

# AIRD & BERLIS LLP

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October 21, 2013

## BY COURIER, EMAIL AND RESS

Ms. Kirsten Walli  
Board Secretary  
Ontario Energy Board  
P.O. Box 2319, 27<sup>th</sup> Floor  
2300 Yonge Street  
Toronto, ON M4P 1E4

Dear Ms. Walli:

**Re: Integrated Grain Processors Co-operative Inc.  
Board Files No. EB-2012-0406 and EB-2013-0081**

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Pursuant to Procedural Order No. 5, we enclose two copies of the Interrogatories (Round 2) of Integrated Grain Processors Co-operative Inc. to Natural Resource Gas Limited.

Yours truly,

AIRD & BERLIS LLP



Dennis M. O'Leary / Scott Stoll

cc Natural Resource Gas Limited  
cc Intervenors

15613129.1

**INTERROGATORIES OF  
INTEGRATED GRAIN PROCESSORS CO-OPERATIVE INC.  
(ROUND 2)  
TO NATURAL RESOURCE GAS LIMITED**

Dennis M. O'Leary  
Scott A. Stoll  
AIRD & BERLIS LLP  
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181 Bay Street, Suite 1800  
Toronto, ON M5J 2T9

Counsel for Integrated Grain Processors  
Co-operative Inc.

INTERROGATORY #1

Issue # 1:

*Is an Order of the Board requiring NRG to provide gas distribution services and gas sales to IGPC to meet its facility expansion and upgrading plans necessary and appropriate?*

1. Will NRG be invoicing IGPC for any of the time expended by NRG's senior management in respect of IGPC's request for Additional Services? If NRG intends to charge IGPC for any such time, please respond to the following questions:
  - (a) Please identify those persons or positions at NRG who will respond to IGPC's requests for Additional Services.
  - (b) For each person or position who may be involved in the provision of such Additional Services, what is the hourly rate(s) (including all overhead NRG proposes to allocate) which NRG proposes to charge?

INTERROGATORY #2

Issue # 2:

*With respect to the cost items listed below, what is the appropriate amount to be included in determining the capital cost of the IGPC pipeline facilities?*

- 2.1.1      *Legal costs*
- 2.1.2      *Contingency costs*
- 2.1.3      *NRG staff costs (Mr. Bristoll)*
- 2.1.4      *Interest during construction*
- 2.1.5      *Insurance costs and other service costs (e.g. auditing)*
- 2.1.6      *Administrative penalty*
- 2.1.7      *Cost arising from this proceeding*

Questions Related to all of Issue 2

1.      Please confirm that the IGPC pipeline was placed into rate base as of August 1, 2008.
2.      Please confirm that IGPC commenced paying full distribution rates in respect of the IGPC pipeline as of July 15, 2008.

## Issue 2.1.2 – Contingency Costs

### Preamble

NRG has included \$132,000 for the facilities as a contingency. NRG has provided a number of invoices from its legal firms in support of that amount.

### Questions

3. Please review Table 1 attached below and confirm that the summary details of the accounts which NRG relies upon in support of its contingency costs is accurate. Please advise of any inaccuracies in Table 1, and please identify in a reproduced Table 1 any corrections appropriately noted and explained.
4. Please confirm that the earliest work performed by counsel who have issued an invoice which NRG relies upon for purposes of its contingency claim is August 2, 2010.
5. Does NRG admit that it has earned a return on the \$132,000 of “contingency costs” that were included in rate base during the period August 2008 through July 2010, when it had not actually incurred such costs? If NRG’s answer is “No”, please provide a detailed explanation.

**Issue 2.2 – Contingency Costs      TABLE 1**

	Firm and Counsel	Invoice Date	Period in which work performed	Hourly Rates	Total
<b>Accounts NRG Continues to Rely Upon</b>					
1.	Lenczner Slaght: L Thacker	May 31, 2013	Oct. 2, 2012 to April 25, 2013	\$800 /\$825	\$ 120,459.15
2.	Norton Rose: R. King J. Beauchamp	September 28, 2011	August 5, 2011 to August 26, 2011	\$690 \$370	\$ 14,274.73
3.	Norton Rose: J. Beauchamp	October 27, 2011	Sept. 19 – Sept. 21, 2011	\$370	\$1,567.88
4.	Norton Rose: R. King J. Beauchamp	July 18, 2012	June 13, 2012 to June 19, 2012	\$720 \$390	\$3,437.46
				<b>TOTAL</b>	<b>\$139,739.22</b>
<b>Account Added to Accounts supporting Contingency Costs by Lenczner Slaght letter of July 8, 2013</b>					
5.	Lenczner Slaght: L. Thacker P. Calce	September 22, 2010	August 2, 2010 to August 26, 2010 (Not all is relevant)	Not provided	\$23,762.92
				<b>TOTAL</b>	<b>\$23,762.92</b>
<b>Invoices Removed per Lenczner letter of July 8, 2013</b>					
1.	Lenczner Slaght: L. Thacker	September 11, 2009	August 17 to August 18, 2009	\$600	\$2,216.39
2.	Norton Rose: R. King J. Beauchamp	June 16, 2009	May 4, 2009 to May 27, 2009	\$600 \$280	\$12,350.75
3.	Norton Rose: R. King	May 25, 2009	April 2009	\$600	\$1,260.00
4.	Norton Rose: R. King P. Calce	April 8, 2009	March 2009	\$600 \$680	\$3,801.26
5.	Norton Rose: R. King	March 13, 2009	February 2009	\$600	\$472.50
6.	Norton Rose: J. Beauchamp	February 23, 2009	January 2009	\$280	\$367.50
				<b>TOTAL</b>	<b>\$20,468.40</b>

The above information is taken from NRG's response to IGPC Interrogatory 10(a) (Round 1) which referred to NRG's response to IGPC Interrogatory 7(a) (Round 1). In response to IGPC Interrogatory 7(a) (Round 1), NRG attached a number of invoices issued by Lenczner Slaght, and Norton Rose in support of its claim for contingency fees being included in rate base. By a letter dated July 8, 2013, from Lenczner Slaght, NRG's response to IGPC Interrogatory No. 7 was revised removing a number of the Norton Rose invoices previously produced and adding a further Lenczner Slaght invoice.

Issue 2.1.3 – NRG staff costs (Mr. Bristol)

Preamble

Attached for NRG's convenience is a copy of a Table, being Exhibit D6 Tab 3, Schedule 1 Updated, filed by NRG in its 2007 rates proceeding, EB-2005-0544. This Table is titled "Natural Resource Gas Limited Operating and Maintenance Expenses 2007 Test Year". (Marked as Attachment 1, IGPC IR2, Round 2)

Also attached for NRG's convenience is a copy of salient portions of the Board's Rate Order, and Appendix A, pages 1 and 2, dated September 28, 2006, in EB-2005-0544. (Marked as Attachment 2, IGPC IR2, Round 2)

Also attached for NRG's convenience are copies of the following tables produced by NRG in its EB-2010-0018 Application: (Marked as Attachment 3, IGPC IR2, Round 2)

- (i) O&M Expense 2007 Actual (D4/T3/S1)
- (ii) O&M Expense 2008 Actual (D5/T3/S1)
- (iii) O&M Expense 2009 Actual (D6/T3/S1)

Questions

6. Please confirm that the total net operating and maintenance expenses approved by the Board for inclusion in rates in 2007 (EB-2005-0544) was \$2,145,582 (Attachment 2, Appendix A, page 1).
7. Please confirm that NRG's rates approved in EB-2005-0544 remained in effect in fiscal 2008 and fiscal 2009. For clarity, please confirm that NRG rates in fiscal 2008 and 2009 included at least the forecast of net O&M expense of \$2,145,582. If not, please explain why this statement is incorrect.
8. Please confirm, having reference to Exhibit D4, Tab 3, Schedule 3; D5, Tab 3, Schedule 1, and D6, Tab 3, Schedule 1 (Attachment 3, IGPC IR2, Round 2) that in each of the years 2007, 2008 and 2009 the actual Total Net operating and maintenance expense incurred by NRG was less than the total net O&M expenses approved by the Board for inclusion in rates in EB-2005-0544.
9. Please confirm that all of NRG's O&M overhead costs were included in its filing for its 2007 rates case. If not, please advise as to what was left out, how much and why.
10. Please identify any additional overhead costs incurred by NRG and the nature of the cost in fiscal 2007 and fiscal 2008 (broken down by year) which it did not include in its Test Year 2007 forecast which were the result of the IGPC pipeline. If not self-evident,

please explain how the additional overhead cost relates to the IGPC pipeline, the amount, when the costs were incurred and produce all supporting invoices.

