

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 October 1, 2013;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2013-0205 Decision and Order dated June 20, 2013 the Board approved a PGCVA reference price of \$0.200282 per m³ and a gas supply charge of \$0.200853 per m³, both effective July 1, 2013.
2. Based on actual and forecast natural gas prices for the October, 2012 through September, 2013 period the PGCVA balance is projected to be a rebate of approximately \$11.86 per residential customer.
3. NRG hereby applies to the Board for further orders effective October 1, 2013 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2013-0205 Decision and Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.017091 per m³ from the Board approved level of \$0.200282 per m³ to \$0.183191 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2013-0205 Decision and Order to reflect a projected

\$0.014257 per m³ change in the gas supply charge from the Board approved level of \$0.200853 m³ to a projected cost of \$0.186596 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. Saturday, September 14, 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., Tuesday, September 17, 2013.
- * The Board issues its Decision and Order by Wednesday, September 25, 2013 for implementation effective October 1, 2013.

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

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Dated at London, Ontario, this 9th day of September, 2013.

NATURAL RESOURCE GAS LIMITED

Laurie O'Meara
Controller

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2013-0205 Decision and Order dated June 20, 2013 the Board approved a Purchased Gas Commodity Variance Account ("PGCVA") reference price of \$0.200282 per m³ and a gas supply charge of \$0.200853 per m³, both effective July 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-2013-0205, the Board approved a GPRA rate of \$0.000208 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective October 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 \$11.86 per residential customer for the twelve month period ending September, 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.

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through July, 2013. The remaining months in the
3 twelve-month period ending September, 2013 are calculated using estimated prices based
4 on the best information available at the time of filing.

5
6 Forecast prices have been used for the period October, 2013 through September, 2014
7 period, except where actual contracted prices are available.

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

11
12 Gas Supply Portfolio

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

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

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

28
29 As indicated above, NRG is required to balance its supply with its demand on the Union
30 system to within +/- 4% at the end of the contract year under its bundled transportation

1 contract with Union. The bundled transportation contract year-end corresponds with the
2 end of NRG's fiscal year (September 30). NRG purchases additional balancing gas or
3 sells gas and/or reduces deliveries such that total demand on the Union system is offset
4 by the supply provided to Union Gas to remain within the contract parameters.

5
6 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased additional
7 gas in August, 2013, in the amount of 1,849,007 m³ (69,800 GJ) at a cost of \$284,435.
8 This additional gas was needed to ensure the NRG was within its contractual parameters
9 with Union Gas as of the year-end of the transportation contract, as noted above. The
10 price for this gas was \$4.075/GJ, as shown in Schedule 4.

11
12 Additional gas may be purchased in the period leading up to the end of February of each
13 year if required for NRG to meet its forecast banked gas account winter balancing
14 checkpoint on the Union Gas system if consumption is greater than forecast. The Board
15 approved this requirement for Bundled-T customers on Union's system in RP-2003-0063
16 (Decisions with Reasons, dated March 18, 2004).

17
18 As shown in Schedule 3 in the Ontario Delivered Gas line, NRG was required to
19 purchase additional gas in February, 2013. The amount purchased was 416,107 m³
20 (15,834 GJ) at a cost of \$55,894. This gas was required because of higher than
21 forecasted consumption primarily in the months of October and November, 2012. The
22 price for this gas was \$3.53/GJ, as shown in Schedule 4.

23
24 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
25 purchase customers had been set at 2,063 GJ/day effective October 1, 2012. Effective
26 October 1, 2013, this has increased to 2,294 GJ/day. The increase of 231 GJ/day reflects
27 growing volumes at NRG and are shown in the following table as an increase from 1,500
28 GJ/day at Parkway to 1,731 GJ/day.

29

The direct purchase customer assignment was 158 GJ/day in August, 2013, increasing to 173 GJ/day in September, 2013, with a further increase to 183 GJ/day in November, 2013, where it is forecast to remain through September, 2014. These changes allow direct purchase customers to bring their supplies more in line with their actual and projected consumption. This results in deliveries for system gas customers of 1,905 GJ/day in August, 2013, 1,890 GJ/day in September, 2012, 2,121 GJ/day in October, 2013 and 2,111 GJ/day in November, 2013 and in subsequent months.

The composition of these obligated system gas deliveries over this period is as follows. Parkway deliveries were 1,500 GJ/day in August and September, 2013, rising to 1,731 GJ/day in October, 2013 and remaining at this level through September, 2014. Obligated deliveries for system gas customers at AECO were 405 GJ/day in August, 2013, 390 in September, 2013 and is forecast at this same level for October, 2013, and declining to 380 GJ/day for November, 2013 and subsequent months.

The composition of the gas purchases for direct purchase and system gas customers for the August, 2013 through September, 2014 period is shown in the following table. Please note that these figures do not include the direct purchase deliveries associated with a large ethanol plant served by NRG.

