

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 January 1, 2015;

AND IN THE MATTER OF the Quarterly Rate
Adjustment Mechanism.

APPLICATION

1. As part of the EB-2014-0206 Decision and Interim Rate Order dated September 25, 2014 the Board approved a PGCVA reference price of \$0.231630 per m³ and a gas supply charge of \$0.262277 per m³, both effective October 1, 2014.
2. Based on actual and forecast natural gas prices for the January, 2014 through December, 2014 period the PGCVA balance is projected to be a charge of approximately \$76.31 per residential customer.
3. NRG hereby applies to the Board for further orders effective January 1, 2015 as follows:
 - a) an order changing the reference price authorized by the Board's EB-2014-0206 Decision and Interim Rate Order for use in determining the amounts to be recorded in the Purchased Gas Commodity Variance Account (Account No. 179-27) by \$0.009518 per m³ from the Board approved level of \$0.231630 per m³ to \$0.222112 per m³;
 - b) an order changing the rates and other charges from those authorized by the Board's EB-2014-0206 Decision and Interim Rate Order to reflect a

projected \$0.024941 per m³ change in the gas supply charge from the Board approved level of \$0.262277 per m³ to a projected cost of \$0.237336 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-2014-0274.

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 January 1, 2015.

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

Mr. Brian Lippold
Natural Resource Gas Limited
39 Beech Street East
Aylmer, Ontario, N5H 3J6

Telephone: (519) 773-5321
Fax: (519) 773-5335

And

Mrs. Laurie O'Meara

Natural Resource Gas Limited
P.O. Box 3117, Terminal A
London, Ontario, N6A 4J4

Telephone: (519) 433-8126
Fax: (519) 433-6132
E-mail: lomeara@cpirentals.com

And

Mr. Randy Aiken
Aiken & Associates
578 McNaughton Ave. West
Chatham, Ontario, N7L 4J6

Telephone: (519) 351-8624
E-mail: randy.aiken@sympatico.ca

Dated at London, Ontario, this 10th day of December, 2014.

NATURAL RESOURCE GAS LIMITED

Brian Lippold
General Manager

NATURAL RESOURCE GAS LIMITED

INTRODUCTION

As part of the EB-2014-0206 Decision and Interim Rate Order dated September 25, 2014 the Board approved a Purchased Gas Commodity Variance Account ("PGCVA") reference price of \$0.231630 per m³ and a gas supply charge of \$0.262277 per m³, both effective October 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-2014-0206, the Board approved a GPRA rate of \$0.030284 per m³.

NRG is proposing to adjust the gas supply charge, the GPRA rate and the PGCVA reference price effective January 1, 2015 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 \$76.31 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 October, 2014. The remaining months in the
3 twelve-month period ending December, 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 January, 2015 through December, 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).

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

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

As shown in Schedule 3 on the Ontario Delivered Gas line, NRG purchased additional gas in June, 2014, in the amount of 1,040,722 m³ (39,999 GJ) at a cost of \$192,395. This additional gas was needed to ensure the NRG was within its contractual parameters with Union Gas as of the year-end of the transportation contract, as noted above. The price for this gas was \$4.81/GJ, as shown in Schedule 4.

February Balancing Gas

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

In order to meet its forecast banked gas account winter balancing checkpoint on the Union Gas system, NRG was required to purchase additional gas in February, 2014. Based on the Direct Purchase Status Report received from Union Gas for the month ending January 31, 2014, NRG was notified that it was required to purchase 115,523 GJ (3,005,383 m³) in order to meet the winter checkpoint balance at the end of February.

1 The majority of this shortfall was due to the much colder than normal weather
2 experienced in December and January of the 2013/2014 winter.

3
4 NRG was able to purchase 90,027 GJ (2,342,093 m³) of Dawn delivered gas in February
5 2014 at a cost of \$2,455,563, as shown in Schedule 3 (Dawn delivery).

6
7 NRG was unable to purchase the remaining shortfall of 25,496 GJ (663,290 m³) in
8 February 2014. There was simply no gas available to be purchased and delivered at
9 Dawn or any other points on the Union system.