11. Please confirm that none of the Consulting Fees incurred by NRG in 2007 which make up the total of \$129,454 reported at Exhibit D4, Tab 3, Schedule 1 (EB-2010-0018) were related to the IGPC pipeline. If any of these consulting fees were related to the IGPC pipeline, please provide details, including the name of the consultant, the hourly rate, and the nature of the work performed.
12. Please confirm that none of the Consulting Fees incurred by NRG in 2008 which make up the total of \$117,546 reported at Exhibit D5, Tab 3, Schedule 1 (EB-2010-0018) were related to the IGPC pipeline. If any of these consulting fees were related to the IGPC pipeline, please provide details, including the name of the consultant, the hourly rate, and the nature of the work performed.
13. Please advise as to whether of the Management Fees (Net) reported at Exhibit D4, Tab 3, Schedule 1 (EB-2010-0018) of \$89,750 in 2007 related to the IGPC pipeline. If some of the management fees did relate to the IGPC pipeline, please provide details, including the amount, the purpose of payment, and the specifics of the work performed and by whom.
14. Please advise whether the Management Fees (Net) reported at D5, Tab 3, Schedule 1 (EB-2010-0018) of \$140,625 in 2008 related to the IGPC pipeline. If some of the management fees did relate to the IGPC pipeline, please provide details, including the amount, the purpose of payment, and the specifics of the work performed and by whom.
15. Attached as Table 2 below are the Capitalized Expenses identified by NRG in its pre-filed evidence in EB-2010-0018, at Exhibits D4– 6, Tabs 3, Schedules 1, and from EB-2005-0544, Exhibit D6, Tab 3, Schedule 1 Updated.
  - (a) Please confirm that the figures included in Table 2 below are correct and represent IGPC's filings in EB-2005-0544 and EB-2010-0018.
  - (b) Do any of the capitalized expenses for 2007, 2008 and 2009 relate to the IGPC pipeline? If so, please provide a breakdown and an explanation as to the nature of the expenses which were capitalized.

<b>TABLE 2</b>					
<b>Capitalized Expenses</b>					
	2006 Actual	2007 Test	2007 Actual	2008 Actual	2009 Actual
Wages		81,497	41,918	31,820	39,365
Equipment	53,575	33,265	15,152	11,436	17,956
Total	53,575	114,762	57,070	43,256	57,321



16. In respect of the salary and benefits paid to Mr. Bristoll in respect of his work related to the IGPC pipeline and overhead costs which NRG claim and have included in rate base, please identify any regulatory filing or any other public document or financial statement (and produce a copy of same) which indicates that NRG has capitalized any portion of its O&M expenses in fiscal years 2007, 2008 and 2009, due to work undertaken in respect of the IGPC pipeline.

17. Reference: NRG response to IGPC Interrogatory No. 12 (Round 1)

In its response to the above interrogatory, NRG referenced its response to Undertaking No. J1.5 in EB-2010-0018. A copy of J1.5 is attached and marked as Attachment 4, IGPC IR2, Round 2. This Undertaking response included, in the second Table, a list of all of the invoices paid by NRG for which interest during construction is being claimed by NRG as against IGPC. The list of consultants includes "Mark Bristoll" (no invoice number, but invoice date of November 27, 2007) and, under the heading to the column "NRG Direct", a payment of \$130,006.50. Please respond to the following questions:

- (a) Does NRG agree that this entry for Mark Bristoll is the only entry for Mr. Bristoll in respect of the costs identified in the tables attached to Undertaking J1.5?
- (b) Please produce a copy of the Mark Bristoll invoice dated November 27, 2007, and all backup and supporting materials justifying a payment of \$130,006.50 to Mr. Bristoll.
- (c) Please reconcile the payment to Mr. Bristoll as a consultant in the amount of \$130,006.50 with NRG's response to IGPC Interrogatory No. 12 (Round 1) (a copy of which is attached as Attachment 5) which implies that in 2007 and 2008 (calendar and fiscal years) Mr. Bristoll was paid only under his employment agreement with NRG Limited. Please provide a detailed explanation.
- (d) Was this payment of \$130,006.50 in addition to Mr. Bristoll's salary at NRG Limited as indicated in NRG's response to IGPC Interrogatory No. 12 (Round 1)? If the payment was in addition to his salary, please advise of the total amount paid to Mr. Bristoll (as employee and consultant) in fiscal and calendar years 2007 and 2008.
- (e) Please confirm that in EB-2010-0018 NRG had agreed not to charge any interest in respect of Mr. Bristoll's time.

Issue 2.1.4 – Interest during construction

Preamble:

In its response to IGPC to Interrogatory No 13 (Round 1), NRG referenced its Undertaking response No. J1.5 given in the EB-2010-0018 proceeding (attached hereto as Attachment 4) which contained a response and two Tables with NRG's interest charge calculations.

In respect of "Project interest during construction" NRG, Undertaking response No. J1.5 referenced Section 3.14(d) of the PCRA, which reads:

*"Utility costs shall include the reasonable cost of interest during construction calculated in accordance with the OEB approved methodology and Overhead related to the Pipeline Work. Internal utility costs will include reasonable administrative and supervisory costs; and technician and field personnel required for the testing and commissioning of the Utility Connection Facilities."*

In EB-2006-0117, the Board approved the methodology prescribed for use when calculating interest during construction. Attached is a copy of the most recent iteration of the Prescribed Interest Rates methodology with the rates prescribed by the Board (hereinafter referred to as the "Board-Prescribed Interest Rates".)

Questions

18. Does NRG admit that it is subject to the Board-Prescribed Interest Rates methodology approved in EB-2006-0117?
19. From the second Table attached to NRG's response to Undertaking No. J1.5 (which relates to "project interest during construction"), does NRG acknowledge that all of the interest claimed accrued during the four quarters of 2008? If not, please provide a breakdown of the interest charges calculated by quarter of the year in which the charges accrued.
20. Please confirm that according to the second Table of NRG's response to Undertaking No. J1.5 that NRG has charged the following interest rates for the purposes of calculating its claim for interest during construction during the four quarters of 2008:

First Quarter	7.75%
Second Quarter	6.75 - 7.25%
Third Quarter	6.75%
Fourth Quarter	6.0 – 6.75%

If the above figures are in any way inaccurate, please identify the interest rates used and the periods when used.

21. Please confirm that the Board-Prescribed Interest Rates for interest during construction during the four quarters in 2008 are:

First Quarter	5.18%
Second Quarter	5.18%
Third Quarter	5.43%
Fourth Quarter	5.43%

22. Please recalculate the interest during construction using the Board-Prescribed Interest Rates set out above in each of the applicable quarters of 2008, and provide a new table equivalent to the second Table of NRG's response to Undertaking No. J1.5 with the revised calculations.
23. Please confirm that all of the costs identified in each of the invoices referenced in the second Table to NRG's response to Undertaking No. J1.5 are costs that were included in rate base, effective August 1, 2008.



## Prescribed Interest Rates

### Rate-Regulated Entities

On November 28, 2006, the Ontario Energy Board approved a methodology to prescribe interest rates for the approved regulatory accounts under the Uniform System of Accounts for natural gas utilities and electricity distributors (EB-2006-0117). The prescribed interest rates also apply to the regulatory accounts of other rate or payment regulated entities when authorized by the Board to use these rates.

The prescribed interest rate for Board-approved deferral and variance accounts is equal to the Bankers' Acceptances three-month rate, as published on the Bank of Canada's website, plus a spread of 25 basis points.

The prescribed interest rate for the construction work in progress (CWIP) account is equal to the DEX Mid Term Corporate Bond Index Yield. The Ontario Energy Board under a licence obtains this yield rate from PC-Bond, a business unit of TSX Inc. Previously since July 2007, the source data reference for the CWIP interest rate, Scotia Capital Inc. All Corporates Average Weighted Yield Mid-Term, was publicly unavailable via the Bank of Canada's website. This bond yield was renamed DEX Mid Term Corporate Bond Index.

These prescribed rates are reviewed and updated each quarter. However, no change is made to the prescribed interest rate where the difference between the updated Current quarter's Bankers' Acceptances three-months rate (plus a 25 basis points spread) or the DEX Mid Term Corporate Bond Index yield and the Previous quarter's OEB-prescribed interest rate is less than 25 basis points (i.e., the Previous quarter's OEB-prescribed interest rate is continued for the Current quarter).

For each quarter commencing Q2 2006, the prescribed interest rates are shown in the table below.