GJ/s per Day

Delivery Point	Aug., 2013	Sept., 2013	Oct., 2013	Nov., 2013 - Sept., 2014
Direct Purchase	158	173	173	183
AECO	405	390	390	380
Parkway	1,500	1,500	1,731	1,731
Dawn	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	2,063	2,063	2,294	2,294

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

The composition of the gas supply portfolio volumes for the October, 2012 through September, 2013 period is shown on the top of Schedule 3. This schedule shows the

1 monthly volume of gas purchased or forecast to be purchased from local producers,
2 obligated deliveries at Parkway and the Alberta border (Western), and balancing gas
3 (Dawn or Ontario delivered gas). Similarly, the composition of the gas supply portfolio
4 volumes for the October, 2013 through September, 2014 period is shown on the top of
5 Schedule 6.

6
7 Gas Costs

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

16
17 Prices for October, 2013 through September, 2014 are based on prices averaged over 10
18 days in the period August 16, 2013 through August 29, 2013. These prices, which have
19 been sourced from the Shell Energy North America report entitled 'Daily Energy Market
20 Update', have been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in
21 the middle section of Schedule 6 in \$/m³. The source of the foreign exchange rates used
22 in the calculations is the daily noon exchange rates for the 10-year lookup from the Bank
23 of Canada that are available on their website at www.bankofcanada.ca/rates/exchange.

24
25 Gas prices for each of the sources of supply are described below. In addition to the
26 above, contracted prices have been used where purchase decisions have been made.

27
28
29
30

1 NRG Corp. Pricing

2 The first source of supply noted in Schedules 4 and 7 is "Local Production (A)" and
3 "Local Production (B)". This refers to gas that is produced in NRG's franchise area and
4 purchased from a related company.

5

6 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012
7 in which the Board indicated that NRG would be permitted to recover from ratepayers a
8 maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486
9 per mcf (or \$0.3012/m³). This price, as set by the Board, can be seen in the line labeled
10 "Local Production (A)" of the price section of Schedule 3.

11

12 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
13 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
14 price for each quarter. The October through December, 2012 price is \$0.190046 per m³,
15 reflecting the Board's Decision and Order in EB-2012-0345 dated September 19, 2012.
16 The January, 2013 through March, 2013 price is \$0.210506 per m³, reflecting the Board's
17 Decision and Order in EB-2012-0437 dated December 17, 2012. The April, 2013
18 through June, 2013 price is \$0.207215 per m³, reflecting the Board's Decision and Order
19 in EB-2013-0033 dated March 19, 2013. The July, 2013 through September, 2013 price
20 is \$0.224994, reflecting the Board's Decision and Order in EB-2013-0215 dated June 19,
21 2013. These prices are shown in Schedule 3.

22

23 The NRG Corp. prices over the October, 2013 through September, 2014 period shown in
24 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
25 shown on the Local Production (A) line. The remaining gas forecast to be purchased
26 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this
27 gas has been taken from the Union's QRAM application in EB-2013-0316 dated
28 September 6, 2013, where the Ontario landed reference price has been forecast as
29 \$0.181632 per m³.

30

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

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

Empress Pricing

The Empress price over the October, 2013 through September, 2014 period shown in Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices and forecasted prices. The average Empress delivery rate is \$3.490/GJ in October, 2013, 4.161/GJ in November, 2013, \$4.219/GJ in December, 2013 through March, 2014 and \$4.226/GJ in April, 2014 through September, 2014. Fuel costs of 4% are included in these rates.

The average Empress delivery price includes a mix of fixed price contracts over the October, 2013 through September, 2014 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>Contracted?</u>	<u>Empress Deliveries</u>							
	<u>October</u>		<u>November</u>		<u>December - March</u>		<u>April - September</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	180	4.420	180	4.910	180	4.910	180	4.910
No	210	2.443	200	3.183	200	3.288	200	3.302
Total	390	3.355	380	4.001	380	4.056	380	4.064
with Fuel (4%)		3.490		4.161		4.219		4.226

The prices shown for the 210 GJ/day that has not been contracted for in October, 2013 and the 200 GJ/day in November, 2013 through September, 2014 are based on the average price forecasts from the August 16, 2013 through August 29, 2013 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.

Empress Delivery Price Forecast

	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u> <u>Mar-14</u>	<u>Apr-14</u> <u>Sep-14</u>
16-Aug-13	2.32	3.00	3.12	3.14
19-Aug-13	2.34	3.10	3.21	3.22
20-Aug-13	2.32	3.11	3.22	3.24
21-Aug-13	2.31	3.14	3.25	3.28
22-Aug-13	2.48	3.24	3.35	3.36
23-Aug-13	2.47	3.20	3.30	3.32
26-Aug-13	2.54	3.25	3.34	3.35
27-Aug-13	2.56	3.26	3.36	3.36
28-Aug-13	2.54	3.25	3.35	3.36
29-Aug-13	2.55	3.28	3.38	3.39
10 Day Average	<u>2.443</u>	<u>3.183</u>	<u>3.288</u>	<u>3.302</u>

Parkway Pricing

The Parkway price over the October, 2013 through September, 2014 period shown in Schedule 7 is based on a combination of actual contracted prices and forecasted prices. The average Parkway delivery rate forecast is \$4.385/GJ in October, 2013, \$4.712/GJ in November, 2013, \$4.724/GJ in December, 2013 through March, 2014 and \$4.710/GJ in April, 2014 through September, 2014.

