

ONTARIO ENERGY BOARD

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

AND IN THE MATTER OF an Application by
Natural Resource Gas Limited for an order or orders
approving or fixing just and reasonable rates and
other charges for the sale, distribution, transmission
and storage of gas as of October 1, 2014;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2014-0053 Interim Rate Order dated April 2, 2014 the Board approved a PGCVA reference price of \$0.315237 per m³ and a gas supply charge of \$0.325156 per m³, both effective April 1, 2014.
2. Based on actual and forecast natural gas prices for the October, 2013 through September, 2014 period the PGCVA balance is projected to be a charge of approximately \$99.87 per residential customer.
3. NRG hereby applies to the Board for further orders effective October 1, 2014 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2014-0053 Interim Rate Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.083607 per m³ from the Board approved level of \$0.315237 per m³ to \$0.231630 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2014-0053 Interim Rate Order to reflect a projected

\$0.062879 per m³ change in the gas supply charge from the Board approved level of \$0.325156 per m³ to a projected cost of \$0.262277 per m³. This change is the sum of the change in the PGCVA reference price, the change required to prospectively clear the balance of the Gas Purchase Rebalancing Act and the continuation of the system gas supply cost approved in EB-2010-0018.

4. This application will be supported by written evidence that will be pre-filed with the Board and intervenors of record in EB-2010-0018.

5. Pursuant to the criteria established in the Board's EB-2008-0106 Decision, below is the Board's direction with respect to the timeline for processing the application:

- * Parties to this proceeding wishing to make comments on the application may do so by filing such submissions with the Board Secretary (two hard copies plus an electronic copy by e-mail) and NRG no later than 4:45 p.m. five calendar days following the filing of the QRAM application.
- * NRG shall reply to any comments received by filing such replies with the Board Secretary (two hard copies plus an electronic copy by e-mail) and serving a copy on all parties who make submissions no later than 4:45 p.m. three calendar days following receipt of comments.
- * The Board issues its Decision and Order by the 25th of the month for implementation effective October 1, 2014.

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

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Dated at London, Ontario, this 12th day of September, 2014.

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2014-0053 Interim Rate Order dated April 2, 2014 the Board approved a Purchased Gas Commodity Variance Account (“PGCVA”) reference price of \$0.315237 per m³ and a gas supply charge of \$0.325156 per m³, both effective April 1, 2014.

In RP-2002-0147/EB-2003-0286 (Accounting Order dated January 30, 2004), the Board approved a Gas Purchase Rebalancing Account (“GPRA”) to record the increase (decrease) in the value of the gas inventory available for sale to sales service customers due to changes in NRG’s PGCVA reference price. This account was maintained in the EB-2010-0018 Rate Order dated February 17, 2011. In EB-2014-0053, the Board approved a GPRA rate of \$0.009556 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective October 1, 2014 to reflect an updated forecast of gas costs, the projected balance in the PGCVA and the projected balance in the GPRA.

PGCVA

Updated Forecasts

Based on actual and forecast costs, the PGCVA account balance totals a charge of \$99.87 per residential customer for the twelve month period ending September, 2014 (Schedule 2).

The current forecast reflects the forecast for natural gas prices over the relevant period. These gas prices reflect current market conditions, including alternative energy prices, demand for natural gas, the weather outlook and the impact of current storage levels.

1 The PGCVA balance has been calculated using the most recent information available,
2 including actual volumes and costs through July, 2014. The remaining months in the
3 twelve-month period ending September 2014 are calculated using estimated prices based
4 on the best information available at the time of filing.

5
6 NRG also confirms that the Surplus Sale over Consumer Premium charge applied to the
7 25,496 GJ of natural gas that NRG was short at the time of the Winter Checkpoint in
8 February, 2014 is \$27.276 per GJ, as directed by the Board in the EB-2014-0053
9 Decision and Interim Order dated April 1, 2014.

10
11 Forecast prices have been used for the period October, 2014 through September, 2015
12 period, except where actual contracted prices are available.

13
14 The gas supply portfolio reflects the current and forecasted mix of delivery points utilized
15 by NRG for system gas purchases.

16
17 Gas Supply Portfolio

18 NRG's gas supply portfolio includes local production, deliveries of Western Canadian
19 gas at the Alberta border (along with transportation on the TCPL mainline) and purchases
20 at Dawn and Parkway on the Union Gas ("Union") system. NRG also purchases
21 additional gas or sheds excess gas when required. The requirement for these purchases is
22 discussed below. This gas may be Ontario Delivered gas, gas purchased/sold at Dawn or
23 additional deliveries/curtailments at Parkway or at the Alberta border.

24
25 NRG is a direct purchase customer on the Union Gas system. Under its bundled
26 transportation contract, NRG is obligated to deliver a fixed amount of gas each day to
27 Union. This amount is determined by Union and is based on the expected annual volume
28 divided by 365 (366 in a leap year).

1 NRG is required to balance its total supply with its total demand on the Union Gas
2 system on an annual basis, at the time that the direct purchase contract with Union Gas is
3 renewed. In particular, NRG is required to balance its supply with its demand on the
4 Union system to within +/-4% at the end of the contract year. This may entail NRG
5 purchasing gas or shedding excess gas.

6
7 The bundled transportation contract year-end corresponds with the end of NRG's fiscal
8 year (September 30). NRG purchases additional balancing gas or sells gas and/or reduces
9 deliveries such that total demand on the Union system is offset by the supply provided to
10 Union Gas to remain within the contract parameters.

11
12 As shown in Schedule 3 on the Ontario Delivered Gas line, NRG is forecasting the need
13 to purchase additional gas in September, 2014, in the amount of 198,675 m³ (7,500 GJ) at
14 a cost of \$31,875. This additional gas is needed to ensure the NRG is within its
15 contractual parameters with Union Gas as of the year-end of the transportation contract,
16 as noted above. The price for this gas is forecast to be \$4.25/GJ, as shown in Schedule 4.

17
18 NRG has already purchased additional balancing gas in June, 2014, in order to balance on
19 the Union Gas system at the end of the current direct purchase contract term which
20 renews on October 1, 2014. As shown in Schedule 3 on the Ontario Delivered Gas line,
21 NRG purchased 1,040,722 m³ (399,999 GJ) in June. The price for this gas was \$4.81/GJ,
22 as shown on Schedule 4.

23 24 February Balancing Gas

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

30

1 In order to meet its forecast banked gas account winter balancing checkpoint on the
2 Union Gas system, NRG was required to purchase additional gas in February, 2014.
3 Based on the Direct Purchase Status Report received from Union Gas for the month
4 ending January 31, 2014, NRG was notified that it was required to purchase 115,523 GJ
5 (3,060,212 m³) in order to meet the winter checkpoint balance at the end of February.

6
7 The majority of this shortfall was due to the much colder than normal weather
8 experienced in December and January of this winter.

9
10 NRG was able to purchase 90,027 GJ (2,342,093 m³) of Dawn delivered gas in February
11 2014 at a cost of \$2,455,563, as shown in Schedule 3 (Dawn delivery).

12
13 NRG was unable to purchase the remaining shortfall of 25,496 GJ (663,290 m³) in
14 February 2014. There was simply no gas available to be purchased and delivered at
15 Dawn or any other points on the Union system.

16
17 NRG has included the cost of this gas in February, 2014 in the Ontario Delivered Gas
18 line in Schedule 3, at a total cost of \$695,429 (\$27.276/GJ) as directed by the Board in
19 the EB-2014-0053 Decision and Interim Order dated April 1, 2014.

20
21 Obligated Deliveries

22 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
23 purchase customers has been forecast at 2,380 GJ/day effective October 1, 2014, an
24 increase from the previous level of 2,294 GJ/day. The increase, which has been finalized
25 with Union Gas, reflects growing volumes at NRG.

26
27 The direct purchase customer assignment was 179 GJ/day in September, 2014, increasing
28 to 186 GJ/day in October, 2014 and to 206 GJ/day in November, 2014, where it is
29 forecast to remain through September, 2015. These levels allow direct purchase
30 customers to bring their supplies in line with their actual and projected consumption.

1 This results in deliveries for system gas customers of 2,115 GJ/day in September, 2014,
2 2,194 GJ/day in October and 2,174 GJ/day in November, 2014 through September, 2015.