10
11 NRG has included the cost of this gas in February, 2014 in the Ontario Delivered Gas
12 line in Schedule 3, at a total cost of \$695,429 (\$27.276/GJ) as directed by the Board in
13 the EB-2014-0053 Decision and Interim Order dated April 1, 2014.

14
15 Obligated Deliveries

16 Obligated deliveries to Union by NRG on behalf of both system gas customers and direct
17 purchase customers has been forecast at 2,380 GJ/day effective October 1, 2014, an
18 increase from the previous level of 2,294 GJ/day. The increase reflects growing volumes
19 at NRG.

20
21 The direct purchase customer assignment was 186 GJ/day in October, 2014 increasing to
22 197 GJ/day in November, 2014, where it is forecast to remain through December, 2015.
23 These levels allow direct purchase customers to bring their supplies in line with their
24 actual and projected consumption. This results in deliveries for system gas customers of
25 2,194 GJ/day in October, 2014 and 2,183 GJ/day in November, 2014 through December,
26 2015.

27
28 The composition of these obligated system gas deliveries over this period is as follows.
29 Parkway deliveries decrease from 1,514 GJ/day in October, 2014 to 989 GJ/day in
30 November, 2014 through December, 2015. Obligated deliveries for system gas customers

at AECO decrease from 377 GJ/day in October, 2014 to 366 GJ/day in November, 2014 through December, 2015.

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

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

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

GJ/s per Day

Delivery Point	Oct., 2014	Nov., 2014 - Dec., 2015
Direct Purchase	186	197
AECO	377	366
Parkway	1,514	989
Dawn	<u>303</u>	<u>828</u>
Total	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 January, 2014 through December, 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

1 portfolio volumes for the January, 2015 through December, 2015 period is shown on the
2 top of Schedule 6.

3
4 Gas Costs

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

13
14 Prices for January, 2015 through December, 2015 are based on prices averaged over 10
15 days in the period November 6, 2014 through November 28, 2014 (reports were not
16 available for November 10, 11, 13, 17, 19, 26 or 27). These prices, which have been
17 sourced from the Shell Energy North America report entitled 'Daily Energy Market
18 Update', have been utilized in calculating the prices shown in Schedule 7 in \$/GJ and in
19 the middle section of Schedule 6 in \$/m³. The source of the foreign exchange rates used
20 in the calculations is the daily noon exchange rates for the 10-year lookup from the Bank
21 of Canada that are available on their website at www.bankofcanada.ca/rates/exchange.

22
23 Gas prices for each of the sources of supply are described below. In addition to the
24 above, contracted prices have been used where purchase decisions have been made.

25
26 NRG Corp. Pricing

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

30

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

6
7 The remaining gas purchased from NRG Corp. is shown in the line labeled "Local
8 Production (B)". This gas is priced at the approved Union Gas Ontario landed reference
9 price for each quarter. The January, 2014 through March, 2014 price is \$0.185325,
10 reflecting the Board's Decision and Order in EB-2013-0413 dated December 19, 2013.
11 The April, 2014 through September, 2014 price is \$0.236288, reflecting the Board's
12 Decision and Order in EB-2014-0050 dated March 21, 2014. The October, 2014 through
13 December, 2014 price is \$0.208106, reflecting the Board's Decision and Order in EB-
14 2014-0208 dated September 25, 2014. These prices are shown in Schedule 3.

15
16 The NRG Corp. prices over the January, 2015 through December, 2015 period shown in
17 Schedule 6 reflect the Board approved price of \$0.301200 per m³ for 1,000,000 m³ as
18 shown on the Local Production (A) line. The remaining gas forecast to be purchased
19 from NRG Corp. is shown on the Local Production (B) line. The price forecast for this
20 gas has been taken from the Union's QRAM application in EB-2014-0356 dated
21 December 9, 2014, where the Ontario landed reference price has been forecast as
22 \$0.218866 per m³.

