



Natural Resource Gas Limited

39 Beech St. E., PO Box 307, Aylmer On N5H 2S1

March 19, 2014

VIA COURIER & EMAIL

Ontario Energy Board
2300 Yonge Street
Suite 2601
Toronto, Ontario
M4P 1E4

Attention: Ms. Kirsten Walli, Board Secretary

Dear Ms. Walli:

RE: EB-2014-0053

Natural Resource Gas Limited – April 1, 2014 QRAM Application

On March 11, 2014 Natural Resource Gas Limited ("NRG") filed its April 1, 2014 QRAM.

NRG received questions from Board Staff on March 13, 2014. The responses to these questions are attached.

Yours truly,

Natural Resource Gas Limited

A handwritten signature in black ink, appearing to read "B. Lippold", is written over a faint, larger version of the same signature.

Brian Lippold
General Manager

Enclosure

c.c. Mr. Randy Aiken

All interveners in RP-2005-0544 and EB-2010-0018

RESPONSES TO BOARD STAFF

EB-2014-0053

QUESTION:

1. **Ref: Schedule 1/Page 2: NRG provided a brief description of its delivery obligations under its direct purchase bundled transportation contract with Union.**
 - (i) **Please provide a more detailed description of NRG's delivery obligations and balancing requirements under its direct purchase bundled transportation contract with Union.**
 - (ii) **Please explain whether NRG could have requested authorization from Union to deliver incremental gas to Union in advance of the Winter Checkpoint in order to reduce banked gas account imbalances. Did NRG make such requests to Union? If so, please document the responses. If not, why not?**

RESPONSE:

1.
 - (i) Refer to attached contract for more detail on NRG's delivery obligations. Schedule I.
 - (ii) Yes, NRG could have requested authorization from Union to deliver incremental gas to Union in advance of the Winter Checkpoint. But, this was not a reasonable or prudent thing to do having regard to past experience. NRG did not make a request from Union. There was no recent history (2010 to 2013) that would indicate that the cost of gas would be so consistently high in February, refer to Schedule 2. NRG reasonably expected that the cost of gas would decline during the month of February for purchases that were necessary to meet the Winter Checkpoint. NRG was acting prudently having regard to past experience and its obligation to avoid unnecessary price increases to its customers if at all possible. The extraordinary event that led to the penalty price was the wholly unpredictable inability to purchase gas at all and to deliver it to Union before 5:00 pm on February 28, 2014.

QUESTION:

2. Ref: Schedule 1/Page 3: NRG stated that, based on the Direct Purchase Status Report received from Union for the month ending January 31, 2014, it was notified that it was required to purchase 115,523 GJ in order to meet the Winter Checkpoint Quantity at the end of February 2014. NRG further noted that pursuant to its contract with Union, NRG was required to purchase the above noted volume by February 28, 2014.
- (i) Please provide the Direct Purchase Status Reports for each month from December 2013 to February 2014.
 - (ii) Please discuss the systems that NRG has in place to monitor imbalances in its banked gas account with Union.
 - (iii) Please discuss how often NRG monitors imbalances in its banked gas account.
 - (iv) Please discuss when NRG first became aware that there was an existing imbalance in its banked gas account.
 - (v) Please describe the systems that NRG has in place to monitor gas prices.
 - (vi) Please discuss how often NRG monitors gas prices when imbalances exist in its banked gas account.
 - (vii) Please provide natural gas prices at Dawn for each day (December 1, 2013 to February 28, 2014) on both a forward market and cash market basis.

RESPONSE:

2.

- (i) The report is attached as Schedule 3.
- (ii) PURCHASING PROCEDURE AND SEQUENCE OF EVENTS:

Standard Practice:

It is standard that at the winter checkpoint every February there will be some imbalance and NRG will be required to purchase or shed gas. If gas is required to be purchased NRG is emailed on a daily basis, commencing February 1. The General Manager monitors the price and when the price looks reasonable then a purchase is made. In the past, there has never been an issue with the gas not being available for purchase or a consistently high price during the month of February with wholly unpredictable price variations during the month.

January 2014:

Gas pricing is monitored daily by NRG because spot gas purchases are completed monthly. In January, spot gas pricing escalated to as high as \$8/GJ at Parkway. Since they are typically in the \$4 /GJ range, this was viewed as exceptionally high. Prior to transacting January's spot purchase, NRG requested and received from Union a table, outlining transportation costs at various points of entry into Union's system. The intention was to analyze if introducing gas at another point in Union's system could reduce the overall purchase price. It was determined that any savings gained by

purchasing gas at points other than Parkway, were negated by the transportation costs.

February 2014:

This past February the same practice was followed and when the price of gas rose drastically at the beginning of February, an emergency meeting was called and the executives discussed what course of action to take. The consensus was that the high price was an anomaly and if NRG bought at \$10.00/GJ and the price reduced back down to a more normal price of around \$5.00GJ, NRG would be held accountable as acting imprudently. There was nothing in the industry at this point that indicated the price would continue to climb to the levels it did in February. By February 21, it was clear to NRG that prices may not self-correct by the end of the month.