3
4 The composition of these obligated system gas deliveries over this period is as follows.
5 Parkway deliveries increase from 1,428 GJ/day in September, 2014 to 1,514 GJ/day and
6 then decrease to 989 GJ/day in November, 2014 through September, 2015. Obligated
7 deliveries for system gas customers at AECO decrease from 384 GJ/day in September,
8 2014 to 377 GJ/day in October, to 357 GJ/day in November, 2014 through September,
9 2015.

10
11 The increase in Parkway deliveries in October to 1,514 GJ/day from 1,428 GJ/day is a
12 direct result of the increase in the total DCQ of 86 GJ/day noted above from 2,294
13 GJ/day to 2,380 GJ/day.

14
15 The decrease in Parkway deliveries in November, 2014 from 1,514 GJ/day to 989 GJ/day
16 reflects the movement of 525 GJ/day from Parkway to Dawn. This is in addition to 303
17 GJ/day that was moved from Parkway to Dawn in June, 2014.

18
19 The shift of a total of 828 GJ/day from Parkway obligated deliveries to Dawn obligated
20 deliveries is a result of the settlement agreement reached between Union Gas and
21 intervenor groups in EB-2013-0365. NRG has taken advantage of this opportunity to the
22 maximum extent possible.

23
24 The composition of the gas purchases for direct purchase and system gas customers for
25 the September, 2014 through September, 2015 period is shown in the following table.
26 Please note that these figures do not include the direct purchase deliveries associated with
27 a large ethanol plant served by NRG.

28 **GJ/s per Day**

Delivery Point	Sept., 2014	Oct., 2014	Nov., 2014 - Sept, 2015
Direct Purchase	179	186	206
AECO	384	377	357

Parkway	1,428	1,514	989
Dawn	<u>303</u>	<u>303</u>	<u>828</u>
Total	2,294	2,380	2,380

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

The composition of the gas supply portfolio volumes for the October, 2013 through September, 2014 period is shown on the top of Schedule 3. This schedule shows the monthly volume of gas purchased or forecast to be purchased from local producers, obligated deliveries at Parkway, at Dawn and the Alberta border (Western), and balancing gas (Ontario Delivered Gas). Similarly, the composition of the gas supply portfolio volumes for the October, 2014 through September, 2015 period is shown on the top of Schedule 6.

Gas Costs

NRG's actual and forecast gas costs for the October, 2013 through September, 2014 period, by source of supply, are shown in Schedule 4 in \$/GJ. These prices are also shown in the middle section of Schedule 3 in \$/m³. The conversion factor used is based on the heat values used by Union Gas in their calculation of NRG's Banked Gas Account balances. The conversion factors used are also shown in Schedule 4. All prices shown are actual prices paid in October, 2013 through July, 2014. Prices for the remaining months in this period are based on estimated and contracted prices to be paid in those months.

Prices for October, 2014 through September, 2015 are based on prices averaged over 10 days in the period August 13, 2014 through August 29, 2014 (reports were not available for August 14, 15 or 21). These prices, which have been sourced from the Shell Energy North America report entitled 'Daily Energy Market Update', have been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in the middle section of Schedule 6 in \$/m³. The source of the foreign exchange rates used in the calculations is the daily

1 noon exchange rates for the 10-year lookup from the Bank of Canada that are available
2 on their website at www.bankofcanada.ca/rates/exchange.

3
4 Gas prices for each of the sources of supply are described below. In addition to the
5 above, contracted prices have been used where purchase decisions have been made.

6
7 NRG Corp. Pricing

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

11
12 The Board issued a Decision and Order - Phase 2 for EB-2010-0018 dated May 17, 2012
13 in which the Board indicated that NRG would be permitted to recover from ratepayers a
14 maximum annual quantity of 1.0 million cubic metres of natural gas at a rate of \$8.486
15 per mcf (or \$0.3012/m³). This price, as set by the Board, can be seen in the line labeled
16 "Local Production (A)" of the price section of Schedule 3.

17
18 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
19 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
20 price for each quarter. The October, 2013 through December, 2013 price is \$0.181632,
21 reflecting the Board's Decision and Order in EB-2013-0316 dated September 19, 2013.
22 The January, 2014 through March, 2014 price is \$0.185325, reflecting the Board's
23 Decision and Order in EB-2013-0413 dated December 19, 2013. The April, 2014
24 through September, 2014 price is \$0.236288, reflecting the Board's Decision and Order in
25 EB-2014-0050 dated March 21, 2014. These prices are shown in Schedule 3.

26
27 The NRG Corp. prices over the October, 2014 through September, 2015 period shown in
28 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
29 shown on the Local Production (A) line. The remaining gas forecast to be purchased
30 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this

gas has been taken from the Union's QRAM application in EB-2014-0208 dated September 11, 2014, where the Ontario landed reference price has been forecast as \$0.208106 per m³.

At the time this application was prepared the Union Gas QRAM price for October 1, 2014 rates was not yet approved by the Board. Any differences between the applied for and Board approved Ontario landed reference price for Union will be reflected in NRG's next QRAM application and evidence.

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

Empress Pricing

The Empress price over the October, 2014 through September, 2015 period shown in Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices. The average Empress delivery rate is \$4.519/GJ in October, 2014 and \$3.796/GJ in November, 2014 through September, 2015. Fuel costs of 4% are included in these rates.

The average Empress delivery price includes a mix of fixed price contracts over the October, 2014 through September, 2015 period.

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

<u>Empress Deliveries</u>				
<u>Contracted?</u>	<u>October</u>		<u>Nov. - Sept.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	180	4.910	0	0.000
Yes	197	3.830	0	0.000
Yes	0	0.000	357	3.650
Total	377	4.346	357	3.650
with Fuel (4%)		4.519		3.796

NRG has no Empress deliveries that have not been contracted for over the October, 2014 through September, 2015 period. For completeness, NRG has provided forecast price data used to forecast the Empress delivery price, had it been needed.

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

Empress Delivery Price Forecast

			Dec-14	Apr-15
	<u>Oct-14</u>	<u>Nov-14</u>	<u>Mar-15</u>	<u>Sep-15</u>
13-Aug-14	3.84	3.90	3.94	3.74
18-Aug-14	3.77	3.85	3.88	3.69
19-Aug-14	3.87	3.94	3.97	3.77
20-Aug-14	3.82	3.90	3.94	3.74
22-Aug-14	3.83	3.91	3.95	3.76
25-Aug-14	3.92	4.00	4.03	3.83
26-Aug-14	3.87	3.96	4.00	3.80
27-Aug-14	3.91	3.97	4.01	3.81
28-Aug-14	3.91	3.98	4.01	3.80
29-Aug-14	3.90	3.97	4.00	3.79
10 Day Average	<u>3.864</u>	<u>3.938</u>	<u>3.973</u>	<u>3.773</u>

Parkway Pricing

The Parkway price over the October, 2014 through September, 2015 period shown in Schedule 7 is based on a combination of actual contracted prices. The average Parkway delivery rate forecast is \$4.803/GJ in October, 2014 and \$4.540/GJ in November, 2014 through September, 2015.

The average Parkway delivery price includes a mix of fixed price over this period. The following table shows the current mix of volumes and prices over the forecast period.

<u>Parkway Deliveries</u>				
<u>Contracted?</u>	<u>October</u>		<u>Nov. - Sept.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	600	4.340	0	0.000
Yes	114	4.350	0	0.000
Yes	114	4.350	0	0.000
Yes	600	5.520	0	0.000
Yes	86	4.230	0	0.000
Yes	0	0.000	989	4.540
Total	1,514	4.803	989	4.540

NRG has no Parkway deliveries that have not been contracted for over the October, 2014 through September, 2015 period. For completeness, NRG has provided forecast price data used to forecast the Parkway delivery price, had it been needed.