The average Parkway delivery price includes a mix of fixed price contracts and 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>Parkway Deliveries</u>								
<u>Contracted?</u>	<u>October</u>		<u>November</u>		<u>December - March</u>		<u>April - September</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	414	3.980	114	4.350	114	4.350	114	4.350
Yes	414	3.950	114	4.350	114	4.350	114	4.350
Yes	600	5.400	600	5.720	600	5.720	600	5.720
Yes	0	0.000	600	4.340	600	4.340	600	4.340
No	<u>303</u>	<u>3.523</u>	<u>303</u>	<u>3.727</u>	<u>303</u>	<u>3.796</u>	<u>303</u>	<u>3.713</u>
Total	1,731	4.385	1,731	4.712	1,731	4.724	1,731	4.710

The prices shown for the 303 GJ/day that has not been contracted for in October, 2013 through September, 2014 are based on the average price forecasts from the August 16, 2013 through August 29, 2013 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 1.054615 to convert MMBtu to GJ and through the use of the foreign exchange rate. The formula used is (Henry Hub Price + Niagara Basis) / 1.054615 x Foreign Exchange Rate. These calculations are show below for each of the different pricing periods available.

<u>Parkway Delivery Price Forecast</u>					
	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>October-13</u>					
16-Aug-13	3.390	0.03	1.054615	1.0339	3.35
19-Aug-13	3.490	0.02	1.054615	1.0342	3.44
20-Aug-13	3.470	0.02	1.054615	1.0389	3.44
21-Aug-13	3.490	0.03	1.054615	1.0473	3.50
22-Aug-13	3.580	0.02	1.054615	1.0516	3.59
23-Aug-13	3.520	0.01	1.054615	1.0501	3.51
26-Aug-13	3.550	0.03	1.054615	1.0503	3.57
27-Aug-13	3.570	0.03	1.054615	1.0474	3.58
28-Aug-13	3.580	0.04	1.054615	1.0485	3.60

29-Aug-13	3.620	0.04	1.054615	1.0530	<u>3.65</u>
10 Day Average					<u>3.523</u>

November-13

16-Aug-13	3.510	0.13	1.054615	1.0339	3.57
19-Aug-13	3.610	0.11	1.054615	1.0342	3.65
20-Aug-13	3.600	0.11	1.054615	1.0389	3.65
21-Aug-13	3.620	0.10	1.054615	1.0473	3.69
22-Aug-13	3.700	0.10	1.054615	1.0516	3.79
23-Aug-13	3.640	0.10	1.054615	1.0501	3.72
26-Aug-13	3.670	0.13	1.054615	1.0503	3.78
27-Aug-13	3.690	0.12	1.054615	1.0474	3.78
28-Aug-13	3.690	0.12	1.054615	1.0485	3.79
29-Aug-13	3.720	0.12	1.054615	1.0530	<u>3.83</u>
10 Day Average					<u>3.727</u>

December-13 - March-14

16-Aug-13	3.710	0.01	1.054615	1.0339	3.65
19-Aug-13	3.800	0.00	1.054615	1.0342	3.73
20-Aug-13	3.790	0.00	1.054615	1.0389	3.73
21-Aug-13	3.810	-0.01	1.054615	1.0473	3.77
22-Aug-13	3.880	-0.01	1.054615	1.0516	3.86
23-Aug-13	3.820	-0.01	1.054615	1.0501	3.79
26-Aug-13	3.850	0.01	1.054615	1.0503	3.84
27-Aug-13	3.860	0.01	1.054615	1.0474	3.84
28-Aug-13	3.860	0.01	1.054615	1.0485	3.85
29-Aug-13	3.890	0.01	1.054615	1.0530	<u>3.89</u>
10 Day Average					<u>3.796</u>

April-14 - September-14

16-Aug-13	3.740	-0.11	1.054615	1.0339	3.56
19-Aug-13	3.830	-0.12	1.054615	1.0342	3.64
20-Aug-13	3.830	-0.12	1.054615	1.0389	3.65
21-Aug-13	3.840	-0.12	1.054615	1.0473	3.69
22-Aug-13	3.900	-0.11	1.054615	1.0516	3.78
23-Aug-13	3.850	-0.11	1.054615	1.0501	3.72
26-Aug-13	3.870	-0.09	1.054615	1.0503	3.76
27-Aug-13	3.890	-0.10	1.054615	1.0474	3.76
28-Aug-13	3.880	-0.10	1.054615	1.0485	3.76
29-Aug-13	3.900	-0.10	1.054615	1.0530	<u>3.79</u>
10 Day Average					<u>3.713</u>