Assistance Sought/High price of gas now a certainty:

On February 21, 2014, a letter was sent to Union Gas requesting that Union waive any rights it may have to require NRG to purchase the required gas before February 28. If the gas was not required by Union or had already been purchased by Union for system integrity, NRG believed that Union should assist in relieving NRG (and therefore its customers) of its contractual obligations in the public interest on the condition that NRG pay Union's cost of gas purchase plus any reasonable mark-up. Union denied NRG's request. It is now clear from Union's QRAM that the required amount of gas for system integrity had been purchased by February 12, 2014. Union's failure to provide gas to NRG in these exceptional circumstances at its cost price was unreasonable, imprudent, unnecessary for physical integrity of the pipeline and system and not in the public interest.

Purchase:

In the circumstances, NRG was left in a position that it had to purchase the gas by February 28. On a daily basis, NRG monitored the price of gas from the following sources: Shell, Enersource, Blackstone (recommended by Union) and Go Energy. NRG's reasonable expectation based on historical prices and normalized weather conditions was that prices for gas would fall before the end of the month of February. Unpredictably, prices did not fall. Prices rose as high as \$37.00/GJ by February 26 (this is an unprecedented increase). On February 26, NRG understood that Union absolutely needed the physical gas for its system integrity. As it turns out, Union did not need the gas and had purchased sufficient gas and held it available in storage or otherwise to meet the system needs such that it did not require NRG's gas. On February 26, NRG was able to purchase 90,027 of its 115,523 requirement for an average price of \$27.276GJ. NRG advised Union on February 28, that there was insufficient volumes available to purchase on the market. Union passed along our

name to one of their in-franchise customers who might be willing to sell us the gas (they had an excess). However, this led to no further opportunity to purchase.

Subsequent to February 28:

On March 2, NRG notified Union that there was now gas available to purchase on the market and NRG could make up our shortfall at a cost of approx. \$27/GJ. Union refused NRG permission to deliver any gas to Union's system. On March 4, a letter was sent to Union Gas advising them of NRG's position that the penalty was not enforceable. NRG gave notice of arbitration.

- (iii) Refer to the answer in 2 (ii).
- (iv) Refer to the answer in 2 (ii).
- (v) Refer to the answer in 2 (ii).
- (vi) Refer to the answer in 2(ii).
- (vii) Attached Schedule 4.

QUESTION:

3. **Ref: Schedule 1 / Page 4: NRG noted that on February 21, 2014, it asked Union to waive any rights it might have to require NRG to purchase natural gas before February 28, 2014. NRG noted that Union refused to waive NRG's contractual obligation.**
 - (i) **Please discuss why NRG waited until only 1 week before it was required to meet its winter checkpoint quantity, to ask Union to waive its contractual rights.**

RESPONSE:

Refer to 2(ii).

QUESTION:

4. Ref: Schedule 1 / Page 4 – 5 & Schedule 3: NRG noted that it purchased 90,027 GJ of gas after February 21, 2014 at a cost of \$2,455,576 (\$27.276/GJ). NRG noted that it was unable to purchase the remaining shortfall of 25,496 GJ in February as there was no gas available to be purchased and delivered to Union's system. NRG noted that it was informed by Union that the shortfall of 25,496 GJ would be the subject of the "Surplus Sale over Consumer Premium." NRG noted that it received an invoice from Union charging its customers for the 25,496 GJ at a cost of \$2,007,250 (\$78.728/GJ).
- (i) Please describe the protocols that NRG has in place for the execution of transactions required to reduce or alleviate balances in its banked gas account.
 - (ii) Please advise whether NRG has ever been subject to a Surplus Sale over Consumer Premium charge in the past.
 - (iii) Please provide the date(s) on which NRG executed the transaction(s) to purchase 90,027GJs of gas.
 - (iv) Please explain why NRG decided that it was prudent to execute the transaction(s) to purchase 90,027GJs of gas on the date(s) that it was purchased.
 - (v) Please advise where the authority resides to proceed with the execution of the noted transaction(s) of 90,027GJs.
 - (vi) Please provide any gas market price analysis, emails, and memos that support the execution of the above noted transaction(s).
 - (vii) Please discuss whether NRG considered making any incremental gas purchases earlier in the winter which could have helped to reduce or alleviate imbalances in its banked gas account prior to the Winter Checkpoint. If so, please discuss why those options were not executed. If not, please explain why.
 - (viii) Please discuss whether incremental gas purchases, made earlier in the winter period (as opposed to immediately before the Winter Checkpoint), could have reduced NRG's costs of procuring gas supplies for its customers.
 - (ix) Please discuss whether NRG considered any non-Dawn spot gas purchases. Please discuss whether spot gas purchases at locations other than Dawn could have reduced NRG's costs of procuring gas supplies for its customers.

RESPONSE:

4.

- (i) Refer to 2 (ii).
- (ii) We reviewed our files over the last 6 years and at the September 2010 checkpoint we were charged a premium charge. Based on the August 2010 Direct Purchase Status report, NRG purchased the required amount of gas for \$4.42/GJ. The final September consumption figure per the September 2010 Direct Purchase Status report was far greater than the amount forecast in August resulting in a shortfall of gas purchased. Union Gas charged us for the shortfall less the 4% allowance at a price of \$6.121/GJ.
- (iii) Refer to attached Schedule 5.