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

<u>Parkway Delivery Price Forecast</u>					
	<u>Henry Hub (US\$/MMBtu)</u>	<u>Niagara Basis</u>	<u>MMBtu -GJ</u>	<u>F/X</u>	<u>\$/ GJ (Cdn)</u>
<u>October-14</u>					
13-Aug-14	3.860	-0.12	1.054615	1.0917	3.87
18-Aug-14	3.830	-0.16	1.054615	1.0886	3.79
19-Aug-14	3.910	-0.16	1.054615	1.0943	3.89
20-Aug-14	3.860	-0.16	1.054615	1.0971	3.85
22-Aug-14	3.880	-0.16	1.054615	1.0945	3.86
25-Aug-14	3.980	-0.16	1.054615	1.0981	3.98

26-Aug-14	3.950	-0.17	1.054615	1.0952	3.93
27-Aug-14	4.000	-0.17	1.054615	1.0855	3.94
28-Aug-14	4.040	-0.17	1.054615	1.0847	3.98
29-Aug-14	4.070	-0.18	1.054615	1.0873	4.01
10 Day Average					3.910

November-14

13-Aug-14	3.940	-0.02	1.054615	1.0917	4.06
18-Aug-14	3.900	-0.06	1.054615	1.0886	3.96
19-Aug-14	3.980	-0.04	1.054615	1.0943	4.09
20-Aug-14	3.930	-0.03	1.054615	1.0971	4.06
22-Aug-14	3.960	-0.04	1.054615	1.0945	4.07
25-Aug-14	4.050	-0.05	1.054615	1.0981	4.16
26-Aug-14	4.020	-0.04	1.054615	1.0952	4.13
27-Aug-14	4.070	-0.05	1.054615	1.0855	4.14
28-Aug-14	4.100	-0.05	1.054615	1.0847	4.17
29-Aug-14	4.120	-0.05	1.054615	1.0873	4.20
10 Day Average					4.103

December -14 - March-15

13-Aug-14	4.040	0.09	1.054615	1.0917	4.28
18-Aug-14	4.010	0.09	1.054615	1.0886	4.23
19-Aug-14	4.080	0.09	1.054615	1.0943	4.33
20-Aug-14	4.040	0.10	1.054615	1.0971	4.31
22-Aug-14	4.070	0.10	1.054615	1.0945	4.33
25-Aug-14	4.150	0.09	1.054615	1.0981	4.41
26-Aug-14	4.130	0.10	1.054615	1.0952	4.39
27-Aug-14	4.170	0.09	1.054615	1.0855	4.38
28-Aug-14	4.190	0.09	1.054615	1.0847	4.40
29-Aug-14	4.200	0.08	1.054615	1.0873	4.41
10 Day Average					4.348

April - 15 - September-15

13-Aug-14	3.910	-0.04	1.054615	1.0917	4.01
18-Aug-14	3.880	-0.05	1.054615	1.0886	3.95
19-Aug-14	3.940	-0.04	1.054615	1.0943	4.05
20-Aug-14	3.910	-0.04	1.054615	1.0971	4.03
22-Aug-14	3.940	-0.04	1.054615	1.0945	4.05
25-Aug-14	4.010	-0.04	1.054615	1.0981	4.13
26-Aug-14	3.990	-0.04	1.054615	1.0952	4.10
27-Aug-14	4.020	-0.05	1.054615	1.0855	4.09

28-Aug-14	4.040	-0.06	1.054615	1.0847	4.09
29-Aug-14	4.040	-0.07	1.054615	1.0873	4.09
10 Day Average					4.059

Dawn Pricing

The Dawn price over the October, 2014 through September, 2015 period shown in Schedule 7 is based on a combination of actual contracted prices and forecasted prices. The average Dawn delivery rate is \$4.220/GJ in October, 2014, \$4.463/GJ in November, 2014, \$4.616/GJ in December, 2014 through March, 2015 and \$4.435/GJ in April, 2015 through September, 2015. NRG has also used this last price, \$4.435/GJ, as the forecast cost of Ontario Delivered Gas which is forecast to be purchased in September, 2015 to balance on the Union Gas system.

The average Dawn delivery price includes a mix of fixed price contracts and a forecast price for the remainder of the purchases.

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

<u>Contracted?</u>	<u>Dawn Deliveries</u>							
	<u>October</u>		<u>November</u>		<u>Dec. - Mar.</u>		<u>Apr.-Sept.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	303	4.220	0	0.000	0	0.000	0	0.000
No	0	0.000	48	4.460	48	4.460	48	4.460
Yes	0	0.000	261	4.560	261	4.560	261	4.560
No	0	0.000	519	4.415	519	4.659	519	4.369
Total	303	4.220	828	4.463	828	4.616	828	4.435

The price for the 48 GJ/day in November, 2014 through September, 2015 reflects a transfer of deliveries from Empress to Dawn. This gas has been purchased for Empress delivery at \$3.65/GJ. This has been increased by the current price to move gas deliveries from Empress to Dawn of \$0.81/GJ, to arrive at the forecasted price of \$4.46/GJ. However, since this differential varies on a day to day basis, the overall price has not been finalized over the forecast period.

The prices shown for the 519 GJ/day that has not been contracted for in November, 2014 through September, 2015 are based on the average price forecasts from the August 13, 2014 through August 29, 2014 period.

The calculations used to forecast the Dawn purchase price are shown in the following table. The relevant prices used are shown in the Daily Energy Market Report as prices at Henry Hub along with a Dawn, ON basis. These two prices are added together to arrive at a proxy for the Dawn price. These prices from the Market Report are in US\$/MMBtu and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the foreign exchange rate. The formula used is (Henry Hub Price + Dawn Basis) / 1.054615 x Foreign Exchange Rate.

Dawn Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Dawn Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>October-14</u>					
13-Aug-14	3.860	0.18	1.054615	1.0917	4.18
18-Aug-14	3.830	0.15	1.054615	1.0886	4.11
19-Aug-14	3.910	0.14	1.054615	1.0943	4.20
20-Aug-14	3.860	0.14	1.054615	1.0971	4.16
22-Aug-14	3.880	0.14	1.054615	1.0945	4.17
25-Aug-14	3.980	0.14	1.054615	1.0981	4.29
26-Aug-14	3.950	0.14	1.054615	1.0952	4.25
27-Aug-14	4.000	0.14	1.054615	1.0855	4.26
28-Aug-14	4.040	0.13	1.054615	1.0847	4.29
29-Aug-14	4.070	0.12	1.054615	1.0873	4.32
10 Day Average					<u>4.223</u>
<u>November-14</u>					
13-Aug-14	3.940	0.28	1.054615	1.0917	4.37
18-Aug-14	3.900	0.24	1.054615	1.0886	4.27
19-Aug-14	3.980	0.26	1.054615	1.0943	4.40
20-Aug-14	3.930	0.27	1.054615	1.0971	4.37
22-Aug-14	3.960	0.26	1.054615	1.0945	4.38
25-Aug-14	4.050	0.26	1.054615	1.0981	4.49

26-Aug-14	4.020	0.26	1.054615	1.0952	4.44
27-Aug-14	4.070	0.25	1.054615	1.0855	4.45
28-Aug-14	4.100	0.25	1.054615	1.0847	4.47
29-Aug-14	4.120	0.25	1.054615	1.0873	4.51
10 Day Average					<u>4.415</u>

December-14 - March-15

13-Aug-14	4.040	0.39	1.054615	1.0917	4.59
18-Aug-14	4.010	0.39	1.054615	1.0886	4.54
19-Aug-14	4.080	0.39	1.054615	1.0943	4.64
20-Aug-14	4.040	0.40	1.054615	1.0971	4.62
22-Aug-14	4.070	0.40	1.054615	1.0945	4.64
25-Aug-14	4.150	0.40	1.054615	1.0981	4.74
26-Aug-14	4.130	0.40	1.054615	1.0952	4.70
27-Aug-14	4.170	0.39	1.054615	1.0855	4.69
28-Aug-14	4.190	0.39	1.054615	1.0847	4.71
29-Aug-14	4.200	0.38	1.054615	1.0873	4.72
10 Day Average					<u>4.659</u>

April -15 - September-15

13-Aug-14	3.910	0.26	1.054615	1.0917	4.32
18-Aug-14	3.880	0.25	1.054615	1.0886	4.26
19-Aug-14	3.940	0.26	1.054615	1.0943	4.36
20-Aug-14	3.910	0.26	1.054615	1.0971	4.34
22-Aug-14	3.940	0.26	1.054615	1.0945	4.36
25-Aug-14	4.010	0.26	1.054615	1.0981	4.45
26-Aug-14	3.990	0.26	1.054615	1.0952	4.41
27-Aug-14	4.020	0.25	1.054615	1.0855	4.40
28-Aug-14	4.040	0.24	1.054615	1.0847	4.40
29-Aug-14	4.040	0.23	1.054615	1.0873	4.40
10 Day Average					<u>4.369</u>

1

2 **Other Forecast Assumptions**

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

7

1 TCPL tolls have been forecast at a rate of \$1.5405/GJ. This rate reflects the current tolls
2 approved by the National Energy Board. The heat value used to convert GJ to m³ is
3 37.75 GJ/10³ m³.