23
24 At the time this application was prepared the Union Gas QRAM price for January 1, 2015
25 rates was not yet approved by the Board. Any differences between the applied for and
26 Board approved Ontario landed reference price for Union will be reflected in NRG's next
27 QRAM application and evidence.

28
29 NRG also purchases gas for delivery at Parkway and Empress. The pricing of this gas at
30 these delivery points is discussed below.

Empress Pricing

The Empress price over the January, 2015 through December, 2015 period shown in Schedule 7 (Western Deliveries) is based on a combination of actual contracted prices.

The average Empress delivery rate is \$3.796/GJ in November, 2014 through October, 2015, and \$4.087/GJ in November and December, 2015. Fuel costs of 4% are included in these rates.

The average Empress delivery price includes a mix of fixed price contracts over the January, 2015 through December, 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>Jan. - Oct.</u>		<u>Nov. - Dec.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	366	3.650	0	0.000
Yes	0	0.000	366	3.930
Total	366	3.650	366	3.930
with Fuel (4%)		3.796		4.087

NRG has no Empress deliveries that have not been contracted for over the January, 2015 through December, 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

	<u>Feb-14</u>	<u>Apr-14</u>	<u>Nov-15</u>
<u>Jan-15</u>	<u>Mar-15</u>	<u>Oct-15</u>	<u>Dec-15</u>

6-Nov-14	4.47	4.37	3.59	3.87
7-Nov-14	4.63	4.52	3.63	3.95
12-Nov-14	4.28	4.17	3.49	3.74
14-Nov-14	4.12	4.01	3.36	3.60
18-Nov-14	4.35	4.23	3.42	3.72
20-Nov-14	4.69	4.57	3.46	3.85
21-Nov-14	4.42	4.29	3.34	3.68
24-Nov-14	4.32	4.22	3.41	3.70
25-Nov-14	4.48	4.37	3.44	3.77
28-Nov-14	4.21	4.11	3.39	3.63
10 Day Average	4.397	4.286	3.453	3.751

Parkway Pricing

The Parkway price over the January, 2015 through December, 2015 period shown in Schedule 7 is based on a combination of actual contracted prices. The average Parkway delivery rate forecast is \$4.540/GJ in January, 2015 through October, 2015 and \$4.710/GJ in November and December, 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>Contracted?</u>	<u>Parkway Deliveries</u>			
	<u>Jan. - Oct.</u>		<u>Nov. - Dec.</u>	
	<u>GJ/day</u>	<u>\$/GJ</u>	<u>GJ/day</u>	<u>\$/GJ</u>
Yes	989	4.540	0	0.000
Yes	0	0.000	989	4.710
Total	989	4.540	989	4.710

NRG has no Parkway deliveries that have not been contracted for over the January, 2015 through December, 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

1 and as a result need to be converted to Cdn\$/GJ. This is accomplished through the use of
 2 a conversion factor of 1.054615 to convert MMBtu to GJ and through the use of the
 3 foreign exchange rate. The formula used is (Henry Hub Price + Niagara Basis) /
 4 1.054615 x Foreign Exchange Rate. These calculations are show below for each of the
 5 different pricing periods available.