- (iv) As set out above, Union advised NRG that the physical gas was absolutely required for system integrity. NRG bought natural gas accordingly.
- (v) The manager arranges day-to-day unexceptional purchases of natural gas but in February, the President of NRG authorized the purchase volumes at the high spot prices which were available on the open market because Union had said that it physically required the gas.
- (vi) Enclosed is the invoice from Shell that supports the purchase, refer to Schedule 6.
- (vii) As noted in 2(ii), it is not NRG's normal practice to buy gas prior to the month of February to meet its Winter Checkpoint obligations. Having regard to normal expectations of weather conditions, gas availability and supply obligations NRG's practice of purchasing gas in February has always been a prudent practice.
- (viii) Looking retrospectively, gas purchases could have been made earlier but it is NRG's experience and the experience of many other utilities that this was not prudent or a necessary practice having regard to historical norms. NRG was not alone in being exceptionally affected by this unprecedented and unpredictable rise in the price of natural gas and the unavailability of gas supply. It is respectfully submitted that NRG's practices were prudent and in the public interest.
- (ix) Yes alternative sources were considered as noted in 2(ii).

QUESTION:

5. **Ref: Schedule 1 / Page 5: NRG states that it has served notice on Union in writing that the \$78.728 per GJ cost is a penalty provision and unenforceable under the contract, and disputes under the contract are subject to arbitration under Article 8 of the contract. Board staff notes that the penalty provision is included in Union's R1 Rate schedule. Please discuss why NRG believes that this is a contractual matter rather than a rate matter.**

RESPONSE:

5. The penalty provision in Union's R1 Rate schedule is both a Board rate matter and a contractual matter. The Board fixed the penalty rate as part of Union's rate hearing. The Board therefore has the power to alleviate from the harsh reality of the penalty rate. In considering this issue, it is respectfully submitted that the Board should consider the public interest and in this case the interests of the NRG customers. The conditions which led to the exceptional Winter Checkpoint requirements, the high prices and the unavailability of gas were highly exceptional. The public record is replete with reports that the winter of 2013 and 2014 was exceptionally cold for unprecedented number of days. It is respectfully submitted that the Board should in these circumstances relieve NRG from the penalty provision which the Board fixed for Union. It certainly has the jurisdiction and authority to do so. If the Board does not relieve NRG and its customers from the penalty rate, they will have an undeserved and unavoidable high cost imposed upon them. Union or its customers will have a windfall in that they suffered no actual detriment justifying the penalty rate of \$78.728/GJ. In conclusion, this is a rate matter if the Board changes the rate for these circumstances then it is acting in the public interest based on the unusual circumstances set out above.

QUESTION:

6. Given the timelines for issuing a decision in this proceeding and the “non-mechanistic” nature of the application, please provide NRG’s view were the Board to consider the following:

(i) Approve, on an interim basis, the establishment of a new gas supply charge effective April 1, 2014 that excludes the costs of the transactions associated with the February checkpoint (i.e. \$2,455,576 + \$2,007,250) pending a more comprehensive review by the Board.

(ii) Approve, on an interim basis, the proposed gas supply charge effective April 1, 2014 pending a more comprehensive review by the Board.

RESPONSE:

With respect, NRG asks the Board to expand its options to include more than the 2 options set out above. NRG asks the Board to make its decision on the basis of limiting windfall benefits to Union and diminishing the cost of natural gas to NRG’s customers without a concomitant detriment to Union.

NRG respectfully requests that the Board approve its costs in rates beginning April 1, 2014 for natural gas purchases on the basis of the following principles:

- (a) include in NRG’s actual cost to purchase gas the amount of \$2,445,576.00, being the actual costs of NRG;
- (b) include in NRG’s rate as at April 1 the cost of Union’s purchase of gas in order to balance its system but no more;
- (c) change the penalty rate for Union in the exceptional circumstances to the cost of Union’s purchase of gas to balance its system for this year only.

If NRG’s primary solution is not acceptable to the Board, then NRG asks that its cost of gas purchases including the \$2,455,576 and the penalty amount of \$2,007,250 be included in NRG rates as at April 1, 2014. If the penalty rate is subsequently changed then it can be given as a rate reduction to NRG’s customers.

EB-2014-0053

Schedule I

Contract ID	SA918-24
Contract Name	NRG
DUNS#	207734815

This Southern BUNDLED T GAS CONTRACT ("Contract"), made as of the 1st day of October, 2004.

BETWEEN:

UNION GAS LIMITED

hereinafter called "Union"

- and -

Natural Resource Gas Limited

hereinafter called "Customer"

WHEREAS the intent of this Contract is for Union to provide Services, on a bundled basis, whereby Union receives daily quantities of Gas from Customer; and either stores or delivers Gas to Customer for the End User locations under Gas Distribution Contracts according to their respective Rate Schedule;

AND WHEREAS if applicable, Agent has represented and warranted that it has the authority and right to act as agent for the End Users listed in Schedule 3.

IN CONSIDERATION of the mutual covenants contained herein, the parties agree as follows:

1 INCORPORATIONS

The following are hereby incorporated in and form part of this Contract:

- a) Contract Parameters contained in Schedule 1 as amended from time to time; and
- b) The latest posted version of the Bundled T Terms and Conditions contained in Schedule 2 subject to Section 12.18 of Union's General Terms and Conditions; and
- c) End Use List in Schedule 3; and
- d) The latest posted version of Union's General Terms and Conditions subject to Section 12.18 of Union's General Terms and Conditions.