<b>Quarter by Year<sup>1</sup></b>	<b><u>Approved Deferral and Variance Accounts</u></b>	<b><u>CWIP Account</u></b>
	<b>Prescribed Interest Rate (per the Bankers' Acceptances-3 months Plus 0.25 Spread)</b>	<b>Prescribed Interest Rate (per the DEX Mid Term Corporate Bond Index Yield<sup>2)</sup></b>
<b>Q4 2013</b>	<b>1.47</b>	<b>3.70</b>
Q3 2013	1.47	3.23
Q2 2013	1.47	3.23
Q1 2013	1.47	3.23
Q4 2012	1.47	3.23
Q3 2012	1.47	3.51
Q2 2012	1.47	3.51
Q1 2012	1.47	3.92
Q4 2011	1.47	3.92
Q3 2011	1.47	4.29

Q2 2011	1.47	4.29
Q1 2011	1.47	4.29
Q4 2010	1.2	4.01
Q3 2010	0.89	4.66
Q2 2010	0.55	4.34
Q1 2010	0.55	4.34
Q4 2009	0.55	4.66
Q3 2009	0.55	5.67
Q2 2009	1.00	6.61
Q1 2009	2.45	6.61
Q4 2008	3.35	5.43
Q3 2008	3.35	5.43
Q2 2008	4.08	5.18
Q1 2008	5.14	5.18
Q4 2007	5.14	5.18
Q3 2007	4.59	5.18
Q2 2007	4.59	4.72
Q1 2007	4.59	4.72
Q4 2006	4.59	4.72
Q3 2006	4.59	5.05
Q2 2006	4.14	4.68

**Footnotes:**

1. Q1 is January to March  
Q2 is April to June  
Q3 is July to September  
Q4 is October to December

Source of data for Q4-2007 and after: PC-Bond, a business unit of TSX Inc. Copyright © TSX Inc. All rights reserved.

Issue 2.1.5 – Insurance costs and other service costs (e.g. auditing)

Reference: O&M Maintenance Expense 2007 Test Year, EB-2005-0544, and Board Rate Order, dated September 28, 2006, EB-2005-0544.

24. Does NRG admit that its 2007 Test Year Operating and Maintenance Expense (EB-2005-0544, Exhibit D6, Tab 3, Schedule 1 Updated) included forecast insurance costs of \$273,911? Does NRG admit that this amount was included in the Board's Rate Order without reduction in EB-2005-0544?
25. The Table below includes the actual insurance costs which IGPC has incurred in each of the years 2007, 2008 and 2009, based upon NRG's pre-filed evidence in EB-2012-0018, at Exhibits D4, Tab 3, Schedule 1; D5, Tab 3, Schedule 1; and D6, Tab 3, Schedule 1.

Year	Insurance Amount
2007	\$185,199
2008	\$180,659
2009	\$197,396

26. Please confirm the audited financial statements for NRG do not include any note that any insurance costs were capitalized for 2006, 2007, 2008 or 2009.

INTERROGATORY #3

Issue 3 - Are the capital contribution amounts and the financial assurance provided to NRG by IGPC for existing NRG facilities serving IGPC reasonable?

Preamble

NRG completed an economic analysis that was filed in EB-2006-0243 in response to the requirements of EBO 188. NRG filed an amended economic analysis in EB-2010-0018 for closing amounts to rate base. IGPC is seeking to understand the amended economic calculation completed by NRG as part of EB-2010-0018.

Questions

1. Please confirm NRG seeks to rely upon the EB-2010-0018 financial model rather than the financial model provided in EB-2006-0243 at the time NRG agreed to the Pipeline Cost Recovery Agreement.

The following questions refer to the financial model provided by NRG as part of EB-2010-0018 and filed as a live version in this proceeding.

2. Please confirm the analysis is intended to be effective October 1, 2008.
3. Please confirm that NRG invoiced IGPC a total of \$329,334 for gas deliveries from July 15, 2008 to September 30, 2008.
4. Please confirm that NRG's analysis does not incorporate the fact that it earned distribution revenues from IGPC prior October 1, 2008.
5. Please confirm that the NRG analysis incorporates the July 15, 2008 to September 30, 2008 revenues as if the revenues were earned during 2015.
6. Please confirm that the impact of not accounting for the distribution revenue discussed in questions 3 and 5 above is approximately \$44,300, calculated on a net present value basis. If NRG calculates a different figure, please provide detailed calculations and the assumptions used and why.
7. Please confirm that NRG escalated \$8,399,880.00 (the "**base amount**") from July 15, 2008 to October 1, 2008 by applying an annual rate of 7.06% to arrive at \$8,521,306.
8. Please confirm that NRG was ordered in EB-2010-0018 to include the IGPC Pipeline in rate base effective August 1, 2008.
9. Please confirm that the base amount claimed of \$8,399,880 includes the following amounts:
  - (a) \$132,000 in contingencies;

- (b) \$507,038 for costs incurred after July 15, 2008 (according to the second table to NRG response to Undertaking J1.5).
  - (c) \$ 72,930 for interest after July 15, 2008 (according to the second table to NRG response to Undertaking J1.5).
  - (d) \$59,294.50 for interest after August 1, 2008 (according to the second table to NRG response to Undertaking J1.5).
- 10. Please confirm that NRG continued to charge interest from August 1, 2008 to October 1, 2008 after the pipeline was ordered to be placed into rate base.
  - 11. Please confirm that no contingencies were actually spent in 2008 or 2009. If incorrect please provide the year, the amount and the service provider or use of funds.
  - 12. Please confirm that NRG's forecast net revenue over the 7-year economic analysis is \$2,086,795. If incorrect, please explain and provide the correct figure.
  - 13. Please confirm that the model used for establishing rate base and rates was the version filed in EB-2010-0018.
  - 14. If any of the above figures are not correct in NRG's view, please provide the appropriate figure and a complete explanation and detailed calculation of how the figure was determined.



NATURAL RESOURCE GAS LIMITED

Operating and Maintenance Expense

2007 Test Year

(\$'s)

<u>Expense Category</u>	<u>Test 2007</u>	<u>Bridge 2006</u>	<u>Variance from Bridge 2006</u>
Wages	911,623	881,963	29,660
Employee Benefits	132,997	132,025	972
Insurance	273,911	248,385	25,526
Utilities	16,428	15,691	737
Advertising	74,861	174,646	(99,785)
Telephone	33,758	40,164	(6,406)
Office & Postage	90,657	87,475	3,182
Repair & Maintenance	149,316	143,880	5,436
Automotive	99,551	102,068	(2,517)
Dues & Fees	23,256	22,800	456
Mapping Expense	0	0	0
Regulatory	193,700	73,600	120,100
Bad Debts	15,828	15,499	329
Office Rent	9,600	9,600	0
Interest - Security Deposits	1,224	1,200	24
Bank Charges	10,968	10,757	211
Collection Expense	11,940	11,700	240
Travel & Ent.	7,464	7,320	144
Legal	30,000	60,000	(30,000)
Audit	35,700	35,000	700
Consulting Fees	42,840	42,000	840
Management Fees	90,576	88,800	1,776
Miscellaneous	8,136	7,980	156
Total O & M Expenses	2,264,334	2,212,553	51,781
Capitalized Expenses			
Wages	81,497	71,078	10,419
Equipment	33,265	28,767	4,498
Total Capitalized Expenses	114,762	99,845	14,918
Total Net Expenses	<u>2,149,572</u>	<u>2,112,708</u>	<u>36,864</u>
Average Number of Customers	6,793	6,389	404
Net Expense per Customer	<u>316.44</u>	<u>330.68</u>	<u>(14.24)</u>

Ontario Energy  
Board

Commission de l'Énergie  
de l'Ontario



**EB-2005-0544**

**IN THE MATTER OF** the *Ontario Energy Board Act*, 1998, S.O. 1998, c.15 (Schedule B);

**AND IN THE MATTER OF** an Application by Natural Resource Gas Limited, pursuant to section 36 (1) of the *Ontario Energy Board Act*, 1998, 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, 2006;

**BEFORE:** Gordon Kaiser  
Vice Chair and Presiding Member

Cathy Spoel  
Member

**RATE ORDER ARISING FROM THE 2007 TEST YEAR DECISION WITH REASONS**  
**EB-2005-0544**

Natural Resource Gas Limited ("NRG" or the "Company") filed an Application, dated March 30, 2006, with the Ontario Energy Board under section 36 of the *Ontario Energy Board Act*, S.O. 1998, c.15, for an order or orders of the Board approving or fixing rates for the 2007 fiscal year, commencing October 1, 2006.

