-102,485.88	14,273.25	1,794.1	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.000706
Forecast Average Residential Consumption per Customer 1,794.1 M*3
Estimated Impact on Average Residential Customer \$1.27 Customer Rebate

(1) Includes balance of 161,734.24 as of March, 2012
(2) Includes balance of -44,975.11 as of March, 2012

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH 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)	258,530	38,356	82,192	84,931	84,931	82,192	84,931	82,192	84,931	84,932	76,708	84,932	1,129,758
Local Production (B)	0	255,231	205,437	194,355	184,824	166,229	153,443	165,658	187,660	177,791	123,292	115,068	1,928,987
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,131,720	1,159,388	1,121,613	1,154,400	1,161,823	1,124,424	1,225,351	1,176,680	1,214,740	1,219,874	1,112,583	1,231,788	14,034,383
Western Delivery	275,005	281,728	272,549	280,516	282,320	308,665	320,225	320,841	331,219	332,619	303,364	335,868	3,644,919
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>-937,020</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>419,444</u>	<u>0</u>	<u>-517,576</u>
Total	1,665,254	1,734,704	1,681,790	1,714,202	1,713,897	744,491	1,783,950	1,745,371	1,818,550	1,815,215	2,035,391	1,767,656	20,220,471
<u>Price (\$/m3)</u>													
Local Production (A)	0.241357	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.000000	0.217386	0.176430	0.182406	0.182406	0.182406	0.190046	0.190046	0.190046	0.210506	0.210506	0.210506	
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	0.171690	0.173179	0.173237	0.173928	0.172816	0.172804	0.169686	0.173430	0.174092	0.172536	0.171196	0.170668	
Western Delivery	0.137590	0.137604	0.143756	0.144537	0.145846	0.136667	0.142009	0.142869	0.149626	0.141657	0.146697	0.139675	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.111464	0.000000	0.000000	0.000000	0.000000	0.133258	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	62,398	11,553	24,756	25,581	25,581	24,756	25,581	24,756	25,581	25,582	23,104	25,582	324,812
Local Production (B)	0	55,484	36,245	35,451	33,713	30,321	29,161	31,483	35,664	37,426	25,954	24,223	375,125
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	194,305	200,782	194,305	200,782	200,782	194,305	207,924	204,071	211,476	210,472	190,470	210,227	2,419,903
Western Delivery	37,838	38,767	39,180	40,545	41,175	42,184	45,475	45,838	49,559	47,118	44,503	46,912	519,095
Ontario Delivered Gas	0	0	0	0	0	-104,444	0	0	0	0	55,894	0	-48,550
TCPL Transportation	<u>23,349</u>	<u>24,127</u>	<u>23,349</u>	<u>24,127</u>	<u>24,127</u>	<u>26,377</u>	<u>27,256</u>	<u>27,520</u>	<u>28,438</u>	<u>28,438</u>	<u>25,686</u>	<u>28,438</u>	<u>311,229</u>
Total	317,890	330,712	317,836	326,487	325,378	213,500	335,397	333,669	350,718	349,035	365,610	335,381	3,901,613