2 PRELIMINARY AND CONTINUING CONDITIONS

This Contract and the rights, and obligations of the parties hereunder shall be conditional upon the fulfillment and maintenance in good standing of the following conditions:

- a) If required under the General Terms and Conditions financial assurances shall be supplied and maintained with Union; and
- b) Customer and Union shall have executed, delivered and maintained in good standing the Gas Distribution Contract(s); and

Contract Id: SA918-24

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c) If required, Agent shall have a valid Gas Marketer's License as defined by the OEB Act and Regulations.

The above conditions must be initially satisfied by Customer or Agent 25 days prior to the Day of First Receipt.

3 CONTRACT TERM

This Contract shall be effective from the date hereof. However, the Service, obligations, terms and conditions hereunder, shall commence on the Day of First Receipt. Subject to the provisions hereof, this Contract shall continue in full force and effect for each Contract Year until Notice to terminate is provided by either Union or Customer/Agent. Such Notice must be delivered at least three (3) months prior to the end of a Contract Year.

4 SERVICES PROVIDED

Union agrees to provide Service under the terms and conditions as set out in this Contract and the referenced attachments. Subject to Authorization Notice being granted by Union, Service under this Contract shall be Firm for the quantities and Receipt Points as specified in Schedule 1.

5 RATES FOR SERVICE

Customer agrees to take and pay for Services herein according to the terms and conditions of the following:

- a) Rate Schedule R-1 as it may be amended from time to time by the Ontario Energy Board; and
- b) this Contract and the incorporations hereto.

6 NOTICES

Notices shall be delivered pursuant to the Notice provision of the General Terms and Conditions and delivered to the addresses as referenced on Schedule 1.

7 CONTRACT SUCCESSION

This Contract replaces all previous Bundled T Contracts, subject to settlement of any Surviving Obligations.

8 ARBITRATION

All disputes arising in connection with this agreement shall be settled under the provisions of the Arbitration Act, 1991, S.O. 1991, c-17, as amended, by three arbitrators. Each party shall appoint one arbitrator and the two arbitrators so chosen shall appoint a third. The arbitration shall take place in Toronto. The decision of the arbitrators shall be final and binding, and from which there shall be no appeal.

Contract Id: SA918-24

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SCHEDULE "1"
Contract Parameters And Notice Lists
Southern Bundled T

Contract ID: SA918-24
 Contract Name: NRG

1. Dates

"Day of First Receipt" means the 1st day of October, 2013.
 The Contract Year shall expire at the end of September, 2014.
 This Schedule 1 is effective October 01, 2013.

2. Daily Contract Quantity (DCQ)

Upstream Point(s) Of Receipt

LOCATION	Obligated DCQ GJ per Day
Western	563

Ontario Point(s) Of Receipt

LOCATION	Obligated DCQ GJ per Day
Parkway	1731

Obligated DCQ does not include fuel.

On Days when requested by Customer and Authorization Notice is given by Union, the above quantity parameters, Upstream Point(s) of Receipt, and Ontario Point(s) of Receipt shall be deemed to be amended in accordance with such Authorization Notice.

3. Maximum BGA Balances

All units referenced in the table below are Gigajoules (GJ).

BGA Balancing Period Date	Maximum Positive Variance	Maximum Negative Variance
September 30, 2014	33,492	-33,492

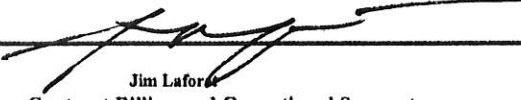
In this Schedule 1, if a BGA Balancing Period Date (other than Contract Anniversary) coincides with the Winter Checkpoint Date, the greater of the Maximum Negative Variance on the BGA Balancing Period Date or the checkpoint value will prevail. If a BGA Balancing Period Date (other than Contract Anniversary) coincides with the Fall Checkpoint Date, the lesser of the Maximum Positive Variance on the BGA Balancing Period Date or the checkpoint value will prevail.

Contract Id: SA918-24

Page 1 of 2


The undersigned execute this Contract as of the above date. If an agent on behalf of Customer executes this Contract then, if requested by Union, Agent or Customer shall at any time provide a copy of such authorization to Union.

UNION GAS LIMITED



Jim Lafora
Manager, Contract Billing and Operational Support
Authorized Signatory