4
5 PGCVA Balance

6 The projected September, 2014 balance in the PGCVA is a debit of \$1,231,268.07
7 including a debit of \$60,272.41 in accumulated interest, based on the Board's prescribed
8 interest rate. This estimate is based on actual and forecasted purchases and the balance
9 brought forward from September, 2013. The PGCVA debit amounts to a charge of
10 approximately \$99.87 for a typical residential customer consuming approximately 2,215
11 m³ per year. These figures are shown on Schedule 2.

12
13 Proposed PGCVA Rate Changes

14 NRG proposes to adjust the reference price effective October 1, 2014 based on the
15 projected accumulated balance in the PGCVA as of the end of September, 2014 and the
16 forecasted cost of gas over the 12 month period beginning October, 2014 and ending
17 September, 2015. The reference price is set such that the projected PGCVA balance at
18 the end of September, 2015 is close to zero.

19
20 NRG's proposal will clear the PGCVA balance on a prospective basis, eliminating the
21 need for retroactive adjustments. This is consistent with NRG's past proposals in QRAM
22 applications, which have been accepted by the Board.

23
24 NRG proposes to change the reference price by \$0.083608 per m³ effective October 1,
25 2014, from \$0.315237 per m³ to \$0.231630 per m³. The derivation of this rate is shown
26 in Schedule 5. This is the reference price required to bring the PGCVA balance close to
27 zero on a twelve month forecast basis. This change will also be reflected in the gas
28 commodity charge.

GAS PURCHASE REBALANCING ACCOUNT

The impact on the GPRA of the proposed October 1, 2014 PGCVA reference price change from \$0.315237 per m³ to \$0.231630 per m³ is a debit of \$434,385.33, as shown on Schedule 8. This figure is shown in column (J) of Schedule 8 on the September, 2014 line. It is calculated as the change in the PGCVA reference price between September and October, multiplied by the cumulative inventory balance at the end of September. This cumulative inventory balance is the sum of the actual monthly inventory balances for July, 2014 and forecasts for the subsequent months. These forecasts will be replaced with actual balances for these months in subsequent QRAM applications as this information becomes available. As well, the monthly inventory balances are based on a deemed level of unaccounted for gas ("UFG") of the total throughput volume, as shown in column (E) of Schedule 8. The 0.0% is the Board approved level of UFG from EB-2010-0018.

NRG proposes to adjust the gas commodity charge effective October 1, 2014 based on the projected accumulated balance in the GPRA. The adjustment to the gas commodity charge will be set such that the projected GPRA balance at the end of September, 2015, will be close to zero. The rate required to achieve this is shown in column (K) on Schedule 8. Column (P) shows the reduction of the inventory revaluation balance based on this rate of \$0.030284 per m³ over the October, 2014 through September, 2015 period.

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

GAS COMMODITY CHARGE

The system gas supply cost of \$0.000363 per m³ will be maintained at the level approved in EB-2010-0018. This figure represents the incremental costs over and above the commodity and transportation costs that form the PGCVA reference price to the gas

supply function. These incremental costs are portions administrative and general expenses, regulatory and consulting fees associated with the QRAM applications, return on rate base (working cash allowance related to gas commodity) and income taxes. This functionalization is unchanged from that approved in EB-2010-0018.

The change in the gas commodity charge proposed for October 1, 2014 is summarized below. The change in the gas commodity charge reflects both the change in the PGCVA reference price and the change in the recovery of the inventory revaluation amount in the GPRA. The change in the gas commodity charge is as follows:

	EB-2014-0053 Apr. 1, 2014	Proposed Oct. 1, 2014	Difference
PGCVA Reference Price	\$0.315237	\$0.231630	\$(0.083607)
GPRA Recovery	\$0.009556	\$0.030284	\$0.020728
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.325156	\$0.262277	\$(0.062879)

SUMMARY

In summary, NRG proposes to change the reference price for amounts to be recorded in the Purchased Gas Commodity Variance Account from \$0.315237 by \$0.083607 to \$0.231630 per m³ effective October 1, 2014. Appendix B contains the accounting entries related to the PGCVA.

NRG also proposes to change the gas supply charge from \$0.325156 to \$0.262277 per m³ effective October 1, 2014. This change reflects the change in the PGCVA reference price, as described above, the change related to the recovery of the GPRA balance, also as described above, and the continuation of the system gas supply cost. These changes apply to all system gas customers served under Rates 1, 2, 3, 4, 5 and 6.

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

1

2 Schedule 9 provides a residential bill comparison showing the impact of the proposed
3 changes on a year over year basis for the appropriate quarter as well as the annual bill
4 impact of the most recent quarterly change. The annual bill impact related to the change
5 in the commodity charges on a customer consuming approximately 2,009 m³ is a
6 decrease of \$126.35.

7

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2013 TO SEPTEMBER, 2014

Act/Fcst	Month	Purchase Cost (\$s)	M*3	Actual/ Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$s)	Y-T-D PGCVA (\$s) (1)	Monthly Interest (\$s)	Y-T-D Interest (\$s) (2)	Total PGCVA (\$s)	Total Y-T-D PGCVA (\$s)	Average Residential Consumption (M*3)	Monthly Interest Rate
Actual	October	349,044	1,933,605	0.180515	0.183191	0.002676	5,174.33	201,520.79	240.52	-42,968.20	5,414.85	158,552.59	106.5	1.47%
Actual	November	363,276	1,896,591	0.191541	0.183191	(0.008350)	-15,836.53	185,684.26	246.86	-42,721.34	-15,589.67	142,962.92	215.2	1.47%
Actual	December	376,566	1,940,468	0.194059	0.183191	(0.010868)	-21,089.00	164,595.26	227.46	-42,493.88	-20,861.54	122,101.38	341.1	1.47%
Actual	January	384,867	1,927,788	0.199642	0.183683	(0.015959)	-30,765.56	133,829.70	201.63	-42,292.25	-30,563.93	91,537.45	399.2	1.47%
Actual	February	3,532,291	4,739,329	0.745314	0.183683	(0.561631)	-2,661,754.33	-2,527,924.63	163.94	-42,128.31	-2,661,590.39	-2,570,052.94	362.5	1.47%
Actual	March	478,390	1,900,493	0.251719	0.183683	(0.068036)	-129,301.92	-2,657,226.55	-3,096.71	-45,225.02	-132,398.63	-2,702,451.57	324.7	1.47%
Actual	April	389,127	1,842,589	0.211185	0.315237	0.104052	191,725.11	-2,465,501.44	-3,255.10	-48,480.12	188,470.01	-2,513,981.56	190.0	1.47%
Actual	May	479,371	2,331,232	0.205630	0.315237	0.109607	255,519.40	-2,209,982.04	-3,020.24	-51,500.36	252,499.16	-2,261,482.40	93.3	1.47%
Actual	June	570,847	2,893,041	0.197317	0.315237	0.117920	341,147.43	-1,868,834.61	-2,707.23	-54,207.59	338,440.20	-1,923,042.20	40.5	1.47%
Actual	July	385,468	1,896,767	0.203224	0.315237	0.112013	212,462.55	-1,656,372.06	-2,289.32	-56,496.91	210,173.23	-1,712,868.97	40.9	1.47%
Forecast	August	377,783	1,930,252	0.195717	0.315237	0.119520	230,703.68	-1,425,668.38	-2,029.06	-58,525.97	228,674.62	-1,484,194.35	42.8	1.47%
Forecast	September	<u>400,853</u>	<u>2,079,470</u>	<u>0.192767</u>	0.315237	0.122470	<u>254,672.72</u>	<u>-1,170,995.66</u>	<u>-1,746.44</u>	<u>-60,272.41</u>	<u>252,926.28</u>	<u>-1,231,268.07</u>	58.5	1.47%
	Total	8,087,883	27,311,625	0.296133			-1,367,342.12	-1,170,995.66	-17,063.69	-60,272.41	-1,384,405.81	-1,231,268.07	2,215.2	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.045082)
Forecast Average Residential Consumption per Customer 2,215.2 M*3
Estimated Impact on Average Residential Customer \$99.87 Customer Charge