Dawn 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, 2014. The forecasted price for this Dawn gas is \$4.010/GJ and is based on price forecasts from the August 16, 2013 through August 29, 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\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>Sep-13</u>					
16-Aug-13	3.740	0.19	1.054615	1.0339	3.85
19-Aug-13	3.830	0.18	1.054615	1.0342	3.93
20-Aug-13	3.830	0.18	1.054615	1.0389	3.95
21-Aug-13	3.840	0.18	1.054615	1.0473	3.99
22-Aug-13	3.900	0.19	1.054615	1.0516	4.08
23-Aug-13	3.850	0.19	1.054615	1.0501	4.02
26-Aug-13	3.870	0.21	1.054615	1.0503	4.06
27-Aug-13	3.890	0.20	1.054615	1.0474	4.06
28-Aug-13	3.880	0.20	1.054615	1.0485	4.06
29-Aug-13	3.900	0.20	1.054615	1.0530	4.09
10 Day Average					<u>4.010</u>

1 Other Forecast Assumptions

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

6

7 TCPL tolls have been forecast at a rate of \$1.6504/GJ. This rate reflects the current tolls
8 approved by the National Energy Board.

9

10 PGCVA Balance

11 The projected September, 2013 balance in the PGCVA is a credit of \$141,924.66
12 including a debit of \$43,267.05 in accumulated interest, based on the Board's prescribed
13 interest rate. This estimate is based on actual and forecasted purchases and the balance
14 brought forward from September, 2012. The PGCVA credit amounts to a rebate of
15 approximately \$11.86 for a typical residential customer consuming approximately 1,943
16 m³ per year. These figures are shown on Schedule 2.

17

18 Proposed PGCVA Rate Changes

19 NRG proposes to adjust the reference price effective October 1, 2013 based on the
20 projected accumulated balance in the PGCVA as of the end of September, 2013 and the
21 forecasted cost of gas over the 12 month period beginning October, 2013 and ending
22 September, 2014. The reference price is set such that the projected PGCVA balance at
23 the end of September, 2014 is close to zero.

24

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

28

29 NRG proposes to change the reference price by \$0.017091 per m³ effective October 1,
30 2013, from \$0.200282 per m³ to \$0.183191 per m³. The derivation of this rate is shown

1 in Schedule 5. This is the reference price required to bring the PGCVA balance close to
2 zero on a twelve month forecast basis. This change will also be reflected in the gas
3 commodity charge.
4

5 **GAS PURCHASE REBALANCING ACCOUNT**

6 The impact on the GPRA of the proposed October 1, 2013 PGCVA reference price
7 change from \$0.200282 per m³ to \$0.183191 per m³ is a debit of \$61,776.67, as shown on
8 Schedule 8. This figure is shown in column (J) of Schedule 8 and on the September,
9 2013 line. It is calculated as the change in the PGCVA reference price between
10 September and October, multiplied by the cumulative inventory balance at the end of
11 September. This cumulative inventory balance is the sum of the actual monthly
12 inventory balances for June, 2013 and forecasts for the subsequent months. These
13 forecasts will be replaced with actual balances for these months in subsequent QRAM
14 applications as this information becomes available. As well, the monthly inventory
15 balances are based on a deemed level of unaccounted for gas ("UFG") of the total
16 throughput volume, as shown in column (E) of Schedule 8. The 0.0% is the Board
17 approved level of UFG from EB-2010-0018.
18

19 NRG proposes to adjust the gas commodity charge effective October 1, 2013 based on
20 the projected accumulated balance in the GPRA. The adjustment to the gas commodity
21 charge will be set such that the projected GPRA balance at the end of September, 2014,
22 will be close to zero. The rate required to achieve this is shown in column (K) on
23 Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based
24 on this rate of \$0.003042 per m³ over the October, 2013 through September, 2014 period.
25

26 NRG's proposal will clear the GPRA balance on a prospective basis, eliminating the need
27 for retroactive adjustments. This is consistent with NRG's proposal for the continued
28 prospective clearance of the PGCVA. This change will also be reflected in the gas
29 commodity charge.
30

GAS COMMODITY CHARGE

The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved in EB-2010-0018. This figure represents the incremental costs over and above the commodity and transportation costs that form the PGCVA reference price to the gas 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 October 1, 2013 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-2013-0205 July 1, 2013	Proposed Oct. 1, 2013	Difference
PGCVA Reference Price	\$0.200282	\$0.183191	\$(0.017091)
GPRA Recovery	\$0.000208	\$0.003042	\$0.002834
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.200853	\$0.186596	\$(0.014257)

SUMMARY

In summary, NRG proposes to change the reference price for amounts to be recorded in the Purchased Gas Commodity Variance Account from \$0.200282 by \$0.017091 to \$0.183191 per m³ effective October 1, 2013. Appendix B contains the accounting entries related to the PGCVA.

NRG also proposes to change the gas supply charge from \$0.200853 to \$0.186596 per m³ effective October 1, 2013. This change reflects the change in the PGCVA reference price, as described above, the change related to the recovery of the GPRA balance, also

1 as described above, and the continuation of the system gas supply cost. These changes
2 apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

3
4 The proposed rate schedules are attached as Appendix A. The proposed customer notices
5 are attached as Appendix C.

6
7 Schedule 9 provides a residential bill comparison showing the impact of the proposed
8 changes on a year over year basis for the appropriate quarter as well as the annual bill
9 impact of the most recent quarterly change. The annual bill impact related to the change
10 in the commodity charges on a customer consuming approximately 2,009 m³ is a
11 decrease of \$28.65.