CUSTOMER

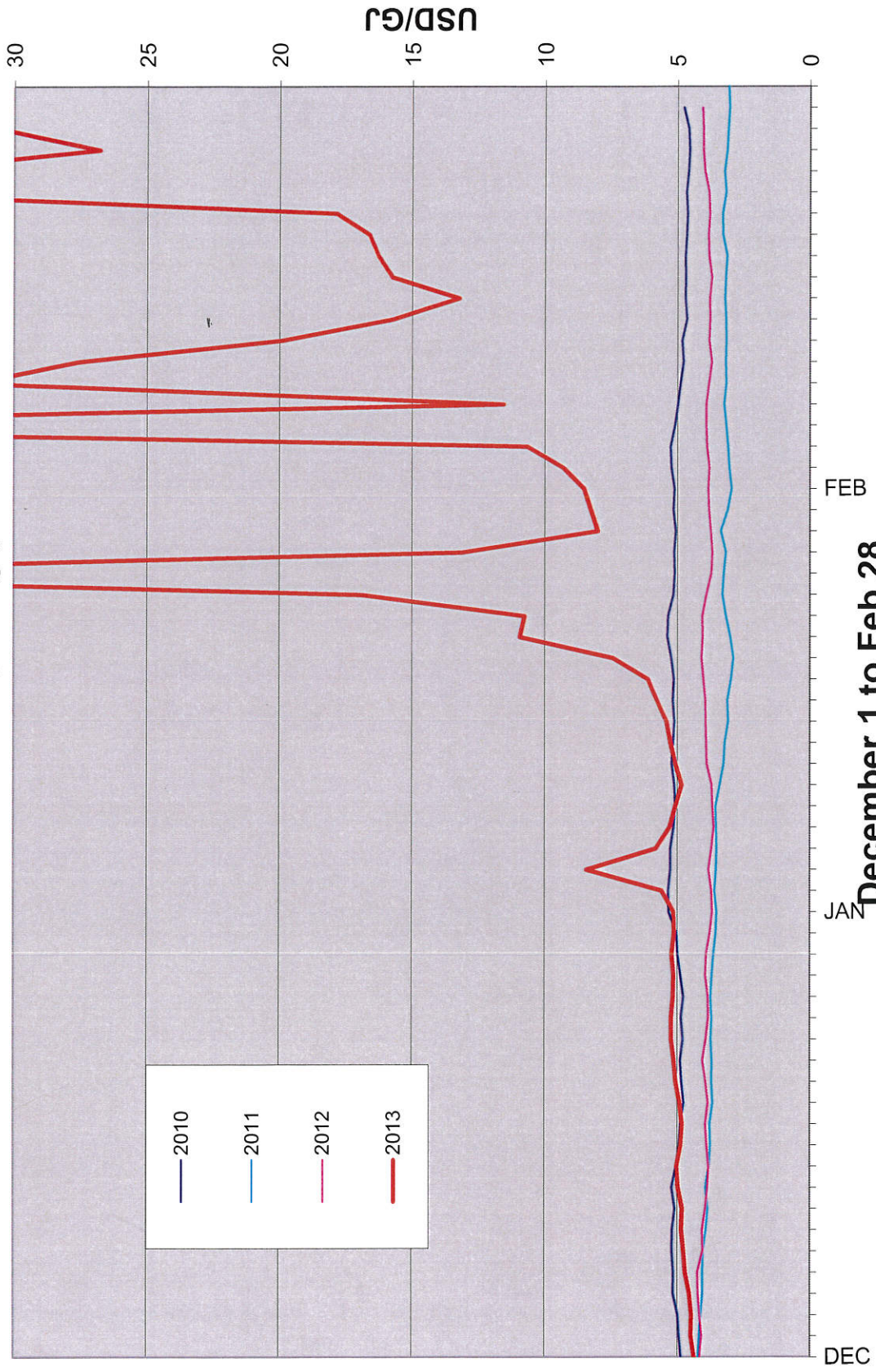
I have the Authority to bind the Corporation, or Adhere C/S, if applicable
NATURAL RESOURCE GAS LIMITED


please print name
ANTHONY GRAAT
PRESIDENT

EB-2014-0053

Schedule 2

Year over Year NG pricing pattern



EB-2014-0053

Schedule 3

Direct Purchase Status

As of month ending Dec 2013

DCQ Breakdown (GJ/Day)	
Ontario Parkway	1,731
Western	563
	<u>2,294</u>

Balancing Type: ANN-UD

Number of Accounts:

Residential	0
Commercial	0
Industrial	1
	<u>1</u>

Contract: SA 918
Contract Name: NRG
Statement #: 214778

Start Date: Oct 01, 2013

Expiry Date: Sep 30, 2014

Agent: No Agent

Reporting month heat value(GJ/103m3): 38.3042

Actual/Projected Variance

	Total Receipts (GJ)	Transactional Services (GJ)	Total Consumption			Actual Variance (GJ)	Accumulated Variance (GJ)	Winter Adjustment (GJ)	Position at Checkpoint (GJ)
			Volume Consumption (103m3)	Energy Consumption (GJ)	Weather Impact (GJ)				
Carryover	-10,436					-10,436	-10,436		
Oct 2013	71,114		2,004.1100	76,722		-5,608	-16,044		
Nov 2013	68,820		3,629.4537	139,088		-70,268	-86,312		
Dec 2013	71,114		3,651.9707	139,886		-68,772	-155,084		
Actual Subtotal	200,612		9,285.5344	355,696		-155,084			
Projected									
Jan 2014	71,114		3,656.1280	139,189		-68,075	-223,159		
Feb 2014	64,232		3,101.4450	118,072		-53,840	-276,999		-276,999
Mar 2014	71,114		2,822.9790	107,471		-36,357	-313,356		
Apr 2014	68,820		1,523.6140	58,004		10,816	-302,540		
May 2014	71,114		667.6150	25,416		45,698	-256,842		
Jun 2014	68,820		276.9690	10,544		58,276	-198,566		
Jul 2014	71,114		147.5490	5,617		65,497	-133,069		
Aug 2014	71,114		671.9540	25,581		45,533	-87,536		
Sep 2014	68,820		1,393.2100	53,040		15,780	-71,756		
Projected Totals	826,874		23,546.9974	898,630		-71,756			