- (1) Includes balance of 196,346.46 as of September, 2013
(2) Includes balance of -43,208.72 as of September, 2013

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2013 TO SEPTEMBER, 2014

	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,931	82,192	84,931	84,931	76,712	84,931	82,192	84,931	82,192	84,931	84,932	82,192	999,998
Local Production (B)	131,144	164,959	150,319	137,897	125,341	121,955	125,200	114,039	128,608	115,034	115,068	117,808	1,547,372
Dawn Delivery	0	0	0	0	2,342,093	0	0	461,346	236,510	244,475	248,821	240,795	3,774,039
Parkway Delivery	1,401,718	1,355,093	1,400,917	1,400,705	1,260,917	1,394,024	1,345,947	1,375,348	1,114,641	1,152,179	1,172,662	1,134,834	15,508,986
Western Delivery	315,812	294,347	304,301	304,255	270,977	299,582	289,250	295,569	290,369	300,148	308,768	305,166	3,578,543
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>663,290</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,040,722</u>	<u>0</u>	<u>0</u>	<u>198,675</u>	<u>1,902,687</u>
Total	1,933,605	1,896,591	1,940,468	1,927,788	4,739,329	1,900,493	1,842,589	2,331,232	2,893,041	1,896,767	1,930,252	2,079,470	27,311,625
<u>Price (\$/m3)</u>													
Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.181632	0.181632	0.181632	0.185325	0.185325	0.185325	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	
Dawn Delivery	0.000000	0.000000	0.000000	0.000000	1.048448	0.000000	0.000000	0.189619	0.190248	0.188648	0.160438	0.161268	
Parkway Delivery	0.171736	0.179963	0.181354	0.186612	0.208703	0.248082	0.192127	0.191555	0.185920	0.185858	0.182597	0.182597	
Western Delivery	0.127588	0.160743	0.169778	0.178751	0.205781	0.222344	0.203986	0.196718	0.185575	0.182175	0.171687	0.172329	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	1.048454	0.000000	0.000000	0.000000	0.184867	0.000000	0.000000	0.160438	
<u>Total Gas Cost (\$)</u>													
Local Production (A)	25,581	24,756	25,581	25,581	23,106	25,581	24,756	25,581	24,756	25,581	25,582	24,756	301,199
Local Production (B)	23,820	29,962	27,303	25,556	23,229	22,601	29,583	26,946	30,389	27,181	27,189	27,837	321,595
Dawn Delivery	0	0	0	0	2,455,563	0	0	87,480	44,996	46,120	39,920	38,832	2,712,910
Parkway Delivery	240,725	243,867	254,062	261,389	263,157	345,832	258,593	263,455	207,234	214,142	214,125	207,217	2,973,796
Western Delivery	40,294	47,314	51,664	54,386	55,762	66,610	59,003	58,144	53,885	54,679	53,011	52,589	647,341
Ontario Delivered Gas	0	0	0	0	695,429	0	0	0	192,395	0	0	31,875	919,699
TCPL Transportation	<u>18,625</u>	<u>17,377</u>	<u>17,956</u>	<u>17,956</u>	<u>16,046</u>	<u>17,765</u>	<u>17,192</u>	<u>17,765</u>	<u>17,192</u>	<u>17,765</u>	<u>17,956</u>	<u>17,747</u>	<u>211,341</u>
Total	349,044	363,276	376,566	384,867	3,532,291	478,390	389,127	479,371	570,847	385,468	377,783	400,853	8,087,883

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - OCTOBER, 2013 TO SEPTEMBER, 2014

	<u>Oct-13</u>	<u>Nov-13</u>	<u>Dec-13</u>	<u>Jan-14</u>	<u>Feb-14</u>	<u>Mar-14</u>	<u>Apr-14</u>	<u>May-14</u>	<u>Jun-14</u>	<u>Jul-14</u>	<u>Aug-14</u>	<u>Sep-14</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.868	7.860	7.863	7.862	7.836	7.825	7.807	7.720	7.837	7.839	7.979	7.979
Local Production (B) (\$/GJ)	4.745	4.740	4.742	4.838	4.821	4.814	6.124	6.056	6.148	6.150	6.259	6.259
<u>Dawn</u> (\$/GJ)	0.000	0.000	0.000	0.000	27.276	0.000	0.000	4.860	4.950	4.910	4.250	4.272
<u>Parkway</u> (\$/GJ)	4.486	4.696	4.735	4.871	5.430	6.445	4.980	4.910	4.837	4.837	4.837	4.837
<u>Western Deliveries</u> (\$/GJ)	3.333	4.195	4.432	4.666	5.353	5.776	5.287	5.042	4.828	4.742	4.548	4.565
Fuel Ratio (%)	2.05%	3.19%	5.05%	5.59%	6.18%	5.11%	4.57%	4.03%	2.96%	1.61%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500	1.540500
GJ/day (TCPL)	390	376	376	376	372	372	372	372	372	372	376	384
Delivery Commitment Credit (\$/GJ)	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
GJ/day (Obligated)	2,121	2,107	2,107	2,107	2,103	2,103	2,103	2,103	2,103	2,103	2,107	2,115
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	0.000	0.000	0.000	27.276	0.000	0.000	0.000	4.810	0.000	0.000	4.250
Heat Value (GJ/103m3)	38.28	38.32	38.30	38.31	38.44	38.49	38.58	39.02	38.43	38.42	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2014 TO SEPTEMBER, 2015
(WITH CHANGE IN REFERENCE PRICE)

Month	Purchase Cost (\$'s)	M*3	Forecast Price (\$/M*3)	Reference Price (\$/M*3)	Unit Rate Difference (\$/M*3)	Monthly PGCVA (\$'s)	Y-T-D PGCVA (\$'s) (1)	Monthly Interest (\$'s)	Y-T-D Interest (\$'s) (2)	Total PGCVA (\$'s)	Total Y-T-D PGCVA (\$'s)	Average Residential Consumption (M*3)	Monthly Interest Rate
October	385,407	2,001,695	0.192540	0.231630	0.039090	78,246.27	-1,092,749.39	-1,434.47	-61,706.88	76,811.80	-1,154,456.27	118.7	1.47%
November	351,989	1,927,682	0.182597	0.231630	0.049033	94,520.04	-998,229.35	-1,338.62	-63,045.50	93,181.42	-1,061,274.85	202.7	1.47%
December	366,262	1,985,272	0.184490	0.231630	0.047140	93,585.70	-904,643.65	-1,222.83	-64,268.33	92,362.87	-968,911.98	321.8	1.47%
January	366,262	1,985,272	0.184490	0.231630	0.047140	93,585.70	-811,057.95	-1,108.19	-65,376.52	92,477.51	-876,434.47	355.2	1.47%
February	334,845	1,812,503	0.184742	0.231630	0.046888	84,984.66	-726,073.29	-993.55	-66,370.07	83,991.11	-792,443.36	293.2	1.47%
March	366,262	1,985,272	0.184490	0.231630	0.047140	93,585.70	-632,487.59	-889.44	-67,259.51	92,696.26	-699,747.10	246.2	1.47%
April	351,294	1,927,682	0.182236	0.231630	0.049394	95,215.93	-537,271.66	-774.80	-68,034.31	94,441.13	-605,305.97	186.6	1.47%
May	361,616	1,985,272	0.182149	0.231630	0.049481	98,233.22	-439,038.44	-658.16	-68,692.47	97,575.06	-507,730.91	89.7	1.47%
June	351,294	1,927,682	0.182236	0.231630	0.049394	95,215.93	-343,822.51	-537.82	-69,230.29	94,678.11	-413,052.80	53.1	1.47%
July	361,616	1,985,272	0.182149	0.231630	0.049481	98,233.22	-245,589.29	-421.18	-69,651.47	97,812.04	-315,240.76	40.9	1.47%
August	361,616	1,985,272	0.182149	0.231630	0.049481	98,233.22	-147,356.07	-300.85	-69,952.32	97,932.37	-217,308.39	42.8	1.47%
September	<u>670,091</u>	<u>3,831,849</u>	<u>0.174874</u>	0.231630	0.056756	<u>217,480.41</u>	<u>70,124.34</u>	<u>-180.51</u>	<u>-70,132.83</u>	<u>217,299.90</u>	<u>-8.49</u>	<u>58.5</u>	1.47%
Total	4,628,555	25,340,723	0.182653			1,241,120.00	70,124.34	-9,860.42	-70,132.83	1,231,259.58	-8.49	2,009.4	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.000000)
Forecast Average Residential Consumption per Customer 2,009.4 M*3
Estimated Impact on Average Residential Customer \$0.00 Customer Charge