12 13 **CHANGES TO PROPOSED RATE SCHEDULES**

14 The rate schedules submitted as part of this QRAM application incorporate the new
15 distribution rates that were submitted in the Draft Rate Order that resulted from the EB-
16 2013-0183 Decision and Order dated August 22, 2013 for rates effective October 1, 2013.
17 This was NRG's incentive rate making ("IRM") proceeding to set distribution rates for
18 NRG's fiscal 2014 year which begins October 1, 2013.

19
20 As of the date of filing this QRAM application, NRG had not received the IRM Decision.
21 As a result, NRG requests that the Board issue the IRM Decision prior to that for this
22 QRAM application in order for NRG to implement a rate order that includes both the new
23 commodity and new distribution rates.

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2012 TO SEPTEMBER, 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) (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	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%
Actual	February	370,121	2,041,598	0.181290	0.194790	0.013500	27,561.57	45,778.79	22.32	-43,807.52	27,583.89	1,971.27	305.5	1.47%
Actual	March	348,286	1,815,025	0.191891	0.194790	0.002899	5,261.76	51,040.55	56.08	-43,751.44	5,317.84	7,289.11	287.8	1.47%
Actual	April	340,750	1,747,021	0.195046	0.194355	(0.000691)	-1,207.19	49,833.36	62.52	-43,688.92	-1,144.67	6,144.44	182.8	1.47%
Actual	May	344,472	1,744,962	0.197410	0.194355	(0.003055)	-5,330.86	44,502.50	61.05	-43,627.87	-5,269.81	874.63	83.2	1.47%
Actual	June	335,473	1,694,956	0.197924	0.194355	(0.003569)	-6,049.30	38,453.20	54.52	-43,573.35	-5,994.78	-5,120.15	44.6	1.47%
Actual	July	335,177	1,735,676	0.193110	0.200282	0.007172	12,448.27	50,901.47	47.11	-43,526.24	12,495.38	7,375.23	31.9	1.47%
Forecast	August	613,913	3,613,377	0.169900	0.200282	0.030382	109,781.63	160,683.10	62.35	-43,463.89	109,843.98	117,219.21	42.8	1.47%
Forecast	September	<u>316,369</u>	<u>1,701,987</u>	<u>0.185882</u>	0.200282	0.014400	<u>24,508.61</u>	<u>185,191.71</u>	<u>196.84</u>	<u>-43,267.05</u>	<u>24,705.45</u>	<u>141,924.66</u>	<u>58.5</u>	1.47%
	Total	4,373,381	23,257,690	0.188040			145,369.61	185,191.71	704.72	-43,267.05	146,074.33	141,924.66	1,942.9	

PGCVA Balance per M*3 Purchased (\$/M*3) \$0.006102
Forecast Average Residential Consumption per Customer 1,942.9 M*3
Estimated Impact on Average Residential Customer \$11.86 Customer Rebate

(1) Includes balance of 39,822.10 as of September, 2012
(2) Includes balance of -43,971.77 as of September, 2012

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2012 TO SEPTEMBER, 2013

	<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>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,931	82,192	84,931	84,932	76,712	84,931	82,192	84,931	82,192	84,931	84,932	82,192	999,998
Local Production (B)	153,443	165,658	187,660	177,791	144,095	175,656	170,970	135,547	136,001	132,953	115,068	117,808	1,812,651
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,225,351	1,176,680	1,214,740	1,219,874	1,103,732	1,221,402	1,176,268	1,200,381	1,162,806	1,195,112	1,231,788	1,192,053	14,320,186
Western Delivery	320,225	320,841	331,219	332,619	300,951	333,036	317,592	324,103	313,958	322,680	332,583	309,934	3,859,741
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>416,107</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,849,007</u>	<u>0</u>	<u>2,265,114</u>
Total	1,783,950	1,745,371	1,818,550	1,815,215	2,041,598	1,815,025	1,747,021	1,744,962	1,694,956	1,735,676	3,613,377	1,701,987	23,257,690
<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)	0.190046	0.190046	0.190046	0.210506	0.210506	0.210506	0.207215	0.207215	0.207215	0.224994	0.224994	0.224994	
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	0.169686	0.173430	0.174092	0.172536	0.172566	0.172137	0.174335	0.176993	0.176985	0.177119	0.171914	0.171687	
Western Delivery	0.142009	0.142869	0.149626	0.141657	0.148318	0.141251	0.151924	0.154844	0.157615	0.146535	0.136882	0.132729	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.134326	0.000000	0.000000	0.000000	0.000000	0.000000	0.153831	0.000000	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,581	24,756	25,581	25,582	23,106	25,581	24,756	25,581	24,756	25,581	25,582	24,756	301,200
Local Production (B)	29,161	31,483	35,664	37,426	30,333	36,977	35,427	28,087	28,182	29,914	25,890	26,506	375,049
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	207,924	204,071	211,476	210,472	190,467	210,249	205,065	212,459	205,799	211,677	211,762	204,660	2,486,082
Western Delivery	45,475	45,838	49,559	47,118	44,636	47,042	48,250	50,185	49,485	47,284	45,525	41,137	561,534
Ontario Delivered Gas	0	0	0	0	55,894	0	0	0	0	0	284,435	0	340,329
TCPL Transportation	<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>27,251</u>	<u>28,160</u>	<u>27,251</u>	<u>20,721</u>	<u>20,721</u>	<u>19,310</u>	<u>309,188</u>
Total	335,397	333,669	350,718	349,035	370,121	348,286	340,750	344,472	335,473	335,177	613,913	316,369	4,373,381