Parkway Delivery Price Forecast

	Henry Hub (US\$/MMBtu)	Niagara Basis	MMBtu -GJ	F/X	\$/ GJ (Cdn)
<u>January-15</u>					
6-Nov-14	4.490	-0.25	1.054615	1.1424	4.59
7-Nov-14	4.510	-0.15	1.054615	1.1360	4.70
12-Nov-14	4.280	-0.47	1.054615	1.1284	4.08
14-Nov-14	4.130	-0.44	1.054615	1.1294	3.95
18-Nov-14	4.370	-0.32	1.054615	1.1305	4.34
20-Nov-14	4.650	-0.21	1.054615	1.1312	4.76
21-Nov-14	4.420	-0.19	1.054615	1.1238	4.51
24-Nov-14	4.300	-0.23	1.054615	1.1282	4.35
25-Nov-14	4.400	-0.27	1.054615	1.1261	4.41
28-Nov-14	4.090	-0.26	1.054615	1.1427	4.15
10 Day Average					<u>4.384</u>
<u>February-15 - March-15</u>					
6-Nov-14	4.410	-0.27	1.054615	1.1424	4.48
7-Nov-14	4.430	-0.17	1.054615	1.1360	4.59
12-Nov-14	4.220	-0.49	1.054615	1.1284	3.99
14-Nov-14	4.070	-0.47	1.054615	1.1294	3.86
18-Nov-14	4.300	-0.36	1.054615	1.1305	4.22
20-Nov-14	4.570	-0.21	1.054615	1.1312	4.68
21-Nov-14	4.340	-0.21	1.054615	1.1238	4.40
24-Nov-14	4.240	-0.24	1.054615	1.1282	4.28
25-Nov-14	4.340	-0.28	1.054615	1.1261	4.34
28-Nov-14	4.070	-0.30	1.054615	1.1427	4.08
10 Day Average					<u>4.292</u>
<u>April-15 - October-15</u>					
6-Nov-14	3.840	-0.20	1.054615	1.1424	3.94
7-Nov-14	3.820	-0.16	1.054615	1.1360	3.94
12-Nov-14	3.780	-0.20	1.054615	1.1284	3.83
14-Nov-14	3.690	-0.20	1.054615	1.1294	3.74

18-Nov-14	3.750	-0.19	1.054615	1.1305	3.82
20-Nov-14	3.780	-0.18	1.054615	1.1312	3.86
21-Nov-14	3.710	-0.18	1.054615	1.1238	3.76
24-Nov-14	3.740	-0.18	1.054615	1.1282	3.81
25-Nov-14	3.770	-0.18	1.054615	1.1261	3.83
28-Nov-14	3.660	-0.18	1.054615	1.1427	3.77

10 Day Average**3.830****November-15 - December-15**

6-Nov-14	4.040	-0.25	1.054615	1.1424	4.11
7-Nov-14	4.030	-0.19	1.054615	1.1360	4.14
12-Nov-14	3.940	-0.32	1.054615	1.1284	3.87
14-Nov-14	3.830	-0.31	1.054615	1.1294	3.77
18-Nov-14	3.940	-0.27	1.054615	1.1305	3.93
20-Nov-14	4.050	-0.21	1.054615	1.1312	4.12
21-Nov-14	3.930	-0.21	1.054615	1.1238	3.96
24-Nov-14	3.920	-0.22	1.054615	1.1282	3.96
25-Nov-14	3.970	-0.23	1.054615	1.1261	3.99
28-Nov-14	3.800	-0.25	1.054615	1.1427	3.85

10 Day Average**3.970**

1

2 **Dawn Pricing**

3 The Dawn price over the January, 2015 through December, 2015 period shown in
4 Schedule 7 is based on a combination of actual contracted prices and forecasted prices.
5 The average Dawn delivery rate is \$4.527/GJ in January, 2015, \$4.563/GJ in February
6 and March, 2015, \$4.375/GJ in April, 2015 through October, 2015 and \$4.632/GJ in
7 November and December, 2015.

8

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

11

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

<u>Contracted?</u>	<u>Dawn Deliveries</u>							
	<u>January</u>		<u>Feb. - March</u>		<u>Apr.- Oct.</u>		<u>Nov. - Dec.</u>	
	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ	GJ/day	\$/GJ
Yes	400	4.320	400	4.320	400	4.320	0	0.000

Yes	39	4.430	39	4.430	39	4.430	0	0.000
Partial	0	0.000	0	0.000	0	0.000	39	4.710
Yes	261	4.560	261	4.560	261	4.560	0	0.000
Partial	0	0.000	0	0.000	0	0.000	261	4.730
No	<u>128</u>	<u>5.459</u>	<u>128</u>	<u>5.367</u>	<u>128</u>	<u>4.152</u>	<u>528</u>	<u>4.577</u>
Total	828	4.577	828	4.563	828	4.375	828	4.632

1

2 The price for the 39 GJ/day in January, 2015 through October, 2015 reflects a transfer of
3 deliveries from Empress to Dawn. This gas has been purchased for Empress delivery at
4 \$3.65/GJ. This has been increased by a locked in price to move the gas deliveries from
5 Empress to Dawn of \$0.78/GJ, to arrive at the forecasted price of \$4.43/GJ. Similarly, in
6 November and December, the price of \$4.71/GJ is based on the contracted Empress price
7 of \$3.93/GJ plus the same \$0.78/GJ to move the gas from Empress to Dawn delivery.
8 This latter differential has not been locked in, hence the price is a partial contracted price
9 at this time.