(1) Includes Sept., 2014 year-to-date balance of (\$1,170,995.66) (See Schedule 2)

(2) Includes Sept., 2014 year-to-date balance of (\$60,272.41) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - OCTOBER, 2014 TO SEPTEMBER, 2015

	<u>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Jan-15</u>	<u>Feb-15</u>	<u>Mar-15</u>	<u>Apr-15</u>	<u>May-15</u>	<u>Jun-15</u>	<u>Jul-15</u>	<u>Aug-15</u>	<u>Sep-15</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,932	82,192	84,932	84,932	76,708	84,932	82,192	84,932	82,192	84,932	84,932	82,192	1,000,000
Local Production (B)	115,068	117,808	115,068	115,068	123,292	115,068	117,808	115,068	117,808	115,068	115,068	117,808	1,400,000
Dawn Delivery	248,821	658,013	679,947	679,947	614,146	679,947	658,013	679,947	658,013	679,947	679,947	658,013	7,574,702
Parkway Delivery	1,243,285	785,960	812,159	812,159	733,563	812,159	785,960	812,159	785,960	812,159	812,159	785,960	9,993,642
Western Delivery	309,589	283,709	293,166	293,166	264,795	293,166	283,709	293,166	283,709	293,166	293,166	283,709	3,468,212
Ontario Delivered Gas	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,904,167</u>	<u>1,904,167</u>
Total	2,001,695	1,927,682	1,985,272	1,985,272	1,812,503	1,985,272	1,927,682	1,985,272	1,927,682	1,985,272	1,985,272	3,831,849	25,340,723

Price (\$/m3)

Local Production (A)	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	0.301200	
Local Production (B)	0.208106	0.208106	0.208106	0.208106	0.208106	0.208106	0.208106	0.208106	0.208106	0.208106	0.208106	0.208106	
Dawn Delivery	0.159305	0.168478	0.174254	0.174254	0.174254	0.174254	0.167421	0.167421	0.167421	0.167421	0.167421	0.167421	
Parkway Delivery	0.181313	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	
Western Delivery	0.170592	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.167421	

Total Gas Cost (\$)

Local Production (A)	25,582	24,756	25,582	25,582	23,104	25,582	24,756	25,582	24,756	25,582	25,582	24,756	301,200
Local Production (B)	23,946	24,517	23,946	23,946	25,658	23,946	24,517	23,946	24,517	23,946	23,946	24,517	291,348
Dawn Delivery	39,638	110,861	118,483	118,483	107,017	118,483	110,165	113,837	110,165	113,837	113,837	110,165	1,284,975
Parkway Delivery	225,424	134,702	139,192	139,192	125,722	139,192	134,702	139,192	134,702	139,192	139,192	134,702	1,725,104
Western Delivery	52,813	40,655	42,010	42,010	37,945	42,010	40,655	42,010	40,655	42,010	42,010	40,655	505,441
Ontario Delivered Gas	0	0	0	0	0	0	0	0	0	0	0	318,797	318,797
TCPL Transportation	<u>18,004</u>	<u>16,499</u>	<u>17,049</u>	<u>17,049</u>	<u>15,399</u>	<u>17,049</u>	<u>16,499</u>	<u>17,049</u>	<u>16,499</u>	<u>17,049</u>	<u>17,049</u>	<u>16,499</u>	<u>201,690</u>
Total	385,407	351,989	366,262	366,262	334,845	366,262	351,294	361,616	351,294	361,616	361,616	670,091	4,628,555

[illegible]

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

OCTOBER, 2013 THROUGH SEPTEMBER, 2015

Month	Purchase Volume (M*3) A	Throughput Volume (M*3) B	Direct Purchase Volume (M*3) C	System Sales Volume (M*3) D=B-C	Deemed U.F.G. (M*3) E	System Sales + U.F.G. (M*3) F=D+E	Monthly Inventory Balance (M*3) G=A-F	Cumulative Inventory (M*3) H (1)	Reference Price (\$/M*3) I	Inventory Revaluation (\$s) J	Inventory Rate (\$/M*3) K	Inventory Recovery (\$s) L=KxD	Y-T-D GPRA Balance (\$s) M (2)	Monthly Interest (\$s) N	Y-T-D Interest (\$s) O (3)	Total Y-T-D GPRA Balance (\$s) P=M+O	Monthly Interest Rate
October	1,933,605	5,056,273	2,997,296	2,058,977	0	2,058,977	-125,372	2,656,890	0.183191	0.00	0.003042	6,263.41	-52,970.74	-72.56	5,652.69	-47,318.05	1.47%
November	1,896,591	6,248,568	3,094,687	3,153,881	0	3,153,881	-1,257,290	1,399,599	0.183191	0.00	0.003042	9,594.11	-43,376.63	-64.89	5,587.80	-37,788.83	1.47%
December	1,940,468	6,753,081	3,155,208	3,597,873	0	3,597,873	-1,657,405	-257,806	0.183191	-126.84	0.003042	10,944.73	-32,558.74	-53.14	5,534.66	-27,024.08	1.47%
January	1,927,788	7,081,813	3,043,619	4,038,194	0	4,038,194	-2,110,406	-2,368,212	0.183683	0.00	0.001330	5,370.80	-27,187.94	-39.88	5,494.78	-21,693.16	1.47%
February	4,739,329	6,515,574	2,811,127	3,704,447	0	3,704,447	1,034,882	-1,333,330	0.183683	0.00	0.001330	4,926.91	-22,261.03	-33.31	5,461.47	-16,799.56	1.47%
March	1,900,493	6,284,292	2,884,952	3,399,340	0	3,399,340	-1,498,847	-2,832,177	0.183683	-372,584.24	0.001330	4,521.12	-390,324.14	-27.27	5,434.20	-384,889.94	1.47%
April	1,842,589	4,480,961	2,476,246	2,004,715	0	2,004,715	-162,126	-2,994,303	0.315237	0.00	0.009556	19,157.06	-371,167.08	-478.15	4,956.05	-366,211.03	1.47%
May	2,331,232	3,730,885	2,732,424	998,461	0	998,461	1,332,771	-1,661,531	0.315237	0.00	0.009556	9,541.29	-361,625.79	-454.68	4,501.37	-357,124.42	1.47%
June	2,893,041	3,027,097	2,579,360	447,737	0	447,737	2,445,304	783,773	0.315237	0.00	0.009556	4,278.57	-357,347.22	-442.99	4,058.38	-353,288.84	1.47%
July	1,896,767	2,549,886	2,103,625	446,261	0	446,261	1,450,506	2,234,279	0.315237	0.00	0.009556	4,264.47	-353,082.75	-437.75	3,620.63	-349,462.12	1.47%
August	1,930,252	3,245,595	2,639,204	606,391	0	606,391	1,323,861	3,558,140	0.315237	0.00	0.009556	5,794.67	-347,288.08	-432.53	3,188.10	-344,099.98	1.47%
September	2,079,470	3,141,595	2,699,547	442,048	0	442,048	1,637,422	5,195,562	0.315237	-434,385.33	0.009556	4,224.21	-777,449.20	-425.43	2,762.67	-774,686.53	1.47%
October	2,001,695	5,121,595	2,783,246	2,338,349	0	2,338,349	-336,654	4,858,908	0.231630	0.00	0.030284	70,814.56	-706,634.64	-952.38	1,810.29	-704,824.35	1.47%
November	1,927,682	6,421,595	2,807,687	3,613,908	0	3,613,908	-1,686,226	3,172,682	0.231630	0.00	0.030284	109,443.59	-597,191.05	-865.63	944.66	-596,246.39	1.47%
December	1,985,272	6,421,595	2,795,357	3,626,238	0	3,626,238	-1,640,966	1,531,716	0.231630	0.00	0.030284	109,816.99	-487,374.06	-731.56	213.10	-487,160.96	1.47%
January	1,985,272	7,121,595	2,824,409	4,297,186	0	4,297,186	-2,311,914	-780,199	0.231630	0.00	0.030284	130,135.98	-357,238.08	-597.03	-383.93	-357,622.01	1.47%
February	1,812,503	6,321,595	2,807,462	3,514,133	0	3,514,133	-1,701,630	-2,481,828	0.231630	0.00	0.030284	106,422.00	-250,816.08	-437.62	-821.55	-251,637.63	1.47%
March	1,985,272	6,021,595	2,744,961	3,276,634	0	3,276,634	-1,291,362	-3,773,191	0.231630	0.00	0.030284	99,229.58	-151,586.50	-307.25	-1,128.80	-152,715.30	1.47%
April	1,927,682	4,621,595	2,685,665	1,935,930	0	1,935,930	-8,248	-3,781,439	0.231630	0.00	0.030284	58,627.70	-92,958.80	-185.69	-1,314.49	-94,273.29	1.47%
May	1,985,272	3,621,595	2,661,298	960,297	0	960,297	1,024,975	-2,756,464	0.231630	0.00	0.030284	29,081.63	-63,877.17	-113.87	-1,428.36	-65,305.53	1.47%
June	1,927,682	3,171,595	2,638,035	533,560	0	533,560	1,394,122	-1,362,342	0.231630	0.00	0.030284	16,158.33	-47,718.84	-78.25	-1,506.61	-49,225.45	1.47%
July	1,985,272	3,171,595	2,646,622	524,973	0	524,973	1,460,299	97,956	0.231630	0.00	0.030284	15,898.28	-31,820.56	-58.46	-1,565.07	-33,385.63	1.47%
August	1,985,272	3,271,595	2,639,204	632,391	0	632,391	1,352,881	1,450,837	0.231630	0.00	0.030284	19,151.33	-12,669.23	-38.98	-1,604.05	-14,273.28	1.47%
September	3,831,849	3,171,595	2,699,547	472,048	0	472,048	3,359,801	4,810,638	0.231630	0.00	0.030284	14,295.50	1,626.27	-15.52	-1,619.57	6.70	1.47%