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2012 TO SEPTEMBER, 2013

	<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>Apr-13</u>	<u>May-13</u>	<u>Jun-13</u>	<u>Jul-13</u>	<u>Aug-13</u>	<u>Sep-13</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.937	7.876	7.868	7.902	7.915	7.912	7.873	7.775	7.783	7.741	7.979	7.979
Local Production (B) (\$/GJ)	5.008	4.969	4.965	5.522	5.532	5.529	5.416	5.349	5.354	5.783	5.960	5.960
<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)	4.472	4.535	4.548	4.526	4.535	4.521	4.557	4.569	4.573	4.552	4.554	4.548
<u>Western Deliveries</u> (\$/GJ)	3.742	3.736	3.909	3.716	3.898	3.710	3.971	3.997	4.073	3.766	3.626	3.516
Fuel Ratio (%)	1.53%	2.45%	3.42%	4.40%	4.05%	4.09%	2.72%	1.23%	1.98%	1.73%	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	1.650400	1.650400	1.650400
GJ/day (TCPL)	392	409	409	409	409	409	405	405	405	405	405	390
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)	1,892	1,909	1,909	1,909	1,909	1,909	1,905	1,905	1,905	1,905	1,905	1,890
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	3.530	0.000	0.000	0.000	0.000	0.000	4.075	0.000
Heat Value (GJ/103m3)	37.95	38.24	38.28	38.12	38.05	38.07	38.26	38.74	38.70	38.91	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2013 TO SEPTEMBER, 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) (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
October	343,933	1,941,748	0.177125	0.183191	0.006066	11,778.65	196,970.36	226.86	-43,040.19	12,005.51	153,930.17	118.7	1.47%
November	357,098	1,877,616	0.190187	0.183191	(0.006996)	-13,135.80	183,834.56	241.29	-42,798.90	-12,894.51	141,035.66	202.7	1.47%
December	369,118	1,933,536	0.190903	0.183191	(0.007712)	-14,911.43	168,923.13	225.20	-42,573.70	-14,686.23	126,349.43	321.8	1.47%
January	369,118	1,933,536	0.190903	0.183191	(0.007712)	-14,911.43	154,011.70	206.93	-42,366.77	-14,704.50	111,644.93	355.2	1.47%
February	336,911	1,765,775	0.190801	0.183191	(0.007610)	-13,437.55	140,574.15	188.66	-42,178.11	-13,248.89	98,396.04	293.2	1.47%
March	369,118	1,933,536	0.190903	0.183191	(0.007712)	-14,911.43	125,662.72	172.20	-42,005.91	-14,739.23	83,656.81	246.2	1.47%
April	357,736	1,877,616	0.190527	0.183191	(0.007336)	-13,774.19	111,888.53	153.94	-41,851.97	-13,620.25	70,036.56	186.6	1.47%
May	368,450	1,933,536	0.190557	0.183191	(0.007366)	-14,242.43	97,646.10	137.06	-41,714.91	-14,105.37	55,931.19	89.7	1.47%
June	358,017	1,877,616	0.190676	0.183191	(0.007485)	-14,053.95	83,592.15	119.62	-41,595.29	-13,934.33	41,996.86	53.1	1.47%
July	368,450	1,933,536	0.190557	0.183191	(0.007366)	-14,242.43	69,349.72	102.40	-41,492.89	-14,140.03	27,856.83	40.9	1.47%
August	368,450	1,933,536	0.190557	0.183191	(0.007366)	-14,242.43	55,107.29	84.95	-41,407.94	-14,157.48	13,699.35	42.8	1.47%
September	<u>357,736</u>	<u>1,877,616</u>	<u>0.190527</u>	0.183191	(0.007336)	<u>-13,774.19</u>	<u>41,333.10</u>	<u>67.51</u>	<u>-41,340.43</u>	<u>-13,706.68</u>	<u>-7.33</u>	<u>58.5</u>	1.47%
Total	4,324,133	22,819,205	0.189495			-143,858.61	41,333.10	1,926.62	-41,340.43	-141,931.99	-7.33	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 Sept., 2013 year-to-date balance of \$185,191.71 (See Schedule 2)
(2) Includes Sept., 2013 year-to-date balance of (\$43,267.05) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2013 TO SEPTEMBER, 2014