10

11 The price for the 261 GJ/day in January, 2015 through October, 2015 reflects a transfer
12 of deliveries from Parkway to Dawn. This gas has been purchased for Parkway delivery
13 at \$4.54/GJ. This has been increased by a locked in price to move the gas deliveries from
14 Parkway to Dawn of \$0.02/GJ, to arrive at the forecasted price of \$4.56/GJ. Similarly, in
15 November and December, the price of \$4.73/GJ is based on the contracted Parkway price
16 of \$4.71/GJ plus the same \$0.02/GJ to move the gas from Empress to Dawn delivery.
17 This latter differential has not been locked in, hence the price is a partial contracted price
18 at this time.

19

20 The prices shown for the 128 GJ/day that has not been contracted for in January, 2015
21 through October, 2015 and the 528 GJ/day that has not been contracted for in November
22 and December, 2015 are both based on the average price forecasts from the November 6,
23 2014 through November 28, 2014 period.

24

NRG has also used the April through October price forecast, \$4.152/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 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>January-15</u>					
6-Nov-14	4.490	0.75	1.054615	1.1424	5.68
7-Nov-14	4.510	0.85	1.054615	1.1360	5.77
12-Nov-14	4.280	0.53	1.054615	1.1284	5.15
14-Nov-14	4.130	0.56	1.054615	1.1294	5.02
18-Nov-14	4.370	0.68	1.054615	1.1305	5.41
20-Nov-14	4.650	0.79	1.054615	1.1312	5.84
21-Nov-14	4.420	0.81	1.054615	1.1238	5.57
24-Nov-14	4.300	0.77	1.054615	1.1282	5.42
25-Nov-14	4.400	0.74	1.054615	1.1261	5.49
28-Nov-14	4.090	0.74	1.054615	1.1427	5.23
10 Day Average					<u>5.459</u>
<u>February-15 - March-15</u>					
6-Nov-14	4.410	0.73	1.054615	1.1424	5.57
7-Nov-14	4.430	0.83	1.054615	1.1360	5.67
12-Nov-14	4.220	0.51	1.054615	1.1284	5.06
14-Nov-14	4.070	0.53	1.054615	1.1294	4.93
18-Nov-14	4.300	0.64	1.054615	1.1305	5.30
20-Nov-14	4.570	0.79	1.054615	1.1312	5.75

21-Nov-14	4.340	0.80	1.054615	1.1238	5.48
24-Nov-14	4.240	0.77	1.054615	1.1282	5.36
25-Nov-14	4.340	0.72	1.054615	1.1261	5.40
28-Nov-14	4.070	0.70	1.054615	1.1427	5.17
10 Day Average					<u>5.367</u>

April-15 - October-15

6-Nov-14	3.840	0.10	1.054615	1.1424	4.27
7-Nov-14	3.820	0.14	1.054615	1.1360	4.27
12-Nov-14	3.780	0.10	1.054615	1.1284	4.15
14-Nov-14	3.690	0.10	1.054615	1.1294	4.06
18-Nov-14	3.750	0.11	1.054615	1.1305	4.14
20-Nov-14	3.780	0.12	1.054615	1.1312	4.18
21-Nov-14	3.710	0.12	1.054615	1.1238	4.08
24-Nov-14	3.740	0.12	1.054615	1.1282	4.13
25-Nov-14	3.770	0.12	1.054615	1.1261	4.15
28-Nov-14	3.660	0.12	1.054615	1.1427	4.10
10 Day Average					<u>4.152</u>