(1) Includes balance of 2,782,262 as of Sept., 2013
(2) Includes balance of -59,234.15 as of Sept., 2013
(3) Includes balance of 5,725.25 as of Sept., 2013

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Oct-13 <u>EB-2013-0317</u>	Quarter Starting 01-Oct-14 <u>EB-2014-0206</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption for Quarter	643.2	643.2		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$100.73	\$100.73	\$0.00	0.0%
Total Commodity Charges	<u>\$120.02</u>	<u>\$168.70</u>	<u>\$48.68</u>	<u>40.6%</u>
Total Customer Charges	\$261.24	\$309.92	\$48.68	18.6%

ANNUAL BILL IMPACT

	01-Apr-14 <u>EB-2014-0053</u>	01-Oct-14 <u>EB-2014-0206</u>	\$ <u>Change</u>	Percent <u>Change</u>
Average Residential Consumption	2,009.4	2,009.4		
Monthly Charges	\$162.00	\$162.00	\$0.00	0.0%
Delivery Charges	\$314.67	\$314.67	\$0.00	0.0%
Total Commodity Charges	<u>\$653.37</u>	<u>\$527.02</u>	<u>(\$126.35)</u>	<u>-19.3%</u>
Total Customer Charges	\$1,130.04	\$1,003.69	(\$126.35)	-11.2%

RATES USED

	01-Oct-13 <u>EB-2013-0317</u>	01-Apr-14 <u>EB-2014-0053</u>	01-Oct-14 <u>EB-2014-0206</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.156601	0.156601	0.156601
Total Commodity Charge	0.186596	0.325156	0.262277

**APPENDIX “A” TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2014-0206
DATED SEPTEMBER XX, 2014**

NATURAL RESOURCE GAS LIMITED

RATE 1 - General Service Rate

Rate Availability

The entire service area of the Company.

Eligibility

All customers.

Rate

a)	Monthly Fixed Charge	\$13.50
b)	Delivery Charge	
	First 1,000 m ³ per month	15.6601 cents per m ³
	All over 1,000 m ³ per month	10.6527 cents per m ³
c)	Gas Supply Charge and System Gas Refund Rate Rider (if applicable)	Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2014

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

EB-2014-0206

NATURAL RESOURCE GAS LIMITED

RATE 2 - Seasonal Service

Rate Availability

The entire service area of the company.

Eligibility

All customers.

Rate

For all gas consumed from:	April 1 through October 31:	November 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m ³ per month	14.5236 cents per m ³	18.3068 cents per m ³
Next 24,000 m ³ per month	9.4826 cents per m ³	15.6960 cents per m ³
All over 25,000 m ³ per month	6.1698 cents per m ³	15.2899 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading, provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2014

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

EB-2014-0206

NATURAL RESOURCE GAS LIMITED

RATE 3 - Special Large Volume Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a combined daily contracted demand for firm and interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 113,000 m³.

Rate

1. Bills will be rendered monthly and shall be the total of:

- a) A Monthly Customer Charge:

A Monthly Customer Charge of \$150.00 for firm or interruptible customers; or
A Monthly Customer Charge of \$175.00 for combined (firm and interruptible) customers.

- b) A Monthly Demand Charge:

A Monthly Demand Charge of 29.0974 cents per m³ for each m³ of daily contracted firm demand.

- c) A Monthly Delivery Charge:

- (i) A Monthly Firm Delivery Charge for all firm volumes of 3.8521 cents per m³,
- (ii) A Monthly Interruptible Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 10.9612 cents per m³ and not to be less than 7.9412 per m³.

- d) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

- e) Overrun Gas Charges:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then,

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized firm overrun gas taken in any month shall be paid for at the Rate 3 Firm Delivery Charge in effect at the time the overrun occurs. In addition, the Contract Demand level shall be adjusted to the actual maximum daily volume taken and the Demand Charges stated above shall apply for the whole contract year,

including retroactively, if necessary, thereby requiring recomputation of bills rendered previously in the contract year.

Any unauthorized interruptible overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any Gas Supply Charge applicable.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c)(ii) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption, the pattern of annual use, and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;
- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas as specified in the contract between the parties. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this minimum shall be 3.1530 cents per m³ for firm gas and 5.4412 cents per m³ for interruptible gas.

4. The contract may provide that the Monthly Demand Charge specified in Rate Section 1 above shall not apply on all or part of the daily contracted firm demand used by the customer during the testing, commissioning, phasing in, decommissioning and phasing out of gas-using equipment for a period not to exceed one year (the transition period). In such event, the contract will provide for a Monthly Firm Delivery Commodity Charge to be applied on such volume during the transition of 5.7163 cents per m³ and a gas supply commodity charge as set out in Schedule A, if applicable. Gas purchased under this clause will not contribute to the minimum volume.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: October 01, 2014

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

EB-2014-0206

NATURAL RESOURCE GAS LIMITED

RATE 4 - General Service Peaking

Rate Availability

The entire service area of the company.

Eligibility

All customers whose operations, in the judgment of Natural Resource Gas Limited, can readily accept interruption and restoration of gas service with 24 hours notice.

Rate

For all gas consumed from:	April 1 through December 31:	January 1 through March 31:
a) Monthly Fixed Charge	\$15.00	\$15.00
b) Delivery Charge		
First 1,000 m ³ per month	15.1257cents per m ³	19.2963 cents per m ³
All over 1,000 m ³ per month	10.5218 cents per m ³	16.9052 cents per m ³
c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable)		Schedule A

Meter Readings

Gas consumption by each customer under this rate schedule shall be determined by monthly meter reading provided that in circumstances beyond the control of the company such as strikes or non-access to a meter, the company may estimate the consumption each month as of the scheduled date of the regular monthly meter reading and render a monthly bill to the customer thereof.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Effective: October 01, 2014

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

EB-2014-0206

NATURAL RESOURCE GAS LIMITED

RATE 5 - Interruptible Peaking Contract Rate

Rate Availability

Entire service area of the company.