Contracted Forecast (GJ's)

	Total Receipts	Energy Consumption	Accumulated Forecast	Winter Adjustment	Checkpoint Quantity	Contracted Ceiling	Contracted Floor
Oct 2013	71,114	75,817	-4,703				
Nov 2013	68,820	115,990	-51,873				
Dec 2013	71,114	102,553	-83,312				
Jan 2014	71,114	139,189	-151,387				
Feb 2014	64,232	118,072	-205,227		-205,227		
Mar 2014	71,114	107,471	-241,584				
Apr 2014	68,820	58,004	-230,768				
May 2014	71,114	25,416	-185,070				
Jun 2014	68,820	10,544	-126,794				
Jul 2014	71,114	5,617	-61,297				
Aug 2014	71,114	25,581	-15,764				
Sep 2014	68,820	53,040	0			33,492	-33,492
	837,310	837,294					

Direct Purchase Status

As of month ending Jan 2014

DCQ Breakdown (GJ/Day)	
Ontario Parkway	1,731
Western	563
	<hr/> 2,294

Contract: SA 918
Contract Name: NRG
Statement #: 215648

Balancing Type: ANN-UD

Number of Accounts:

Start Date: Oct 01, 2013
Expiry Date: Sep 30, 2014
Agent: No Agent

Residential	0
Commercial	0
Industrial	1
	<hr/> 1

Reporting month heat value(GJ/103m3): 38.3100

Actual/Projected Variance

	Total Receipts (GJ)	Transactional Services (GJ)	Total Consumption			Actual Variance (GJ)	Accumulated Variance (GJ)	Winter Adjustment (GJ)	Position at Checkpoint (GJ)
			Volume Consumption (103m3)	Energy Consumption (GJ)	Weather Impact (GJ)				
Carryover	-10,436					-10,436	-10,436		
Oct 2013	71,114		2,004.1100	76,722		-5,608	-16,044		
Nov 2013	68,820		3,629.4537	139,088		-70,268	-86,312		
Dec 2013	71,114		3,651.9707	139,886		-68,772	-155,084		
Jan 2014	71,114		4,506.1911	172,632		-101,518	-256,602		
Actual Subtotal	271,726		13,791.7255	528,328		-256,602			
Projected									
Feb 2014	64,232		3,101.4450	118,072	10,308	-64,148	-320,750		-320,750
Mar 2014	71,114		2,822.9790	107,471		-36,357	-357,107		
Apr 2014	68,820		1,523.6140	58,004		10,816	-346,291		
May 2014	71,114		667.6150	25,416		45,698	-300,593		
Jun 2014	68,820		276.9690	10,544		58,276	-242,317		
Jul 2014	71,114		147.5490	5,617		65,497	-176,820		
Aug 2014	71,114		671.9540	25,581		45,533	-131,287		
Sep 2014	68,820		1,393.2100	53,040		15,780	-115,507		
Projected Totals	826,874		24,397.0605	932,073	10,308	-115,507			

Contracted Forecast (GJ's)

	Total Receipts	Energy Consumption	Accumulated Forecast	Winter Adjustment	Checkpoint Quantity	Contracted Ceiling	Contracted Floor
Oct 2013	71,114	75,817	-4,703				
Nov 2013	68,820	115,990	-51,873				
Dec 2013	71,114	102,553	-83,312				
Jan 2014	71,114	139,189	-151,387				
Feb 2014	64,232	118,072	-205,227		-205,227		
Mar 2014	71,114	107,471	-241,584				
Apr 2014	68,820	58,004	-230,768				
May 2014	71,114	25,416	-185,070				
Jun 2014	68,820	10,544	-126,794				
Jul 2014	71,114	5,617	-61,297				
Aug 2014	71,114	25,581	-15,764				
Sep 2014	68,820	53,040	0				
	837,310	837,294				33,492	-33,492

Direct Purchase Status

As of month ending **Feb 2014**

DCQ Breakdown (GJ/Day)	
Ontario Parkway	1,731
Western	563
	2,294

Contract: SA 918
Contract Name: NRG
Statement #: 216433

Balancing Type: ANN-UD

Number of Accounts:

Start Date: Oct 01, 2013
Expiry Date: Sep 30, 2014
Agent: No Agent

Residential	0
Commercial	0
Industrial	1
	1

Reporting month heat value(GJ/103m3): 38.4387

Actual/Projected Variance

	Total Receipts (GJ)	Transactional Services (GJ)	Total Consumption			Actual Variance (GJ)	Accumulated Variance (GJ)	Winter Adjustment (GJ)	Position at Checkpoint (GJ)
			Volume Consumption (103m3)	Energy Consumption (GJ)	Weather Impact (GJ)				
Carryover	-10,436					-10,436	-10,436		
Oct 2013	71,114		2,004.1100	76,722		-5,608	-16,044		
Nov 2013	68,820		3,629.4537	139,088		-70,268	-86,312		
Dec 2013	71,114		3,651.9707	139,886		-68,772	-155,084		
Jan 2014	71,114		4,506.1911	172,632		-101,518	-256,602		
Feb 2014	122,607	31,652	3,867.0830	148,646		5,613	-250,989		
Actual Subtotal	394,333	31,652	17,658.8085	676,974		-250,989			
Projected									
Mar 2014	71,114		2,822.9790	107,471		-36,357	-287,346		
Apr 2014	68,820		1,523.6140	58,004		10,816	-276,530		
May 2014	71,114		667.6150	25,416		45,698	-230,832		
Jun 2014	68,820		276.9690	10,544		58,276	-172,556		
Jul 2014	71,114		147.5490	5,617		65,497	-107,059		
Aug 2014	71,114		671.9540	25,581		45,533	-61,526		
Sep 2014	68,820		1,393.2100	53,040		15,780	-45,746		
Projected Totals	885,249	31,652	25,162.6985	962,647		-45,746			

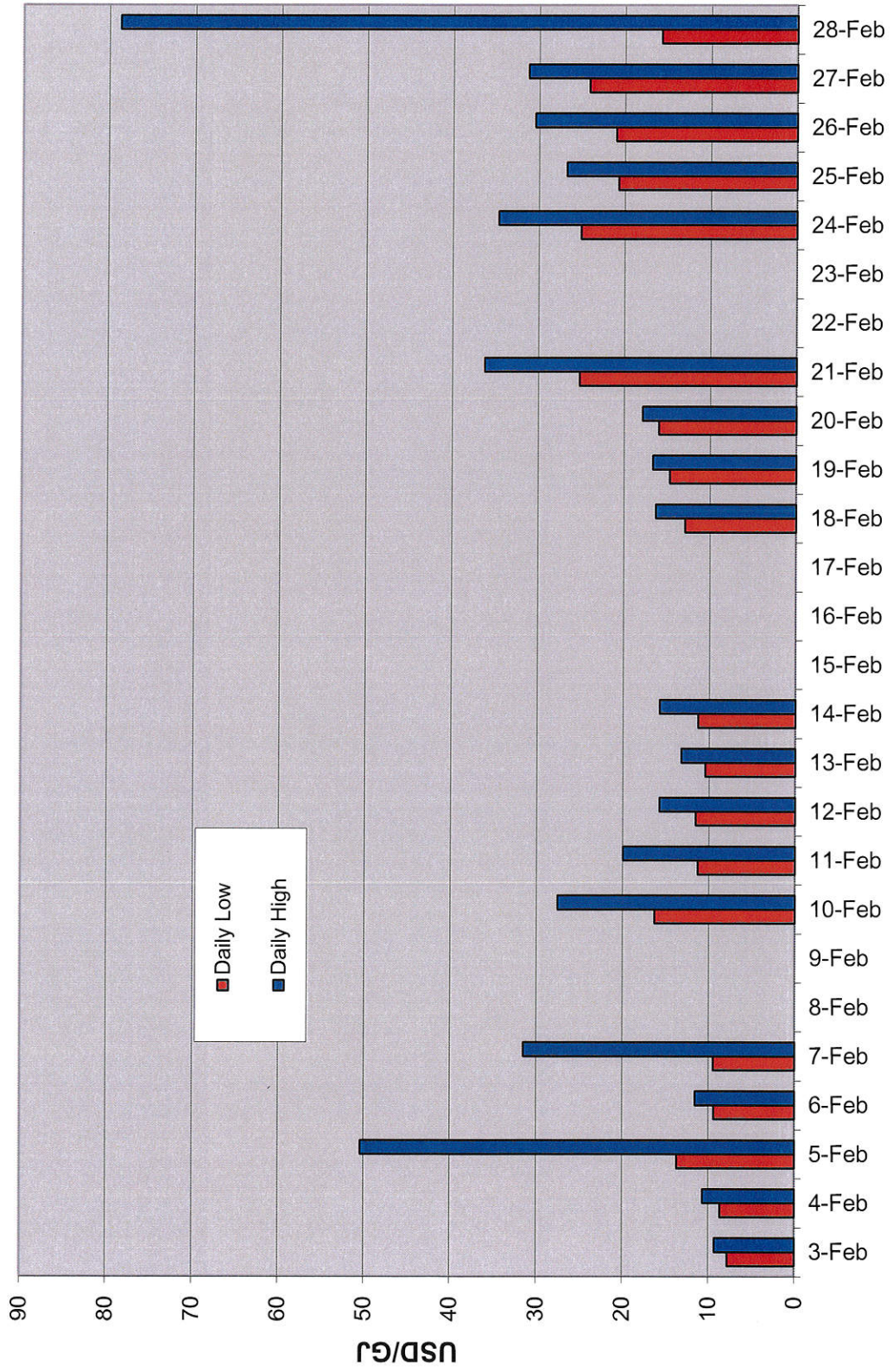
Contracted Forecast (GJ's)