November-15 - December-15

6-Nov-14	4.040	0.32	1.054615	1.1424	4.72
7-Nov-14	4.030	0.38	1.054615	1.1360	4.75
12-Nov-14	3.940	0.25	1.054615	1.1284	4.48
14-Nov-14	3.830	0.26	1.054615	1.1294	4.38
18-Nov-14	3.940	0.30	1.054615	1.1305	4.55
20-Nov-14	4.050	0.35	1.054615	1.1312	4.72
21-Nov-14	3.930	0.36	1.054615	1.1238	4.57
24-Nov-14	3.920	0.35	1.054615	1.1282	4.57
25-Nov-14	3.970	0.34	1.054615	1.1261	4.60
28-Nov-14	3.800	0.29	1.054615	1.1427	4.43
10 Day Average					<u>4.577</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 \$1.821/GJ effective January 1, 2015. This rate
2 reflects the interim tolls approved by the National Energy Board on November 28, 2014
3 as a result of the TCPL settlement agreement in RH-001-2014. The heat value used to
4 convert GJ to m³ is 37.75 GJ/10³ m³.

6 PGCVA Balance

7 The projected December, 2014 balance in the PGCVA is a debit of \$969,758.08
8 including a debit of \$64,243.04 in accumulated interest, based on the Board's prescribed
9 interest rate. This estimate is based on actual and forecasted purchases and the balance
10 brought forward from December, 2013. The PGCVA debit amounts to a charge of
11 approximately \$76.31 for a typical residential customer consuming approximately 2,170
12 m³ per year. These figures are shown on Schedule 2.

14 Proposed PGCVA Rate Changes

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

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

25 NRG proposes to change the reference price by \$0.009518 per m³ effective January 1,
26 2014, from \$0.231630 per m³ to \$0.222112 per m³. The derivation of this rate is shown
27 in Schedule 5. This is the reference price required to bring the PGCVA balance close to
28 zero on a twelve month forecast basis. This change will also be reflected in the gas
29 commodity charge.

GAS PURCHASE REBALANCING ACCOUNT

The impact on the GPRA of the proposed January 1, 2015 PGCVA reference price change from \$0.231630 per m³ to \$0.222112 per m³ is a debit of \$5,837.61, as shown on Schedule 8. This figure is shown in column (J) of Schedule 8 on the December, 2014 line. It is calculated as the change in the PGCVA reference price between December and January, multiplied by the cumulative inventory balance at the end of December. This cumulative inventory balance is the sum of the actual monthly inventory balances for October, 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 January 1, 2015 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 December, 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 \$0.014861 per m³ over the January, 2015 through December, 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 January 1, 2015 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-2014-0206 Oct. 1, 2014	Proposed Jan. 1, 2015	Difference
PGCVA Reference Price	\$0.231630	\$0.222112	\$(0.009518)
GPRA Recovery	\$0.030284	\$0.014861	\$(0.015423)
System Gas Supply Cost	<u>\$0.000363</u>	<u>\$0.000363</u>	<u>\$0.000000</u>
Gas Commodity Charge	\$0.262277	\$0.237336	\$(0.024941)

SUMMARY

In summary, NRG proposes to change the reference price for amounts to be recorded in the Purchased Gas Commodity Variance Account from \$0.231630 by \$0.009518 to \$0.222112 per m³ effective January 1, 2015. Appendix B contains the accounting entries related to the PGCVA.

NRG also proposes to change the gas supply charge from \$0.262277 to \$0.237336 per m³ effective January 1, 2015. 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 \$50.12.