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH 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>Local Production</u>												
Local Production (A) (\$/GJ)	6.376	7.888	7.886	7.855	7.905	7.906	7.937	7.876	7.868	7.902	7.979	7.979
Local Production (B) (\$/GJ)	0.000	5.693	4.619	4.757	4.787	4.788	5.008	4.969	4.965	5.522	5.576	5.576
<u>Dawn</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
<u>Parkway</u> (\$/GJ)	4.536	4.536	4.536	4.536	4.536	4.536	4.472	4.535	4.548	4.526	4.535	4.521
<u>Western Deliveries</u> (\$/GJ)	3.635	3.604	3.764	3.769	3.828	3.587	3.742	3.736	3.909	3.716	3.886	3.700
Fuel Ratio (%)	0.86%	1.44%	0.86%	0.86%	1.44%	1.02%	1.53%	2.45%	3.42%	4.40%	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)	347	347	347	347	347	392	392	409	409	409	409	409
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)	1,775	1,775	1,775	1,775	1,775	1,820	1,892	1,909	1,909	1,909	1,909	1,909
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	0.000	2.926	0.000	0.000	0.000	0.000	3.530	0.000
Heat Value (GJ/103m3)	37.85	38.18	38.20	38.35	38.10	38.10	37.95	38.24	38.28	38.12	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2013 TO MARCH, 2014
(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)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
							(1)		(2)				
April	325,336	1,717,086	0.189470	0.194355	0.004885	8,387.97	66,408.62	71.08	-43,676.32	8,459.05	22,732.30	186.6	1.47%
May	334,783	1,767,656	0.189394	0.194355	0.004961	8,769.34	75,177.96	81.35	-43,594.97	8,850.69	31,582.99	89.7	1.47%
June	325,851	1,717,086	0.189770	0.194355	0.004585	7,872.84	83,050.80	92.09	-43,502.88	7,964.93	39,547.92	53.1	1.47%
July	335,331	1,767,656	0.189704	0.194355	0.004651	8,221.37	91,272.17	101.74	-43,401.14	8,323.11	47,871.03	40.9	1.47%
August	335,331	1,767,656	0.189704	0.194355	0.004651	8,221.37	99,493.54	111.81	-43,289.33	8,333.18	56,204.21	42.8	1.47%
September	325,851	1,717,086	0.189770	0.194355	0.004585	7,872.84	107,366.38	121.88	-43,167.45	7,994.72	64,198.93	58.5	1.47%
October	335,331	1,767,656	0.189704	0.194355	0.004651	8,221.37	115,587.75	131.52	-43,035.93	8,352.89	72,551.82	118.7	1.47%
November	348,260	1,717,086	0.202820	0.194355	(0.008465)	-14,535.13	101,052.62	141.59	-42,894.34	-14,393.54	58,158.28	202.7	1.47%
December	358,487	1,767,656	0.202804	0.194355	(0.008449)	-14,934.92	86,117.70	123.79	-42,770.55	-14,811.13	43,347.15	321.8	1.47%
January	358,487	1,767,656	0.202804	0.194355	(0.008449)	-14,934.92	71,182.78	105.49	-42,665.06	-14,829.43	28,517.72	355.2	1.47%
February	327,805	1,615,947	0.202856	0.194355	(0.008501)	-13,737.17	57,445.61	87.20	-42,577.86	-13,649.97	14,867.75	293.2	1.47%
March	<u>358,487</u>	<u>1,767,656</u>	<u>0.202804</u>	0.194355	(0.008449)	<u>-14,934.92</u>	<u>42,510.69</u>	<u>70.37</u>	<u>-42,507.49</u>	<u>-14,864.55</u>	<u>3.20</u>	<u>246.2</u>	1.47%
Total	4,069,343	20,857,881	0.195099			-15,509.96	42,510.69	1,239.91	-42,507.49	-14,270.05	3.20	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 March, 2013 year-to-date balance of \$58,020.65 (See Schedule 2)
(2) Includes March, 2013 year-to-date balance of (\$43,747.40) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - APRIL, 2013 TO MARCH, 2014

	<u>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	82,192	84,932	82,192	84,932	84,932	82,192	84,932	82,192	84,932	84,932	76,708	84,932	1,000,000
Local Production (B)	117,808	115,068	117,808	115,068	115,068	117,808	115,068	117,808	115,068	115,068	123,292	115,068	1,400,000
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,192,053	1,231,788	1,192,053	1,231,788	1,231,788	1,192,053	1,231,788	1,192,053	1,231,788	1,231,788	1,112,583	1,231,788	14,503,311
Western Delivery	325,033	335,868	325,033	335,868	335,868	325,033	335,868	325,033	335,868	335,868	303,364	335,868	3,954,570
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	1,717,086	1,767,656	1,717,086	1,767,656	1,767,656	1,717,086	1,767,656	1,717,086	1,767,656	1,767,656	1,615,947	1,767,656	20,857,881
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.207215	0.207215	0.207215	0.207215	0.207215	0.207215	0.207215	0.207215	0.207215	0.207215	0.207215	0.207215	
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	0.170668	0.170706	0.170781	0.170781	0.170781	0.170781	0.170781	0.184258	0.184258	0.184258	0.184258	0.184258	
Western Delivery	0.139071	0.138882	0.140241	0.140241	0.140241	0.140241	0.140241	0.159758	0.159758	0.159758	0.159758	0.159758	
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)	24,756	25,582	24,756	25,582	25,582	24,756	25,582	24,756	25,582	25,582	23,104	25,582	301,200
Local Production (B)	24,412	23,844	24,412	23,844	23,844	24,412	23,844	24,412	23,844	23,844	25,548	23,844	290,101
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	203,445	210,274	203,580	210,366	210,366	203,580	210,366	219,645	226,967	226,967	205,002	226,967	2,557,525
Western Delivery	45,203	46,646	45,583	47,102	47,102	45,583	47,102	51,927	53,658	53,658	48,465	53,658	585,686
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	<u>27,520</u>	<u>28,438</u>	<u>27,520</u>	<u>28,438</u>	<u>28,438</u>	<u>27,520</u>	<u>28,438</u>	<u>27,520</u>	<u>28,438</u>	<u>28,438</u>	<u>25,686</u>	<u>28,438</u>	<u>334,831</u>
Total	325,336	334,783	325,851	335,331	335,331	325,851	335,331	348,260	358,487	358,487	327,805	358,487	4,069,343