	Total Receipts	Energy Consumption	Accumulated Forecast	Winter Adjustment	Checkpoint Quantity	Contracted Ceiling	Contracted Floor
Oct 2013	71,114	75,817	-4,703				
Nov 2013	68,820	115,990	-51,873				
Dec 2013	71,114	102,553	-83,312				
Jan 2014	71,114	139,189	-151,387				
Feb 2014	64,232	118,072	-205,227		-205,227		
Mar 2014	71,114	107,471	-241,584				
Apr 2014	68,820	58,004	-230,768				
May 2014	71,114	25,416	-185,070				
Jun 2014	68,820	10,544	-126,794				
Jul 2014	71,114	5,617	-61,297				
Aug 2014	71,114	25,581	-15,764				
Sep 2014	68,820	53,040	0			33,492	-33,492
	837,310	837,294					

EB-2014-0053

Schedule 4

February 2014 Dawn Market Activity



EB-2014-0053

Schedule 5

From: sarah.bloedow@shell.com [mailto:sarah.bloedow@shell.com]
Sent: February-27-14 4:06 PM
To: Brian Lippold; blippold@rogers.com
Subject: Dawn Feb 28th recap

Hi Brian,
 The title transfer we discussed earlier today has now been approved in Unionline.

So, here is a recap of our transactions today:

Delivery Date	VOLUME (GJs)	PRICE CAD	
Feb 27th	5,275	\$25.10	
Feb 28th	20,000	\$26.35	
Feb 28th	10,000	\$26.10	
Feb 28th	10,000	\$25.86	
Feb 28th	5,000	\$26.90	
Feb 28th	8,100	\$28.65	
Feb 28th	31,152	\$28.75	* IFT
TOTAL	89,527		

Left to do **25,996**

EB-2014-0053

Schedule 6



Bill To:
NATURAL RESOURCE GAS LIMITED

Vendor:
SHELL ENERGY NORTH AMERICA (CANADA) INC.

Statement Information:

Invoice Number: 2445236
Contract Number: 015-NG-BS-16475
Invoice Date: 03/07/2014
Due Date: 3/25/2014

Date Range	Deal	P/S	Trader	Price Type	Description	Meter	Quantity (GJ)	Price	Amount Due (CAD)	Tax
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Current Month

02/01 - 02/28	6385394	S	sbloedow	See Details	EMPRESS	EMPRESS	5,040	4.9100	\$24,746.40	GST AB
02/01 - 02/28	7742208	S	sbloedow	Fixed	EMPRESS	EMPRESS	5,376	5.0200	\$26,987.52	GST AB
Total EMPRESS:							10,416		\$51,733.92	
02/01 - 02/28	6385394	S	sbloedow	5A M CAD	EMPRESS FUEL	EMPRESS FUEL	336	7.3862	\$2,481.77	GST AB
02/01 - 02/28	7742208	S	sbloedow	Fixed	EMPRESS FUEL	EMPRESS FUEL	308	5.0200	\$1,546.16	GST AB
Total EMPRESS FUEL:							644		\$4,027.93	

Total TRANSCANADIA ML GST AB:

\$2,788.10

Total TRANSCANADIA ML Sales:

\$58,549.95

02/27 - 02/27	7825847	S	ahardcastle	Fixed	DAWN	DAWN	5,275	25.1000	\$132,402.50	HST ON
02/28 - 02/28	7825854	S	ahardcastle	Fixed	DAWN	DAWN	20,000	26.3500	\$527,000.00	HST ON
02/28 - 02/28	7825857	S	ahardcastle	Fixed	DAWN	DAWN	10,000	26.1000	\$261,000.00	HST ON
02/28 - 02/28	7825868	S	ahardcastle	Fixed	DAWN	DAWN	10,000	25.8600	\$258,600.00	HST ON
02/28 - 02/28	7825872	S	ahardcastle	Fixed	DAWN	DAWN	5,000	26.9000	\$134,500.00	HST ON
02/28 - 02/28	7825874	S	ahardcastle	Fixed	DAWN	DAWN	8,100	28.6500	\$232,065.00	HST ON
02/28 - 02/28	7826647	S	sbloedow	Fixed	DAWN	DAWN	31,652	28.7500	\$909,995.00	HST ON
Total DAWN:							90,027		\$2,455,562.50	
02/01 - 02/28	5003064	S	sbloedow	Fixed	PARKWAY	PARKWAY	16,800	5.5200	\$92,736.00	HST ON
02/01 - 02/28	5710850	S	sbloedow	Fixed	PARKWAY	PARKWAY	16,800	4.3400	\$72,912.00	HST ON
02/01 - 02/28	5717777	S	sbloedow	Fixed	PARKWAY	PARKWAY	3,192	4.3500	\$13,885.20	HST ON
02/01 - 02/28	5726368	S	sbloedow	Fixed	PARKWAY	PARKWAY	3,192	4.3500	\$13,885.20	HST ON
02/01 - 02/28	7742210	S	sbloedow	Fixed	PARKWAY	PARKWAY	8,484	8.2200	\$69,738.48	HST ON
Total PARKWAY:							48,468		\$263,156.88	

Total UNION GAS HST ON:

\$353,433.53

Total UNION GAS Sales:

\$3,072,152.91

NET Sales:

\$3,130,702.86

Current- Total Sales

\$3,130,702.86

Current- Total Purchases

\$3,130,702.86

Current Total

\$3,130,702.86

Total - Net Invoice

\$3,130,702.86