An oral hearing was held in Toronto on July 21, 24 and 25, 2006, following which the Board issued its Decision with Reasons dated September 20, 2006. In its decision, the Board directed NRG, among other things, to file financial schedules reflecting the Board's findings. On the basis of the information submitted by NRG, the Board finds that:

- a) NRG's rate base for its 2007 test year is \$9,693,286;
- b) the overall rate of return on rate base for the 2007 test year is 8.87%, including a return on equity of 9.20%; and

- c) NRG's delivery related revenue deficiency for the 2007 test year is \$126,097.

The financial schedules for the 2007 test year are found in Appendix "A". The rate impacts for each rate class flowing from the Board's Decision are provided in Appendix "D".

**THE BOARD THEREFORE ORDERS THAT:**

1. The Financial Statements, attached as Appendix "A" to this order, are accepted as the basis for the rates in this order.
2. The rates and other charges set forth in the rate schedules, attached as Appendix "B", with the exception of the gas supply charge, but including the system gas fee, are approved and shall apply to all gas taken or considered to have been taken on or after October 1, 2006. These rates will be immediately superseded by the rates resulting from the October 2006 QRAM (EB-2006-0213) decision and order.
3. The appropriate form of customer notice shall accompany each customer's bill following the implementation of this rate order.
4. NRG shall continue the deferral and variance accounts as set forth in Appendix "C". NRG shall record simple interest on the monthly opening balances, calculated at the Board-approved short-term rate.

**ISSUED** at Toronto, September 28, 2006

ONTARIO ENERGY BOARD

***Original signed by***

Kirsten Walli  
Board Secretary

**APPENDIX "A"**

**TO**

**BOARD ORDER EB-2005-0544**

**DATED SEPTEMBER 28, 2006**

NATURAL RESOURCE GAS LIMITED

UTILITY INCOME

For the Year Ending September 30, 2007  
(\$)

	Per <u>Company *</u>	Board <u>Decision</u>	<u>Note</u>	Per <u>Board</u>
<u>Revenue</u>				
Distribution Revenue	3,889,059	0		3,889,059
Other Operating Revenue (Net)	<u>681,026</u>	<u>0</u>		<u>681,026</u>
Total Revenue	4,570,085	0		4,570,085
<u>Expenses</u>				
Gas Transportation costs	448,437	0		448,437
Operation & Maintenance	2,149,572	(3,990)	(1)	2,145,582
Depreciation & Amortization	731,597	(1,093)	(2)	730,504
Property & Capital Taxes	<u>334,437</u>	<u>0</u>		<u>334,437</u>
Total Expenses	3,664,043	(5,083)		3,658,960
Utility Income Before Income Taxes	906,042	5,083		911,125
Income Taxes	<u>106,232</u>	<u>24,085</u>		<u>130,317</u>
<u>Utility Income</u>	<u>799,810</u>	<u>(19,002)</u>		<u>780,808</u>

\* As per Exhibit F6, Tab 1, Schedule 2, Updated

(1) Per Board Decision - page 19

(2) Per Board Decision - page 9

Reflects reduction in automotive capital expenditures - 38,000 x 16.6% =	(6,308)
Reflects retention of existing vehicle +31,413 x 16.6% =	<u>5,215</u>
	(1,093)

**NATURAL RESOURCE GAS LIMITED**

**Operating and Maintenance Expense**

**2007 Actual**

**(\$'s)**

<u>Expense Category</u>	<u>Actual 2007</u>	<u>Actual 2006</u>	<u>Variance from 2006</u>
Wages	1,019,249	896,687	122,562
Employee Benefits	113,602	126,485	-12,883
Insurance	185,199	235,774	-50,575
Utilities	14,541	16,565	-2,024
Advertising	16,651	36,612	-19,960
Telephone	54,070	41,658	12,411
Office & Postage	108,098	96,400	11,698
Repair & Maintenance	63,537	131,757	-68,220
Automotive	60,309	83,866	-23,557
Dues & Fees	18,082	20,054	-1,972
Mapping Expense	403	357	46
Regulatory	48,559	165,980	-117,421
Bad Debts	0	13,500	-13,500
Office Rent	9,600	9,600	0
Interest - Security Deposits	4,274	1,376	2,899
Bank Charges	17,713	12,897	4,816
Collection Expense	8,755	11,820	-3,064
Travel & Ent.	14,609	2,158	12,451
Legal	51,808	125,361	-73,553
Audit	15,500	20,086	-4,586
Consulting Fees	129,454	59,254	70,200
Management Fees (Net)	89,750	103,500	-13,750
Miscellaneous	0	103,500	-103,500
Total O & M Expenses	<u>2,043,764</u>	<u>2,315,246</u>	<u>-271,482</u>
Capitalized Expenses			
Wages	41,918	0	41,918
Equipment	<u>15,152</u>	<u>53,575</u>	<u>-38,423</u>
Total Capitalized Expenses	<u>57,071</u>	<u>53,575</u>	<u>3,496</u>
Total Net Expenses	<u>1,986,694</u>	<u>2,261,671</u>	<u>-274,977</u>
Average Number of Customers	6,551	0	6,551
Net Expense per Customer	<u>303.28</u>	<u>#DIV/0!</u>	<u>#DIV/0!</u>

**NATURAL RESOURCE GAS LIMITED**

**Operating and Maintenance Expense**

**2008 Actual**

**(\$'s)**

<u>Expense Category</u>	<u>Actual 2008</u>	<u>Actual 2007</u>	<u>Variance from 2007</u>
Wages	1,014,410	1,019,249	-4,839
Employee Benefits	146,885	113,602	33,283
Insurance	180,659	185,199	-4,540
Utilities	13,879	14,541	-661
Advertising	42,939	16,651	26,288
Telephone	61,834	54,070	7,764
Office & Postage	111,403	108,098	3,305
Repair & Maintenance	126,395	63,537	62,858
Automotive	92,415	60,309	32,105
Dues & Fees	23,288	18,082	5,206
Mapping Expense	220	403	-183
Regulatory	4,345	48,559	-44,214
Bad Debts	37,239	0	37,239
Office Rent	9,600	9,600	0
Interest - Security Deposits	7,666	4,274	3,392
Bank Charges	17,078	17,713	-635
Collection Expense	13,338	8,755	4,583
Travel & Ent.	6,862	14,609	-7,747
Legal	8,190	51,808	-43,618
Audit	5,878	15,500	-9,622
Consulting Fees	117,547	129,454	-11,907
Management Fees (Net)	140,625	89,750	50,875
Miscellaneous	0	0	0
Total O & M Expenses	2,182,695	2,043,764	138,931
Capitalized Expenses			
Wages	31,820	41,918	-10,099
Equipment	11,436	15,152	-3,716
Total Capitalized Expenses	43,255	57,071	-13,815
Total Net Expenses	2,139,440	1,986,694	<u>152,746</u>
Average Number of Customers	6,713	6,551	163
Net Expense per Customer	<u>318.69</u>	<u>303.28</u>	<u>15.41</u>

**NATURAL RESOURCE GAS LIMITED**

**Operating and Maintenance Expense**

**2009 Actual**  
**(\$'s)**

<u>Expense Category</u>	<u>Actual 2009</u>	<u>Actual 2008</u>	<u>Variance from 2008</u>
Wages	963,348	1,014,410	-51,062
Employee Benefits	148,883	146,885	1,999
Insurance	197,396	180,659	16,737
Utilities	12,658	13,879	-1,221
Advertising	38,263	42,939	-4,676
Telephone	59,776	61,834	-2,058
Office & Postage	115,429	111,403	4,025
Repair & Maintenance	110,269	126,395	-16,126
Automotive	69,528	92,415	-22,887
Dues & Fees	19,424	23,288	-3,864
Mapping Expense	1,013	220	793
Regulatory	32,211	4,345	27,866
Bad Debts	51,982	37,239	14,743
Office Rent	0	9,600	-9,600
Interest - Security Deposits	5,843	7,666	-1,823
Bank Charges	16,618	17,078	-460
Collection Expense	14,308	13,338	969
Travel & Ent.	3,371	6,862	-3,491
Legal	47,472	8,190	39,282
Audit	15,577	5,878	9,700
Consulting Fees	38,832	117,547	-78,715
Management Fees (Net)	216,250	140,625	75,625
Miscellaneous		0	0
Total O & M Expenses	2,178,451	2,182,695	-4,244
Capitalized Expenses			
Wages	39,365	31,820	7,546
Equipment	17,956	11,436	6,520
Total Capitalized Expenses	57,321	43,255	14,066
Total Net Expenses	<u>2,121,130</u>	<u>2,139,440</u>	<u>-18,309</u>
Average Number of Customers	6,869	6,713	156
Net Expense per Customer	<u>308.79</u>	<u>318.69</u>	<u>-9.90</u>



**UNDERTAKING NO. J1.5: TO MAKE AND PROVIDE CALCULATIONS UPON RECEIPT OF INFORMATION FROM IGPC RELATED TO APPROPRIATE INTEREST CHARGE.**

**RESPONSE:** We have recalculated the interest based on the date that IGPC received the invoices from NRG (as opposed to original invoice date on supplier invoices). On that basis, the interest calculation is as follows:

**“Aid to Construct” Interest (see attached table)**

- Interest is calculated from the due date of the Aid-to-Construct invoice to the date the amount was received from IGPC.
- The rate applied here is Prime plus 1% in accordance with the PCRA (section 3.8).