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

APRIL, 2012 THROUGH MARCH, 2014

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 (\$s) P=M+O	Monthly Interest Rate
April	1,665,254	4,091,031	2,747,922	1,343,109	0	1,343,109	322,145	-1,528,886	0.184054	0.00	(0.003372)	-4,528.96	47,535.68	63.78	5,358.66	52,894.34	1.47%
May	1,734,704	3,406,178	2,634,417	771,761	0	771,761	962,943	-565,943	0.184054	0.00	(0.003372)	-2,602.38	44,933.30	58.23	5,416.89	50,350.19	1.47%
June	1,681,790	3,023,970	2,557,009	466,961	0	466,961	1,214,829	648,887	0.184054	1,025.24	(0.003372)	-1,574.59	44,383.95	55.04	5,471.93	49,855.88	1.47%
July	1,714,202	2,540,336	2,108,846	431,490	0	431,490	1,282,712	1,931,598	0.185634	0.00	(0.002812)	-1,213.35	43,170.60	54.37	5,526.30	48,696.90	1.47%
August	1,713,897	3,564,686	2,665,141	899,545	0	899,545	814,352	2,745,950	0.185634	0.00	(0.002812)	-2,529.52	40,641.08	52.88	5,579.18	46,220.26	1.47%
September	744,491	4,134,589	2,646,772	1,487,817	0	1,487,817	-743,326	2,002,624	0.185634	330.43	(0.002812)	-4,183.74	36,787.77	49.79	5,628.97	42,416.74	1.47%
October	1,783,950	5,181,761	2,893,060	2,288,701	0	2,288,701	-504,751	1,497,873	0.185799	0.00	(0.002614)	-5,982.66	30,805.11	45.07	5,674.04	36,479.15	1.47%
November	1,745,371	5,816,210	2,995,856	2,820,354	0	2,820,354	-1,074,983	422,891	0.185799	0.00	(0.002614)	-7,372.41	23,432.70	37.74	5,711.78	29,144.48	1.47%
December	1,818,550	5,680,299	3,003,587	2,676,712	0	2,676,712	-858,162	-435,272	0.185799	-3,913.53	(0.002614)	-6,996.93	12,522.25	28.71	5,740.49	18,262.74	1.47%
January	1,815,215	6,213,182	3,043,400	3,169,782	0	3,169,782	-1,354,567	-1,789,839	0.194790	0.00	(0.001484)	-4,703.96	7,818.29	15.34	5,755.83	13,574.12	1.47%
February	2,035,391	5,421,595	2,807,462	2,614,133	0	2,614,133	-578,742	-2,368,581	0.194790	0.00	(0.001484)	-3,879.37	3,938.92	9.58	5,765.41	9,704.33	1.47%
March	1,767,656	4,921,595	2,744,961	2,176,634	0	2,176,634	-408,978	-2,777,559	0.194790	1,208.24	(0.001484)	-3,230.12	1,917.03	4.83	5,770.24	7,687.27	1.47%
April	1,717,086	4,021,595	2,685,665	1,335,930	0	1,335,930	381,156	-2,396,403	0.194355	0.00	(0.000431)	-575.79	1,341.24	2.35	5,772.59	7,113.83	1.47%
May	1,767,656	3,141,595	2,661,298	480,297	0	480,297	1,287,359	-1,109,045	0.194355	0.00	(0.000431)	-207.01	1,134.23	1.64	5,774.23	6,908.46	1.47%
June	1,717,086	3,133,595	2,638,035	495,560	0	495,560	1,221,526	112,482	0.194355	0.00	(0.000431)	-213.59	920.64	1.39	5,775.62	6,696.26	1.47%
July	1,767,656	3,137,595	2,646,622	490,973	0	490,973	1,276,683	1,389,164	0.194355	0.00	(0.000431)	-211.61	709.03	1.13	5,776.75	6,485.78	1.47%
August	1,767,656	3,245,595	2,639,204	606,391	0	606,391	1,161,265	2,550,429	0.194355	0.00	(0.000431)	-261.35	447.68	0.87	5,777.62	6,225.30	1.47%
September	1,717,086	3,141,595	2,699,547	442,048	0	442,048	1,275,038	3,825,467	0.194355	0.00	(0.000431)	-190.52	257.16	0.55	5,778.17	6,035.33	1.47%
October	1,767,656	4,121,595	2,783,246	1,338,349	0	1,338,349	429,307	4,254,774	0.194355	0.00	(0.000431)	-576.83	-319.67	0.32	5,778.49	5,458.82	1.47%
November	1,717,086	4,921,595	2,807,687	2,113,908	0	2,113,908	-396,822	3,857,952	0.194355	0.00	(0.000431)	-911.09	-1,230.76	-0.39	5,778.10	4,547.34	1.47%
December	1,767,656	5,421,595	2,795,357	2,626,238	0	2,626,238	-858,582	2,999,369	0.194355	0.00	(0.000431)	-1,131.91	-2,362.67	-1.51	5,776.59	3,413.92	1.47%
January	1,767,656	5,921,595	2,824,409	3,097,186	0	3,097,186	-1,329,530	1,669,839	0.194355	0.00	(0.000431)	-1,334.89	-3,697.56	-2.89	5,773.70	2,076.14	1.47%
February	1,615,947	5,421,595	2,807,462	2,614,133	0	2,614,133	-998,186	671,653	0.194355	0.00	(0.000431)	-1,126.69	-4,824.25	-4.53	5,769.17	944.92	1.47%
March	1,767,656	4,921,595	2,744,961	2,176,634	0	2,176,634	-408,978	262,675	0.194355	0.00	(0.000431)	-938.13	-5,762.38	-5.91	5,763.26	0.88	1.47%