7

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT - PROJECTED BALANCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2014 TO DECEMBER, 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	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	35.0	1.47%
Actual	August	410,441	2,094,815	0.195932	0.315237	0.119305	249,921.85	-1,406,450.21	-2,029.06	-58,525.97	247,892.79	-1,464,976.18	34.2	1.47%
Actual	September	402,130	2,042,170	0.196913	0.315237	0.118324	241,637.74	-1,164,812.47	-1,722.90	-60,248.87	239,914.84	-1,225,061.34	47.3	1.47%
Actual	October	390,373	1,981,011	0.197057	0.231630	0.034573	68,489.50	-1,096,322.97	-1,426.90	-61,675.77	67,062.60	-1,157,998.74	111.6	1.47%
Forecast	November	351,244	1,934,834	0.181537	0.231630	0.050093	96,921.66	-999,401.31	-1,343.00	-63,018.77	95,578.66	-1,062,420.08	202.7	1.47%
Forecast	December	<u>367,674</u>	<u>1,992,662</u>	<u>0.184514</u>	0.231630	0.047116	<u>93,886.27</u>	<u>-905,515.04</u>	<u>-1,224.27</u>	<u>-64,243.04</u>	<u>92,662.00</u>	<u>-969,758.08</u>	<u>321.8</u>	1.47%
	Total	8,142,223	27,576,732	0.295257			-1,070,110.30	-905,515.04	-21,749.16	-64,243.04	-1,091,859.46	-969,758.08	2,162.8	

PGCVA Balance per M*3 Purchased (\$/M*3) (\$0.035166)
Forecast Average Residential Consumption per Customer 2,162.8 M*3
Estimated Impact on Average Residential Customer \$76.06 Customer Charge

- (1) Includes balance of 164,595.26 as of December, 2013
(2) Includes balance of -42,493.88 as of December, 2013

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2014 TO DECEMBER, 2014

	<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>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,931	76,712	84,931	82,192	84,931	82,192	84,931	84,931	82,192	84,931	82,192	84,932	999,998
Local Production (B)	137,897	125,341	121,955	125,200	114,039	128,608	115,034	122,479	131,477	139,734	117,808	115,068	1,494,640
Dawn Delivery	0	2,342,093	0	0	461,346	236,510	244,475	437,864	412,887	242,558	658,013	679,947	5,715,693
Parkway Delivery	1,400,705	1,260,917	1,394,024	1,345,947	1,375,348	1,114,641	1,152,179	1,147,419	1,115,616	1,211,991	785,960	812,159	14,116,907
Western Delivery	304,255	270,977	299,582	289,250	295,569	290,369	300,148	302,122	299,998	301,797	290,861	300,556	3,545,483
Ontario Delivered Gas	0	663,290	0	0	0	1,040,722	0	0	0	0	0	0	1,704,012
Total	1,927,788	4,739,329	1,900,493	1,842,589	2,331,232	2,893,041	1,896,767	2,094,815	2,042,170	1,981,011	1,934,834	1,992,662	27,576,732

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)	0.185325	0.185325	0.185325	0.236288	0.236288	0.236288	0.236288	0.236288	0.236288	0.208106	0.208106	0.208106	
Dawn Delivery	0.000000	1.048448	0.000000	0.000000	0.189619	0.190248	0.188648	0.163753	0.167359	0.163418	0.165156	0.174141	
Parkway Delivery	0.186612	0.208703	0.248082	0.192127	0.191555	0.185920	0.185858	0.186629	0.185757	0.185991	0.171385	0.171385	
Western Delivery	0.178751	0.205781	0.222344	0.203986	0.196718	0.185575	0.182175	0.172513	0.174090	0.174459	0.143299	0.143299	
Ontario Delivered Gas	0.000000	1.048454	0.000000	0.000000	0.000000	0.184867	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	

Total Gas Cost (\$)

Local Production (A)	25,581	23,106	25,581	24,756	25,581	24,756	25,581	25,581	24,756	25,581	24,756	25,582	301,199
Local Production (B)	25,556	23,229	22,601	29,583	26,946	30,389	27,181	28,940	31,066	29,079	24,517	23,946	323,034
Dawn Delivery	0	2,455,563	0	0	87,480	44,996	46,120	71,701	69,100	39,638	108,675	118,407	3,041,679
Parkway Delivery	261,389	263,157	345,832	258,593	263,455	207,234	214,142	214,142	207,234	225,419	134,702	139,192	2,734,489
Western Delivery	54,386	55,762	66,610	59,003	58,144	53,885	54,679	52,120	52,227	52,651	41,680	43,069	644,217
Ontario Delivered Gas	0	695,429	0	0	0	192,395	0	0	0	0	0	0	887,824
TCPL Transportation	17,956	16,046	17,765	17,192	17,765	17,192	17,765	17,956	17,747	18,004	16,915	17,479	209,781
Total	384,867	3,532,291	478,390	389,127	479,371	570,847	385,468	410,441	402,130	390,373	351,244	367,674	8,142,223