**“Project Interest During Construction” (see second table attached)**

- Interest is calculated from the date the last Aid-to-Construct payment was due to the date the final invoice from the primary contract was received. During this period, NRG was financing the construction costs.
- The rate applied here is Prime plus 2% in accordance with the PCRA (section 3.14(d) – a “reasonable cost of interest during construction”). NRG’s position is that this represents a reasonable interest cost.

Filed: October 21, 2013  
EB-2012-0406 / EB-2013-0081  
IGPC IR2 (Round 2)  
Attachment 4

**Aid to Construct Payments**

Invoice	Due				(Prime + 1%)	
Date	Date	Amount	Date	Days	Interest	Interest
			Received	Outstanding	Percent	
		130,000.00	13-Oct-06	-	-	-
		100,000.00	16-Feb-07	-	-	-
19-Feb-07	6-Mar-07	181,454.00	26-Feb-07	-	-	-
28-Mar-07	11-Apr-07	130,159.06	20-Apr-07	9	7.00%	224.66
30-Apr-07	15-May-07	73,898.33	31-May-07	16	7.00%	226.76
22-Jun-07	7-Jul-07	23,643.43	5-Oct-07	90	7.00%	408.09
17-Oct-07	1-Nov-07	23,130.12	2-Nov-07	1	7.25%	4.59
2-Jan-08	17-Jan-08	413,665.00	8-May-08	112	5.75%	7,298.64
						<u>8,162.74</u>

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IGPC IR2 (Round 2)  
Attachment 4

**NATURAL RESOURCE GAS LIMITED**  
**IGPC Project Interest Summary**

As of October 28, 2008

Consultant	Invoice Number	Date	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest
Aiken & Associates	618-2006	30-Jun-06	480.00	33.60	513.60	0	-	513.60	6.00%	2.00%		-
Ogilvy Renault LLP	633876	13-Jul-06	9,601.19	576.07	10,177.26	13	-	10,690.86	6.00%	2.00%		-
NRG Corp.	915	1-Aug-06	1,046.25	-	1,046.25	19	-	11,737.11	6.00%	2.00%		-
Ogilvy Renault LLP	642776	16-Aug-06	2,088.75	125.33	2,214.08	15	-	13,951.19	6.00%	2.00%		-
Ogilvy Renault LLP	648629	15-Sep-06	1,282.52	76.95	1,359.47	30	-	15,310.66	6.00%	2.00%		-
Ogilvy Renault LLP	648627	15-Sep-06	21.25	1.28	22.53	-	-	15,333.18	6.00%	2.00%		-
AUE - Aecon Utility Engineering	262	27-Sep-06	4,800.00	288.00	5,088.00	12	-	20,421.18	6.00%	2.00%		-
Harrison Pensa LLP	68035	27-Sep-06	1,796.00	107.76	1,903.76	-	-	22,324.94	6.00%	2.00%		-
Aiken & Associates	632-2006	30-Sep-06	1,162.50	69.75	1,232.25	3	-	23,557.19	6.00%	2.00%		-
Aid-to-Construct Receipt		13-Oct-06	-	-	-	13	130,000.00	(106,442.81)	6.00%	2.00%		-
Harrison Pensa LLP	68732	17-Oct-06	5,485.34	329.12	5,814.46	4	-	(100,628.35)	6.00%	2.00%		-
Ogilvy Renault LLP	655972	17-Oct-06	2,036.25	122.18	2,158.43	-	-	(98,469.92)	6.00%	2.00%		-
Ogilvy Renault LLP	655974	17-Oct-06	33,292.07	1,997.52	35,289.59	-	-	(63,180.33)	6.00%	2.00%		-
AUE - Aecon Utility Engineering	283	25-Oct-06	35,100.00	2,106.00	37,206.00	8	-	(25,974.33)	6.00%	2.00%		-
Aiken & Associates	635-2006	31-Oct-06	468.75	28.13	496.88	6	-	(25,477.45)	6.00%	2.00%		-
TSSA Total	P0610-18532	31-Oct-06	750.00	45.00	795.00	-	-	(24,682.45)	6.00%	2.00%		-
Ogilvy Renault LLP	673462	14-Nov-06	17,675.24	1,059.02	18,734.26	14	-	(5,948.19)	6.00%	2.00%		-
Ogilvy Renault LLP	665207	17-Nov-06	17,342.71	1,040.56	18,383.27	3	-	12,435.08	6.00%	2.00%		-
Martin Malette	2378	20-Nov-06	291.74	17.50	309.24	3	-	12,744.32	6.00%	2.00%		-
AUE - Aecon Utility Engineering	303	22-Nov-06	42,225.00	2,533.50	44,758.50	2	-	57,502.82	6.00%	2.00%		-
Lobserveateur	1780	1-Dec-06	1,935.00	116.10	2,051.10	9	-	59,553.92	6.00%	2.00%		-
The London Free Press Total	1.3423E+10	2-Dec-06	7,585.20	455.11	8,040.31	1	-	67,594.24	6.00%	2.00%		-
FKS Land Surveyors	06-426	13-Dec-06	60,917.50	3,655.05	64,572.55	11	-	132,166.79	6.00%	2.00%		-
Aiken & Associates	642-2006	29-Dec-06	1,262.04	75.72	1,337.76	16	-	133,504.55	6.00%	2.00%		-
AUE - Aecon Utility Engineering	315	31-Dec-06	67,842.88	4,070.57	71,913.45	2	-	205,418.00	6.00%	2.00%		-
Viva Voce Reporting Ltd. Total	1805	31-Dec-06	2,195.31	131.72	2,327.03	-	-	207,745.03	6.00%	2.00%		-
Ogilvy Renault LLP	680927	17-Jan-07	33,570.46	2,013.86	35,584.32	17	-	243,329.35	6.00%	2.00%		-
Senes Consultants Ltd. Total	21965	18-Jan-07	13,546.92	812.82	14,359.74	1	-	257,689.09	6.00%	2.00%		-
A.S.A.P. Reporting Services	181	22-Jan-07	1,081.00	64.86	1,145.86	4	-	258,834.95	6.00%	2.00%		-
Aiken & Associates	705-2007	2-Feb-07	2,406.50	144.39	2,550.89	11	-	261,385.84	6.00%	2.00%		-
Ogilvy Renault LLP	687364	6-Feb-07	25,254.51	1,514.53	26,769.04	4	-	288,154.88	6.00%	2.00%		-
Aid-to-Construct Receipt		16-Feb-07	-	-	-	10	100,000.00	188,154.88	6.00%	2.00%		-
A.S.A.P. Reporting Services	304	20-Feb-07	1,095.00	65.70	1,160.70	4	-	189,315.58	6.00%	2.00%		-
AUE - Aecon Utility Engineering	347	20-Feb-07	106,800.25	6,408.02	113,208.27	-	-	302,523.84	6.00%	2.00%		-
Aid-to-Construct Receipt		26-Feb-07	-	-	-	6	181,454.00	121,069.84	6.00%	2.00%		-
A.S.A.P. Reporting Services	366	27-Feb-07	150.00	9.00	159.00	1	-	121,228.84	6.00%	2.00%		-
Ogilvy Renault LLP	695597	7-Mar-07	3,218.15	192.71	3,410.86	8	-	124,639.70	6.00%	2.00%		-
Harrison Pensa LLP	72913	9-Mar-07	6,519.35	391.16	6,910.51	2	-	131,550.21	6.00%	2.00%		-
FKS Land Surveyors	07-040	21-Mar-07	11,200.00	672.00	11,872.00	12	-	143,422.21	6.00%	2.00%		-
AUE - Aecon Utility Engineering	364	28-Mar-07	38,744.50	2,324.67	41,069.17	7	-	184,491.38	6.00%	2.00%		-
Aiken & Associates	712-2007	30-Mar-07	656.25	39.38	695.63	2	-	185,187.01	6.00%	2.00%		-
Ogilvy Renault LLP	703732	10-Apr-07	15,428.23	925.04	16,353.27	11	-	201,540.28	6.00%	2.00%		-
A.S.A.P. Reporting Services	567	17-Apr-07	5,149.75	308.99	5,458.74	7	-	206,999.01	6.00%	2.00%		-
Aid-to-Construct Receipt		20-Apr-07	-	-	-	3	130,159.06	76,839.95	6.00%	2.00%		-
AUE - Aecon Utility Engineering	377	25-Apr-07	420.00	25.20	445.20	5	-	77,285.15	6.00%	2.00%		-
Harrison Pensa LLP	74283	30-Apr-07	423.75	25.43	449.18	5	-	77,734.33	6.00%	2.00%		-
Ogilvy Renault LLP	712635	14-May-07	20,165.98	1,209.84	21,375.82	14	-	99,110.15	6.00%	2.00%		-
Aid-to-Construct Receipt		31-May-07	-	-	-	17	73,898.33	25,211.82	6.00%	2.00%		-
Aiken & Associates	719-2007	31-May-07	75.00	4.50	79.50	-	-	25,291.32	6.00%	2.00%		-
AUE - Aecon Utility Engineering	397	31-May-07	795.00	47.70	842.70	-	-	26,134.02	6.00%	2.00%		-
Stantec Consulting	241010	8-Jun-07	3,409.56	204.57	3,614.13	8	-	29,748.15	6.00%	2.00%		-
AUE - Aecon Utility Engineering	283	11-Jun-07	425.50	25.53	451.03	3	-	30,199.18	6.00%	2.00%		-
Ogilvy Renault LLP	719545	11-Jun-07	6,131.25	367.88	6,499.13	-	-	36,698.31	6.00%	2.00%		-
AUE - Aecon Utility Engineering	415	27-Jun-07	127.50	7.65	135.15	16	-	36,833.46	6.00%	2.00%		-
Neal, Pallett & Townsend	25378	28-Jun-07	2,014.00	100.70	2,114.70	1	-	38,948.16	6.00%	2.00%		-
Stantec Consulting	245954	29-Jun-07	2,500.42	150.03	2,650.45	1	-	41,598.61	6.00%	2.00%		-
Lenczner Slaght Royce	69539	13-Jul-07	23,003.25	1,380.20	24,383.45	14	-	65,982.06	6.25%	2.00%		-
Ogilvy Renault LLP	728429	13-Jul-07	44,487.09	2,673.88	47,160.97	-	-	113,143.03	6.25%	2.00%		-
Aiken & Associates	725-2007	31-Jul-07	375.00	22.50	397.50	18	-	113,540.53	6.25%	2.00%		-
Harrison Pensa LLP	10089	10-Aug-07	2,942.75	176.57	3,119.32	10	-	116,659.85	6.25%	2.00%		-

