



EB-2012-0406
EB-2013-0081

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 Integrated
Grain Processors Co-operative Inc., pursuant to section
42(3) of the Ontario Energy Board Act, 1998, for an order
requiring Natural Resource Gas Limited to provide gas
distribution service;

AND IN THE MATTER OF an Order to review capital
contribution costs paid by Integrated Grain Processors Co-
operative Inc., to Natural Resource Gas Limited pursuant to
Sections 19 and 36 of the Ontario Energy Board Act 1998.

BEFORE: Marika Hare
Presiding Member

Christine Long
Board Member

Ellen Fry
Board Member

RATE ORDER
July 17, 2014

Integrated Grain Producers Cooperative Inc. ("IGPC") filed an application with the Ontario Energy Board (the "Board") on October 11, 2012 under section 42(3) of the Ontario Energy Board Act, 1998 requiring Natural Resource Gas Limited ("NRG") to

provide gas distribution services and gas sales to meet IGPC's facility expansion and upgrading plans. The application also sought various other forms of relief including a determination of the capital cost of the IGPC pipeline and a reduction to the financial assurance posted by IGPC.

On February 11, 2013, the Board issued a Notice of Application and Written Hearing informing parties that it would only address IGPC's request for additional service (EB-2012-0406). At the same time, the Board initiated a new proceeding (Board file No. EB-2013-0081) to review the capital contribution costs and the financial assurance that IGPC paid to NRG. The Board also determined that it would combine the EB-2012-0406 and EB-2013-0081 proceedings.

The Board issued its Decision and Order on February 27, 2014 that made a determination on the disputed cost components of the IGPC pipeline and the appropriate amount of the letter of credit held by NRG. The Board also ordered NRG to file the calculations as per the Board's findings and provided parties the opportunity to file any comments on the accuracy of NRG's submissions.

The Board reviewed the submissions of all parties including issues raised by NRG, and issued a second Decision dated June 16, 2014 that determined the final amount that was owed to IGPC by NRG. The Board in this Decision also directed NRG to file a draft Rate Order along with a Tariff of Rates and Charges showing the monthly rate rider applicable to Rate 6. Parties were able to file comments on the draft Rate Order and NRG was provided an opportunity to respond to the comments.]

Board staff and IGPC filed their comments on July 2, 2014. Board staff expressed satisfaction with the overall calculations showing the amount owing to IGPC but did not agree with NRG's proposal of implementing the rate rider on October 1, 2014. Board staff was of the view that NRG had sufficient time to implement the rate rider earlier. Accordingly, Board staff submitted that the rate rider should be effective September 1, 2014. IGPC agreed with Board staff's submission.

NRG in reply dated July 4, 2014, acceded to the submissions of Board staff and IGPC. Accordingly, NRG submitted a revised rate schedule that proposed a rate rider effective September 1, 2014.

The Board has reviewed the draft Rate Order and finds that it reflects the Decisions of the Board dated February 27th and June 16th, 2014. The Board also agrees with the comments of IGPC and Board staff regarding early implementation of the rate rider.

As noted in the Board's Decision dated February 27, 2014, there will be no costs awarded in this proceeding. However, Board costs will be split evenly between NRG and IGPC.

THE BOARD ORDERS THAT:

1. The Tariff of Rates and Charges applicable to Rate 6 as set out in Appendix "A" of the Rate Order is approved, effective September 1, 2014 for natural gas consumer or estimated to have been consumed on and after such date.
2. All other Tariff of Rates and Charges applicable to other rate classes of NRG shall remain unchanged.
3. Pursuant to section 30 of the Ontario Energy Board Act, 1998, NRG and IGPC shall pay the Board's cost of and incidental to, this proceeding immediately upon receipt of the Board's invoice.

DATED at Toronto July 17, 2014

ONTARIO ENERGY BOARD

Original signed by

Kirsten Walli
Board Secretary

APPENDIX “A”

TO

BOARD ORDER EB-2012-0406 / EB-2013-0081

DATED JULY 17, 2014

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 reduction in Aid to Construct - effective until September 30, 2016 \$(41,786.54)

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: September 01, 2014

Implementation: All bills rendered on or after September 01, 2014

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