	<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>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,932	82,192	84,932	84,932	76,708	84,932	82,192	84,932	82,192	84,932	84,932	82,192	1,000,000
Local Production (B)	115,068	117,808	115,068	115,068	123,292	115,068	117,808	115,068	117,808	115,068	115,068	117,808	1,400,000
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	1,421,483	1,375,629	1,421,483	1,421,483	1,283,921	1,421,483	1,375,629	1,421,483	1,375,629	1,421,483	1,421,483	1,375,629	16,736,821
Western Delivery	320,265	301,987	312,053	312,053	281,854	312,053	301,987	312,053	301,987	312,053	312,053	301,987	3,682,384
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
Total	1,941,748	1,877,616	1,933,536	1,933,536	1,765,775	1,933,536	1,877,616	1,933,536	1,877,616	1,933,536	1,933,536	1,877,616	22,819,205
<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)	0.181632	0.181632	0.181632	0.181632	0.181632	0.181632	0.181632	0.181632	0.181632	0.181632	0.181632	0.181632	
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	0.165534	0.177878	0.178331	0.178331	0.178331	0.178331	0.177803	0.177803	0.177803	0.177803	0.177803	0.177803	
Western Delivery	0.131748	0.157078	0.159267	0.159267	0.159267	0.159267	0.159532	0.159532	0.159532	0.159532	0.159532	0.159532	
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)	25,582	24,756	25,582	25,582	23,104	25,582	24,756	25,582	24,756	25,582	25,582	24,756	301,200
Local Production (B)	20,900	21,398	20,900	20,900	22,394	20,900	21,398	20,900	21,398	20,900	20,900	21,398	254,285
Dawn Delivery	0	0	0	0	0	0	0	0	0	0	0	0	0
Parkway Delivery	235,304	244,694	253,495	253,495	228,963	253,495	244,591	252,744	244,591	252,744	252,744	244,591	2,961,450
Western Delivery	42,194	47,435	49,700	49,700	44,890	49,700	48,177	49,782	48,177	49,782	49,782	48,177	577,496
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	0	0
TCPL Transportation	19,953	18,815	19,442	19,442	17,560	19,442	18,815	19,442	19,095	19,442	19,442	18,815	229,703
Total	343,933	357,098	369,118	369,118	336,911	369,118	357,736	368,450	358,017	368,450	368,450	357,736	4,324,133

[illegible]

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

OCTOBER, 2012 THROUGH SEPTEMBER, 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
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	2,041,598	5,681,622	2,683,725	2,997,897	0	2,997,897	-956,299	-2,746,138	0.194790	0.00	(0.001484)	-4,448.88	3,369.41	9.58	5,765.41	9,134.82	1.47%
March	1,815,025	5,605,131	2,715,187	2,889,944	0	2,889,944	-1,074,919	-3,821,056	0.194790	1,662.16	(0.001484)	-4,288.68	742.89	4.13	5,769.54	6,512.43	1.47%
April	1,747,021	4,640,342	2,729,795	1,910,547	0	1,910,547	-163,526	-3,984,582	0.194355	0.00	(0.000431)	-823.45	-80.56	0.91	5,770.45	5,689.89	1.47%
May	1,744,962	3,500,674	2,579,763	920,911	0	920,911	824,051	-3,160,531	0.194355	0.00	(0.000431)	-396.91	-477.47	-0.10	5,770.35	5,292.88	1.47%
June	1,694,956	3,006,363	2,524,984	481,379	0	481,379	1,213,577	-1,946,953	0.194355	-11,539.59	(0.000431)	-207.47	-12,224.53	-0.58	5,769.77	-6,454.76	1.47%
July	1,735,676	2,578,418	2,137,344	441,075	0	441,075	1,294,601	-652,352	0.200282	0.00	0.000208	91.74	-12,132.79	-14.98	5,754.79	-6,378.00	1.47%
August	3,613,377	3,245,595	2,639,204	606,391	0	606,391	3,006,986	2,354,634	0.200282	0.00	0.000208	126.13	-12,006.66	-14.86	5,739.93	-6,266.73	1.47%
September	1,701,987	3,141,595	2,699,547	442,048	0	442,048	1,259,939	3,614,573	0.200282	-61,776.67	0.000208	91.95	-73,691.38	-14.71	5,725.22	-67,966.16	1.47%
October	1,941,748	5,121,595	2,783,246	2,338,349	0	2,338,349	-396,601	3,217,972	0.183191	0.00	0.003042	7,113.26	-66,578.12	-90.27	5,634.95	-60,943.17	1.47%
November	1,877,616	5,921,595	2,807,687	3,113,908	0	3,113,908	-1,236,292	1,981,680	0.183191	0.00	0.003042	9,472.51	-57,105.61	-81.56	5,553.39	-51,552.22	1.47%
December	1,933,536	5,421,595	2,795,357	2,626,238	0	2,626,238	-692,702	1,288,979	0.183191	0.00	0.003042	7,989.02	-49,116.59	-69.95	5,483.44	-43,633.15	1.47%
January	1,933,536	6,421,595	2,824,409	3,597,186	0	3,597,186	-1,663,650	-374,671	0.183191	0.00	0.003042	10,942.64	-38,173.95	-60.17	5,423.27	-32,750.68	1.47%
February	1,765,775	5,821,595	2,807,462	3,014,133	0	3,014,133	-1,248,358	-1,623,029	0.183191	0.00	0.003042	9,168.99	-29,004.96	-46.76	5,376.51	-23,628.45	1.47%
March	1,933,536	5,621,595	2,744,961	2,876,634	0	2,876,634	-943,098	-2,566,127	0.183191	0.00	0.003042	8,750.72	-20,254.24	-35.53	5,340.98	-14,913.26	1.47%
April	1,877,616	4,621,595	2,685,665	1,935,930	0	1,935,930	-58,314	-2,624,441	0.183191	0.00	0.003042	5,889.10	-14,365.14	-24.81	5,316.17	-9,048.97	1.47%
May	1,933,536	3,621,595	2,661,298	960,297	0	960,297	973,239	-1,651,201	0.183191	0.00	0.003042	2,921.22	-11,443.92	-17.60	5,298.57	-6,145.35	1.47%
June	1,877,616	3,133,595	2,638,035	495,560	0	495,560	1,382,056	-269,145	0.183191	0.00	0.003042	1,507.49	-9,936.43	-14.02	5,284.55	-4,651.88	1.47%
July	1,933,536	3,137,595	2,646,622	490,973	0	490,973	1,442,563	1,173,418	0.183191	0.00	0.003042	1,493.54	-8,442.89	-12.17	5,272.38	-3,170.51	1.47%
August	1,933,536	3,245,595	2,639,204	606,391	0	606,391	1,327,145	2,500,563	0.183191	0.00	0.003042	1,844.64	-6,598.25	-10.34	5,262.04	-1,336.21	1.47%
September	1,877,616	<u>3,141,595</u>	<u>2,699,547</u>	442,048	0	442,048	1,435,568	3,936,131	0.183191	0.00	0.003042	1,344.71	-5,253.54	-8.08	5,253.96	0.42	1.47%