Eligibility

A customer who enters into a contract with the company for the purchase or transportation of gas:

- a) for a minimum term of one year;
- b) that specifies a daily contracted demand for interruptible service of at least 700 m³; and
- c) a qualifying annual volume of at least 50,000 m³.

Rate

1. Bills will be rendered monthly and shall be the total of:

a) Monthly Fixed Charge \$150.00.

b) A Monthly Delivery Charge:

A Monthly Delivery Charge for all interruptible volumes to be negotiated between the company and the customer not to exceed 8.4612 cents per m³ and not to be less than 5.4612 per m³.

c) Gas Supply Charge and System Gas Refund Rate Rider (if applicable) Schedule A

d) Overrun Gas Charge:

Overrun gas is available without penalty provided that it is authorized by the company in advance. The company will not unreasonably withhold authorization.

If, on any day, the customer should take, without the company's approval in advance, a volume of gas in excess of the maximum quantity of gas which the company is obligated to deliver to the customer on such day, or if, on any day, the customer fails to comply with any curtailment notice reducing the customer's take of gas, then

- (i) the volume of gas taken in excess of the company's maximum delivery obligation for such day, or
- (ii) the volume of gas taken in the period on such day covered by such curtailment notice (as determined by the company in accordance with its usual practice) in excess of the volume of gas authorized to be taken in such period by such curtailment notice,

as the case may be, shall constitute unauthorized overrun volume.

Any unauthorized overrun gas taken in any month shall be paid for at the Rate 1 Delivery Charge in effect at the time the overrun occurs plus any applicable Gas Supply Charge.

For any unauthorized overrun gas taken, the customer shall, in addition, indemnify the company in respect of any penalties or additional costs imposed on the company by the company's suppliers, any additional gas cost incurred or any sales margins lost as a consequence of the customer taking the unauthorized overrun volume.

2. In negotiating the Monthly Interruptible Commodity Charge referred to in 1(c) above, the matters to be considered include:

- a) The volume of gas for which the customer is willing to contract;
- b) The load factor of the customer's anticipated gas consumption and the pattern of annual use and the minimum annual quantity of gas which the customer is willing to contract to take or in any event pay for;

- c) Interruptible or curtailment provisions;
- d) Competition.

3. In each contract year, the customer shall take delivery from the company, or in any event pay for it if available and not accepted by the customer, a minimum volume of gas of 50,000 m³. Overrun volumes will not contribute to the minimum volume. The rate applicable to the shortfall from this annual minimum shall be 7.0069 cents per m³ for interruptible gas.

Bundled Direct Purchase Delivery

Where a customer elects under this rate schedule to directly purchase its gas from a supplier other than NRG, the customer or their agent, must enter into a Bundled T-Service Receipt Contract with NRG for delivery of gas to NRG. Bundled T-Service Receipt Contract rates are described in rate schedule BT1. The gas supply charge will not be applicable to customers who elect said Bundled T transportation service.

Unless otherwise authorized by NRG, customers who are delivering gas to NRG under direct purchase arrangements must obligate to deliver said gas at a point acceptable to NRG, and must acquire and maintain firm transportation on all pipeline systems upstream of Ontario.

Delayed Payment Penalty

When payment is not made in full by the due date noted on the bill, which date shall not be less than 16 calendar days after the date of mailing, hand delivery or electronic transmission of the bill, the balance owing will be increased by 1.5%. Any balance remaining unpaid in subsequent months will be increased by a further 1.5% per month. The minimum delayed payment penalty shall be one dollar (\$1.00).

Effective: October 01, 2014

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

EB-2014-0206

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: October 01, 2014

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

EB-2014-0206

NATURAL RESOURCE GAS LIMITED

SCHEDULE A – Gas Supply Charges

Rate Availability

Entire service area of the company.

Eligibility

All customers served under Rates 1, 2, 3, 4, 5 and 6.

Rate

The Gas Supply Charge applicable to all sales customers shall be made up of the following charges:

PGCVA Reference Price	(EB-2014-0206)	23.1630 cents per m ³
GPRA Recovery Rate	(EB-2014-0206)	3.0284 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>26.2277</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: October 01, 2014

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

EB-2014-0206

NATURAL RESOURCE GAS LIMITED

RATE BT1 – Bundled Direct Purchase Contract Rate

Availability

Rate BT1 is available to all customers or their agent, who enter into a Receipt Contract for delivery of gas to NRG. The availability of this option is subject to NRG obtaining a satisfactory agreement or arrangement with Union Gas and NRG's gas supplier for direct purchase volume and DCQ offsets.

Eligibility

All customers electing to purchase gas directly from a supplier other than NRG must enter into a Bundled T-Service Receipt Contract with NRG either directly or through their agent, for delivery of gas to NRG at a mutually acceptable delivery point.

Rate

For gas delivered to NRG at any point other than the Ontario Point of Delivery, NRG will charge a customer or their agent, all approved tolls and charges incurred by NRG to transport the gas to the Ontario Point of Delivery.

Note:

Ontario Point of Delivery means Dawn or Parkway on the Union Gas System as agreed to by NRG and NRG's customer or their agent.

Effective: October 01, 2014

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

EB-2014-0206

NATURAL RESOURCE GAS LIMITED

Transmission Service

Availability

Transmission Service charges shall be applied to Natural Resource Gas Corp.

Eligibility

Only Natural Resource Gas Corp. shall be charged the Transmission Service Rate. Fees and Charges will be applied only in those months that NRG Corp. delivers gas to a delivery point on NRG's system.

Rate

Administrative Charge	\$250/month
Transportation Rate	\$0.95/mcf

Effective: October 01, 2014

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

EB-2014-0206

**APPENDIX “B” TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2014-0206
DATED SEPTEMBER XX, 2014**

NATURAL RESOURCE GAS LIMITED

Accounting Entries for the Purchased Gas Commodity Variance Account

Note: Account numbers are in accordance with the Uniform System of Accounts for Gas Utilities, Class A, prescribed under the Ontario Energy Board Act.

To record monthly as a debit (credit) in Deferral Account No. 179-27 (PGCVA) the decrease (increase) to reflect the projected changes in gas costs and prospective recovery of the balances of the gas supply deferral accounts approved by the Board for rate making purposes.

Debit/Credit Account No. 179-27 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 623 Cost of Gas

To record as a debit (credit) in Deferral Account No. 179-28, interest on the balance in Deferral Account

Debit/Credit Account No. 179-28 Purchased Gas Commodity Variance Account (PGCVA)

Credit/Debit Account No. 323 Other Interest Expense

Simple interest will be computed monthly on the opening balance in the said account in accordance with the methodology approved by the Board in EB-2006-0117.

**APPENDIX “C” TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2014-0206
DATED SEPTEMBER XX, 2014**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after October 1, 2014, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.062879 per cubic meter to \$0.262277 per cubic meter. The Ontario Energy Board (OEB) has approved this change to reflect the prices that NRG expects that it will be paying to its gas suppliers through to the end of September, 2015. On your gas bill this cost is on the line entitled "Gas Commodity".

As a regulated utility, NRG is permitted to recover what it pays for the purchase of gas plus any costs reasonably associated with this purchase but with no mark up or 'profit'. The price the utility charges you is based on the forecasted gas and transportation costs to NRG, which are periodically reviewed by the OEB and reconciled with actual costs. The gas commodity portion gets adjusted regularly throughout the year as the price of the gas commodity changes.

How will this price change impact you? That will depend on the amount of gas that you use. For a typical residential customer who consumes approximately 2,009 cubic meters of gas annually, this price change will cause your annual heating costs to decrease by approximately \$126 per year. For customers who have arranged to have their gas supplied by a gas marketer/broker, the price may or may not change depending on the terms of the contract the customer has with the gas marketer/broker.

If you have any questions about this rate change, please do not hesitate to contact us at 519-773-5321. We thank you for continuing to make natural gas your fuel of choice.