(1) Includes balance of -1,851,031 as of March, 2012
(2) Includes balance of 52,064.64 as of March, 2012
(3) Includes balance of 5,294.88 as of March, 2012

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Apr-12 <u>EB-2011-0069</u>	Quarter Starting 01-Apr-13 <u>EB-2013-0052</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	\$50.73	\$50.73	\$0.00	0.0%
Total Commodity Charges	<u>\$59.64</u>	<u>\$64.00</u>	<u>\$4.36</u>	<u>7.3%</u>
Total Customer Charges	\$150.87	\$155.23	\$4.36	2.9%

ANNUAL BILL IMPACT

	01-Jan-13 <u>EB-2012-0454</u>	01-Apr-13 <u>EB-2013-0052</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>\$389.16</u>	<u>\$390.40</u>	<u>\$1.24</u>	<u>0.3%</u>
Total Customer Charges	\$860.63	\$861.88	\$1.24	0.1%

RATES USED

	01-Apr-12 <u>EB-2011-0069</u>	01-Jan-13 <u>EB-2012-0454</u>	01-Apr-13 <u>EB-2013-0052</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.154014	0.154014	0.154014
Total Commodity Charge	0.181045	0.193669	0.194287

**APPENDIX "A" TO
DECISION AND ORDER
BOARD FILE No. EB-2013-0052
DATED MARCH XX, 2013**

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 |
| 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, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

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
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, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

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.

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, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

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
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, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

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.

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, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

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
- 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, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

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-2013-0052)	19.4355 cents per m ³
GPRA Recovery Rate	(EB-2013-0052)	(0.0431) cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>19.4287</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: April 01, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

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, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

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, 2013

Implementation: All bills rendered on or after April 01, 2013

EB-2013-0052

**APPENDIX "B" TO
DECISION AND ORDER
BOARD FILE No. EB-2013-0052
DATED MARCH XX, 2013**

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-2013-0052
DATED MARCH XX, 2013**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after April 1, 2013, the price we charge for the gas commodity and transportation portion of your bill will be increasing by \$0.000618 per cubic meter to \$0.194287 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, 2014. 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 increase by approximately \$1 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.