(1) Includes balance of 2,002,624 as of September, 2012
(2) Includes balance of 36,787.77 as of September, 2012
(3) Includes balance of 5,628.97 as of September, 2012

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Oct-12 <u>EB-2012-0364</u>	Quarter Starting 01-Oct-13 <u>EB-2013-0317</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption for Quarter	643.2	643.2		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$99.06	\$100.73	\$1.66	1.7%
Total Commodity Charges	<u>\$118.06</u>	<u>\$120.02</u>	<u>\$1.96</u>	<u>1.7%</u>
Total Customer Charges	\$257.62	\$261.24	\$3.62	1.4%

ANNUAL BILL IMPACT

	01-Jul-13 <u>EB-2013-0205</u>	01-Oct-13 <u>EB-2013-0317</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$312.96	\$314.67	\$1.71	0.5%
Total Commodity Charges	<u>\$403.59</u>	<u>\$374.95</u>	<u>(\$28.65)</u>	<u>-7.1%</u>
Total Customer Charges	\$878.56	\$851.62	(\$26.94)	-3.1%

RATES USED

	01-Oct-12 <u>EB-2012-0364</u>	01-Jul-13 <u>EB-2013-0205</u>	01-Oct-13 <u>EB-2013-0317</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.154014	0.155749	0.156601
Total Commodity Charge	0.183548	0.200853	0.186596

**APPENDIX “A” TO
DECISION AND ORDER
BOARD FILE No. EB-2013-0317
DATED SEPTEMBER 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
	Rate Rider for Shared Tax Savings - effective until September 30, 2014	\$(0.11)
b)	Delivery Charge	
	First 1,000 m ³ per month	15.6601 cents per m ³
	All over 1,000 m ³ per month	10.6527 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: October 01, 2013

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

EB-2013-0317

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, 2014	\$(0.19)	
b) Delivery Charge		
First 1,000 m ³ per month	14.5236 cents per m ³	18.3068 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: October 01, 2013

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

EB-2013-0317

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, 2014 \$(8.34)

- 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 3.8521 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: October 01, 2013

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

EB-2013-0317

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, 2014	\$(0.55)	
b) Delivery Charge		
First 1,000 m ³ per month	15.1257cents per m ³	19.2963 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: October 01, 2013

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

EB-2013-0317

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, 2014 \$(3.02)

- 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 7.0069 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: October 01, 2013

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

EB-2013-0317

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, 2014 \$(301.10)

b) A Monthly Demand Charge:

A Monthly Demand Charge of 18.3951 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 3.7976 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: October 01, 2013

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

EB-2013-0317

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-2013-0317)	18.3191 cents per m ³
GPRA Recovery Rate	(EB-2013-0317)	0.3042 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>18.6596</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: October 01, 2013

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

EB-2013-0317

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: October 01, 2013

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

EB-2013-0317

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: October 01, 2013

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

EB-2013-0317

APPENDIX "B" TO
DECISION AND ORDER
BOARD FILE No. EB-2013-0317
DATED SEPTEMBER 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-2013-0317
DATED SEPTEMBER XX, 2013**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after October 1, 2013, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.014257 per cubic meter to \$0.186596 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 September, 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 decrease by approximately \$29 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.