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EB-2012-0406 / EB-2013-0081  
IGPC IR2 (Round 2)

Attachment 4

Consultant	Invoice Number	Date	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest
Stantec Consulting	254306	17-Aug-07	4,632.55	277.95	4,910.50	7	-	121,570.35	6.25%	2.00%	-	-
Harrison Pensa LLP	77118	21-Aug-07	2,016.25	120.98	2,137.23	4	-	123,707.58	6.25%	2.00%	-	-
Ogilvy Renault LLP	737740	21-Aug-07	13,976.84	838.05	14,814.89	-	-	138,522.47	6.25%	2.00%	-	-
AUE - Aecon Utility Engineering	447	22-Aug-07	6,075.00	351.00	6,426.00	1	-	144,948.47	6.25%	2.00%	-	-
Ogilvy Renault LLP	741945	12-Sep-07	831.25	49.88	881.13	21	-	145,829.60	6.25%	2.00%	-	-
AUE - Aecon Utility Engineering	468	26-Sep-07	13,172.00	469.92	13,641.92	14	-	159,471.52	6.25%	2.00%	-	-
Aid-to-Construct Receipt		5-Oct-07	-	-	-	9	23,643.43	135,828.09	6.25%	2.00%	-	-
Ogilvy Renault LLP	748630	11-Oct-07	8,806.86	528.41	9,335.27	6	-	145,163.36	6.25%	2.00%	-	-
AUE - Aecon Utility Engineering	495	24-Oct-07	14,051.00	320.40	14,371.40	13	-	159,534.76	6.25%	2.00%	-	-
Lakeside Steel Corporation		29-Oct-07	-	-	-	5	-	159,534.76	6.25%	2.00%	-	-
Aid-to-Construct Receipt		2-Nov-07	-	-	-	4	23,130.12	136,404.64	6.25%	2.00%	-	-
Ogilvy Renault LLP	756818	9-Nov-07	377.92	22.68	400.60	7	-	136,805.24	6.25%	2.00%	-	-
AUE - Aecon Utility Engineering	525	20-Nov-07	21,563.00	549.00	22,112.00	11	-	158,917.24	6.25%	2.00%	-	-
Lenczner Slaght Royce	71966	29-Nov-07	47,949.79	2,849.39	50,799.18	9	-	209,716.42	6.25%	2.00%	-	-
Mark Bristol		27-Nov-07	130,006.50	-	130,006.50	2	-	339,722.92	6.25%	2.00%	-	-
Ogilvy Renault LLP	765103	7-Dec-07	375.00	22.50	397.50	8	-	340,120.42	6.00%	2.00%	-	-
Canadian Pacific Railway	2000050470	13-Dec-07	650.00	32.50	682.50	6	-	340,802.92	6.00%	2.00%	-	-
AUE - Aecon Utility Engineering	552	31-Dec-07	17,705.57	241.08	17,946.65	18	-	358,749.57	6.00%	2.00%	-	-
Ogilvy Renault LLP	775418	21-Jan-08	1,976.50	98.83	2,075.33	21	413,665.00	(52,840.10)	6.00%	2.00%	-	-
AUE - Aecon Utility Engineering	571	23-Jan-08	12,456.63	176.43	12,633.06	2	-	(40,207.04)	5.75%	2.00%	7.75%	(76.83)
The Municipality of Thames Centre	02/08	1-Feb-08	2,175.00	-	2,175.00	9	-	(38,032.04)	5.75%	2.00%	7.75%	(56.64)
Stantec Consulting	288433	8-Feb-08	6,857.46	342.87	7,200.33	7	-	(30,831.71)	5.75%	2.00%	7.75%	(32.87)
Ogilvy Renault LLP	782617	13-Feb-08	2,875.00	143.75	3,018.75	5	-	(27,812.96)	5.75%	2.00%	7.75%	(41.59)
AUE - Aecon Utility Engineering	591	20-Feb-08	35,140.00	1,757.00	36,897.00	7	-	9,084.04	5.75%	2.00%	7.75%	13.19
Lenczner Slaght Royce	73976	27-Feb-08	21,007.93	1,050.40	22,058.33	7	-	31,142.37	5.75%	2.00%	7.75%	13.14
Stantec Consulting	292497	29-Feb-08	5,603.24	280.16	5,883.40	2	-	37,025.77	5.75%	2.00%	7.75%	7.82
The Municipality of Thames Centre	03/08	1-Mar-08	9,300.00	-	9,300.00	1	-	46,325.77	5.75%	2.00%	7.75%	107.79
Ogilvy Renault LLP	790238	12-Mar-08	9,628.69	481.43	10,110.12	11	-	56,435.89	5.25%	2.00%	7.25%	55.98
Kettle Creek Conservation Authority		17-Mar-08	500.00	25.00	525.00	5	-	56,960.89	5.25%	2.00%	7.25%	-
Lenczner Slaght Royce	74245	17-Mar-08	69,327.21	3,466.36	72,793.57	-	-	129,754.46	5.25%	2.00%	7.25%	-
Upper Thames River Conservation Authority		17-Mar-08	10,300.00	-	10,300.00	-	-	140,054.46	5.25%	2.00%	7.25%	-
Upper Thames River Conservation Authority		17-Mar-08	500.00	-	500.00	-	-	140,554.46	5.25%	2.00%	7.25%	27.92
Catfish Creek Conservation Authority		18-Mar-08	100.00	5.00	105.00	1	-	140,659.46	5.25%	2.00%	7.25%	55.89
Harrison Pensa LLP	83601	20-Mar-08	490.50	24.53	515.03	2	-	141,174.49	5.25%	2.00%	7.25%	168.34
AUE - Aecon Utility Engineering	613	26-Mar-08	25,289.74	1,264.49	26,554.23	6	-	167,728.71	5.25%	2.00%	7.25%	-
MIG Engineering Ltd.	24931	26-Mar-08	10,885.14	544.26	11,429.40	-	-	179,158.11	5.25%	2.00%	7.25%	-
The Township of Malahide Total		26-Mar-08	21,160.00	-	21,160.00	-	-	200,318.11	5.25%	2.00%	7.25%	39.84
Harrison Pensa LLP	83768	27-Mar-08	735.50	36.78	772.28	1	-	201,090.38	5.25%	2.00%	7.25%	40.00
Purolator	402081827	28-Mar-08	17.51	0.88	18.39	1	-	201,108.77	5.25%	2.00%	7.25%	-
Stantec Consulting	292988	28-Mar-08	3,325.53	166.28	3,491.81	-	-	204,600.58	5.25%	2.00%	7.25%	-
The Corporation of the County of Elgin		28-Mar-08	400.00	-	400.00	-	-	205,000.58	5.25%	2.00%	7.25%	-
The Corporation of the County of Elgin		28-Mar-08	400.00	-	400.00	-	-	205,400.58	5.25%	2.00%	7.25%	122.59
Helix Courier Limited	67106	31-Mar-08	132.79	6.64	139.43	3	-	205,540.01	5.25%	2.00%	7.25%	40.91
The Municipality of Thames Centre	04/08	1-Apr-08	3,425.00	-	3,425.00	1	-	208,965.01	5.25%	2.00%	7.25%	124.81
Ayerswood Development Corporation	10137	4-Apr-08	194.51	9.73	204.24	3	-	209,169.24	5.25%	2.00%	7.25%	-
Purolator	402127889	4-Apr-08	35.02	1.75	36.77	-	-	209,206.01	5.25%	2.00%	7.25%	416.76
Ogilvy Renault LLP	798316	14-Apr-08	2,187.50	109.38	2,296.88	10	-	211,502.89	5.25%	2.00%	7.25%	-
Robert B. Somerville Co. Limited	08 008 01	14-Apr-08	163,593.97	8,179.70	171,773.67	-	-	383,276.56	5.25%	2.00%	7.25%	76.33
COMCO Pipe & Supply Company	841233	15-Apr-08	4,366.40	218.32	4,584.72	1	-	387,861.28	5.25%	2.00%	7.25%	154.52
C.R. Wall & Co. Inc.	SI-55773	17-Apr-08	26,370.58	1,220.86	27,591.44	2	-	415,452.72	5.25%	2.00%	7.25%	413.86
MIG Engineering Ltd.	24975	22-Apr-08	6,708.66	335.43	7,044.09	5	-	422,496.81	5.25%	2.00%	7.25%	-
MIG Engineering Ltd.	24976	22-Apr-08	24,072.30	1,203.62	25,275.92	-	-	447,772.73	5.25%	2.00%	7.25%	89.27
AUE - Aecon Utility Engineering	637	23-Apr-08	15,043.93	752.20	15,796.13	1	-	463,568.86	4.75%	2.00%	6.75%	86.05
COMCO Pipe & Supply Company	841817	24-Apr-08	3,645.00	182.25	3,827.25	1	-	467,396.11	4.75%	2.00%	6.75%	-
KTI Limited	59686	24-Apr-08	11,448.00	530.00	11,978.00	-	-	479,374.11	4.75%	2.00%	6.75%	-
KTI Limited	59687	24-Apr-08	10,130.40	469.00	10,599.40	-	-	489,973.51	4.75%	2.00%	6.75%	363.81
Harrison Pensa LLP	84743	28-Apr-08	4,972.50	248.63	5,221.13	4	-	495,194.63	4.75%	2.00%	6.75%	91.99
COMCO Pipe & Supply Company	842010	29-Apr-08	25,513.57	1,275.68	26,789.25	1	-	521,983.88	4.75%	2.00%	6.75%	290.87
MIG Engineering Ltd.	24979	2-May-08	28,374.71	1,418.74	29,793.45	3	-	551,777.32	4.75%	2.00%	6.75%	512.60
Lenczner Slaght Royce	74952	7-May-08	57,844.13	2,892.21	60,736.34	5	-	612,513.66	4.75%	2.00%	6.75%	341.54

Filed: October 21, 2013  
EB-2012-0406 / EB-2013-0081  
IGPC IR2 (Round 2)  
Attachment 4

Consultant	Invoice Number	Date	NRG Direct	GST	Total Amount	Days	Aid-to-Construct Payment	Net Cumulative Total	Prime	Premium	Interest Rate	Interest
Robert B. Somerville Co. Limited	08 008 02	10-May-08	616,624.17	30,831.21	647,455.38	3	-	1,259,969.04	4.75%	2.00%	6.75%	467.29
Aid-to-Construct Receipt		12-May-08	-	-	-	2	-	1,259,969.04	4.75%	2.00%	6.75%	-
Ogilvy Renault LLP	805822	12-May-08	4,600.00	230.00	4,830.00	-	-	1,264,799.04	4.75%	2.00%	6.75%	2,111.63
AUE - Aecon Utility Engineering	661	21-May-08	2,915.00	145.75	3,060.75	9	-	1,267,859.79	4.75%	2.00%	6.75%	471.16
COMCO Pipe & Supply Company	843129	23-May-08	2,170.80	108.54	2,279.34	2	-	1,270,139.13	4.75%	2.00%	6.75%	1,652.63
Ayerswood Development Corporation	10146	30-May-08	39.17	1.96	41.12	7	-	1,270,180.25	4.75%	2.00%	6.75%	-
Purolator	402493106	30-May-08	35.67	1.78	37.45	-	-	1,270,217.71	4.75%	2.00%	6.75%	236.41
Ayerswood Development Corporation	10149	31-May-08	300.00	15.00	315.00	1	-	1,270,532.71	4.75%	2.00%	6.75%	236.51
Ayerswood Development Corporation	10158	1-Jun-08	1,050.57	52.53	1,103.10	1	-	1,271,635.81	4.75%	2.00%	6.75%	1,183.80
Robert B. Somerville Co. Limited	08 008 03	6-Jun-08	971,370.45	48,568.52	1,019,938.97	5	-	2,291,574.78	4.75%	2.00%	6.75%	4,255.98
MIG Engineering Ltd.	25087	16-Jun-08	118,274.97	5,913.75	124,188.72	10	-	2,415,763.50	4.75%	2.00%	6.75%	1,797.41
Ogilvy Renault LLP	816373	20-Jun-08	718.75	35.94	754.69	4	-	2,416,518.18	4.75%	2.00%	6.75%	2,249.12
AUE - Aecon Utility Engineering	685	25-Jun-08	12,511.00	625.55	13,136.55	5	-	2,429,654.73	4.75%	2.00%	6.75%	2,263.34
Ayerswood Development Corporation	10164	30-Jun-08	350.76	17.54	368.30	5	-	2,430,023.03	4.75%	2.00%	6.75%	-
Corrosion Services Company Limited	22885	30-Jun-08	1,768.77	81.89	1,850.66	-	-	2,431,873.69	4.75%	2.00%	6.75%	-
Harrison Pensa LLP	86596	30-Jun-08	227.27	11.36	238.63	-	-	2,432,112.33	4.75%	2.00%	6.75%	-
KTI Limited	60541	30-Jun-08	800.00	104.00	904.00	-	-	2,433,016.33	4.75%	2.00%	6.75%	907.42
Neal, Pallett & Townsend	27423	2-Jul-08	900.00	45.00	945.00	2	-	2,433,961.33	4.75%	2.00%	6.75%	908.10
Purolator	402725966	4-Jul-08	111.63	5.58	117.21	2	-	2,434,078.54	4.75%	2.00%	6.75%	-
Robert B. Somerville Co. Limited	08 008 04	4-Jul-08	1,044,546.56	52,227.33	1,096,773.89	-	-	3,530,852.42	4.75%	2.00%	6.75%	2,628.28
C.R. Wall & Co. Inc.	SI-56816	8-Jul-08	621.00	28.75	649.75	4	-	3,531,502.17	4.75%	2.00%	6.75%	-
Fastenal	ONSTT18433	8-Jul-08	70.47	3.26	73.73	-	-	3,531,575.90	4.75%	2.00%	6.75%	1,315.38
Fastenal	ONSTT18497	10-Jul-08	70.46	3.52	73.98	2	-	3,531,649.89	4.75%	2.00%	6.75%	-
MIG Engineering Ltd.	25134	10-Jul-08	67,909.94	3,395.50	71,305.44	-	-	3,602,955.32	4.75%	2.00%	6.75%	3,355.66
Wellmaster	76262	15-Jul-08	11.48	0.57	12.05	5	-	3,602,967.38	4.75%	2.00%	6.75%	2,015.27
Ogilvy Renault LLP	823377	18-Jul-08	7,977.50	398.88	8,376.38	3	-	3,611,343.75	4.75%	2.00%	6.75%	-
Purolator	402818259	18-Jul-08	83.21	4.16	87.37	-	-	3,611,431.12	4.75%	2.00%	6.75%	2,694.77
AUE - Aecon Utility Engineering	706	22-Jul-08	1,485.96	74.30	1,560.26	4	-	3,612,991.38	4.75%	2.00%	6.75%	1,348.96
Neal, Pallett & Townsend	10167	24-Jul-08	6,767.29	406.04	7,173.33	2	-	3,620,164.71	4.75%	2.00%	6.75%	676.06
Purolator	402867492	25-Jul-08	66.08	3.30	69.38	1	-	3,620,234.09	4.75%	2.00%	6.75%	2,028.58
C.R. Wall & Co. Inc.	SI-57065	28-Jul-08	3,157.38	146.18	3,303.56	3	-	3,623,537.65	4.75%	2.00%	6.75%	1,354.36
C.R. Wall & Co. Inc.	SI-57112	30-Jul-08	4,390.47	203.26	4,593.73	2	-	3,628,131.38	4.75%	2.00%	6.75%	678.28
Helix Courier Limited	69517	31-Jul-08	64.80	3.24	68.04	1	-	3,628,199.42	4.75%	2.00%	6.75%	-
MIG Engineering Ltd.	25193	31-Jul-08	2,088.22	104.41	2,192.63	-	-	3,630,392.05	4.75%	2.00%	6.75%	5,430.59
MIG Engineering Ltd.	25196	8-Aug-08	3,760.10	188.01	3,948.11	8	-	3,634,340.16	4.75%	2.00%	6.75%	-
Robert B. Somerville Co. Limited	08 008 05	8-Aug-08	310,681.68	15,534.08	326,215.76	-	-	3,960,555.92	4.75%	2.00%	6.75%	3,704.43
Ogilvy Renault LLP	830606	13-Aug-08	143.75	7.19	150.94	5	-	3,960,706.86	4.75%	2.00%	6.75%	3,707.99
Corrosion Services Company Limited	23276	18-Aug-08	1,945.00	97.25	2,042.25	5	-	3,962,749.11	4.75%	2.00%	6.75%	1,485.32
AUE - Aecon Utility Engineering	735	20-Aug-08	195.91	9.80	205.71	2	-	3,962,954.82	4.75%	2.00%	6.75%	1,485.95
Purolator	4505192	22-Aug-08	118.52	5.93	124.45	2	-	3,963,079.26	4.75%	2.00%	6.75%	5,946.18
Aiken & Associates	826-2008	30-Aug-08	100.70	5.04	105.74	8	-	3,963,185.00	4.75%	2.00%	6.75%	-
Aiken & Associates	828-2008	30-Aug-08	293.75	14.69	308.44	-	-	3,963,493.44	4.75%	2.00%	6.75%	744.45
Black & McDonald Limited	43-W66147	31-Aug-08	823.18	41.16	864.34	1	-	3,964,357.77	4.75%	2.00%	6.75%	2,978.99
Bell	J16574	4-Sep-08	2,575.69	128.78	2,704.47	4	-	3,967,062.25	4.75%	2.00%	6.75%	745.80
KTI Limited	61488	5-Sep-08	134.00	17.42	151.42	1	-	3,967,213.67	4.75%	2.00%	6.75%	2,237.89
Ayerswood Development Corporation	10185	8-Sep-08	113.00	5.65	118.65	3	-	3,967,332.32	4.75%	2.00%	6.75%	746.40
MIG Engineering Ltd.	25274	9-Sep-08	7,610.86	380.54	7,991.40	1	-	3,975,323.72	4.75%	2.00%	6.75%	6,732.14
Union Gas Limited - Commission	140195	18-Sep-08	3,979.56	-	3,979.56	9	-	3,979,303.28	4.75%	2.00%	6.75%	5,999.97
Societe Generale		26-Sep-08	6,517.72	-	6,517.72	8	-	3,985,821.00	4.75%	2.00%	6.75%	3,009.24
Ayerswood Development Corporation	10197	30-Sep-08	55.50	2.78	58.28	4	-	3,985,879.28	4.75%	2.00%	6.75%	15,057.56
Harrison Pensa LLP - BNS	89782	20-Oct-08	29,295.25	1,460.26	30,755.51	20	-	4,016,634.79	4.25%	2.00%	6.25%	1,409.91
Lenczner Slaght Royce	78010	22-Oct-08	20,098.87	1,004.94	21,103.81	2	-	4,037,738.60	4.00%	2.00%	6.00%	3,402.28
Robert B. Somerville Co. Limited (final invoice)	08 008 06	27-Oct-08	68,824.91	3,441.25	72,266.16	5	-	4,110,004.76	4.00%	2.00%	6.00%	-
												<b>\$ 105,109.40</b>

Robert B. Somerville Co. Limited	08-008-01	14-Apr-08	163,593.97	8,179.70	
Robert B. Somerville Co. Limited	08 008 02	10-May-08	616,624.17	30,831.21	
Robert B. Somerville Co. Limited	08 008 03	6-Jun-08	971,370.45	48,568.52	
Robert B. Somerville Co. Limited	08 008 04	4-Jul-08	1,044,546.56	52,227.33	
Robert B. Somerville Co. Limited	08 008 05	8-Aug-08	310,681.68	15,534.08	
Robert B. Somerville Co. Limited	08 008 06	27-Oct-08	68,824.91	3,441.25	
<b>Robert B. Somerville Co. Limited Total</b>			<b>3,175,641.74</b>		

**INTERROGATORY #12**

**Issue 2.3**

**NRG staff costs (Mr. Bristoll)**

**Preamble:**

**IGPC wishes to understand the role of Mr. Bristoll in the construction of the IGPC Pipeline.**

**Reference:**

**NRG Evidence, June 3, 2013, para. 31, p. 6 of 22**

**Question:**

**(b) What was Mr. Bristoll's salary at NRG for each of the years 2006 – 2009? Please provide documentation to support this salary (such as a T4 or copies of pay stubs). This documentation may be provided confidentially if necessary.**

**(i) Please calculate the total amount of remuneration paid to Mr. Bristoll by NRG directly and/or any other entity where he was employed or engaged over the same time period that NRG has invoiced IGPC in respect of his services. To be clear, IGPC takes the position that the actual costs of Mr. Bristoll's services are to be calculated using as a base, his actual remuneration earned over the same time frame as NRG has invoiced IGPC less adjustments for time spent by Mr. Bristoll on other matters. Please provide copies of supporting T4s confirming Mr. Bristoll's total compensation during the relevant years being 2006 through 2009.**

**RESPONSE:**

**Please see attached schedule.**

**Mark Bristol**

Fiscal Year	Maximum Earnings 2006	Maximum Contribution 2007	Rate 2008	Employer Contribution 2009 (Note 3)
Salary - NRG Limited (per employment agreement)	\$ 187,500	\$ 265,000	\$ 280,000	\$ 285,000
Salary - Related Company	\$ 62,500			
Benefits	12,467	12,467	12,467	12,467
	<u>\$ 262,467</u>	<u>\$ 277,467</u>	<u>\$ 292,467</u>	<u>\$ 297,467</u>
Hours worked (excludes vacation)	1,920	1,920	1,920	1,920
Hourly Rate	<u>\$ 137</u>	<u>\$ 145</u>	<u>\$ 152</u>	<u>\$ 155</u>
Overhead (based on rates below) *	\$ 238	\$ 201	\$ 272	\$ 268
Hourly Rate incl overhead	<u>\$ 374</u>	<u>\$ 346</u>	<u>\$ 424</u>	<u>\$ 423</u>

Salary & Benefits (Note 1)	\$ 958,736	\$ 999,652	\$ 1,113,378	\$ 1,072,866
Overhead (Note 2)	\$ 1,666,463	\$ 1,390,665	\$ 1,988,478	\$ 1,854,812
Overhead rate	1.74	1.39	1.79	1.73

Note 1 - 2008 salary allocated to IGPC has been added back in to calculate overhead rate

Note 2 - excludes interest, capital tax, depreciation (on pipe and amortization of finance charges),  
and direct costs of ancillary sales

Note 3 - Mark Bristol left March 31, 2009 (2 months into fiscal year) salary has been annualized

**\* ACCOUNTING PRACTICE WHEN CAPITALIZING INTERNAL LABOUR IS TO INCLUDE OVERHEAD COSTS**