NATURAL RESOURCE GAS LIMITED

ACTUAL AND FORECAST GAS PRICES

HISTORICAL TWELVE MONTH PERIOD - JANUARY, 2014 TO DECEMBER, 2014

	<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>Oct-14</u>	<u>Nov-14</u>	<u>Dec-14</u>
<u>Local Production</u>												
Local Production (A) (\$/GJ)	7.862	7.836	7.825	7.807	7.720	7.837	7.839	7.807	7.844	7.778	7.979	7.979
Local Production (B) (\$/GJ)	4.838	4.821	4.814	6.124	6.056	6.148	6.150	6.125	6.153	5.374	5.513	5.513
<u>Dawn</u> (\$/GJ)	0.000	27.276	0.000	0.000	4.860	4.950	4.910	4.244	4.358	4.220	4.375	4.613
<u>Parkway</u> (\$/GJ)	4.871	5.430	6.445	4.980	4.910	4.837	4.837	4.837	4.837	4.803	4.540	4.540
<u>Western Deliveries</u> (\$/GJ)	4.666	5.353	5.776	5.287	5.042	4.828	4.742	4.472	4.534	4.505	3.796	3.796
Fuel Ratio (%)	5.59%	6.18%	5.11%	4.57%	4.03%	2.96%	1.61%	2.93%	3.65%	4.24%	4.00%	4.00%
<u>TCPL Transportation</u> (\$/GJ)												
TCPL Toll	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405	1.5405
GJ/day (TCPL)	376	372	372	372	372	372	372	376	384	377	366	366
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)	2,107	2,103	2,103	2,103	2,103	2,103	2,103	2,107	2,115	2,194	2,183	2,183
<u>Ontario Delivered Gas</u> (\$/GJ)	0.000	27.276	0.000	0.000	0.000	4.810	0.000	0.000	0.000	0.000	0.000	0.000
Heat Value (GJ/103m3)	38.31	38.44	38.49	38.58	39.02	38.43	38.42	38.58	38.40	38.72	37.75	37.75

NATURAL RESOURCE GAS LIMITED

PURCHASED GAS COMMODITY VARIANCE ACCOUNT

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2015 TO DECEMBER, 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
January	371,171	1,992,662	0.186269	0.222112	0.035843	71,422.99	-834,092.05	-1,109.26	-65,352.30	70,313.73	-899,444.35	355.2	1.47%
February	339,162	1,819,179	0.186437	0.222112	0.035675	64,899.20	-769,192.85	-1,021.76	-66,374.06	63,877.44	-835,566.91	293.2	1.47%
March	370,811	1,992,662	0.186088	0.222112	0.036024	71,783.66	-697,409.19	-942.26	-67,316.32	70,841.40	-764,725.51	246.2	1.47%
April	355,592	1,934,834	0.183784	0.222112	0.038328	74,158.33	-623,250.86	-854.33	-68,170.65	73,304.00	-691,421.51	186.6	1.47%
May	365,986	1,992,662	0.183667	0.222112	0.038445	76,607.90	-546,642.96	-763.48	-68,934.13	75,844.42	-615,577.09	89.7	1.47%
June	355,592	1,934,834	0.183784	0.222112	0.038328	74,158.33	-472,484.63	-669.64	-69,603.77	73,488.69	-542,088.40	53.1	1.47%
July	365,986	1,992,662	0.183667	0.222112	0.038445	76,607.90	-395,876.73	-578.79	-70,182.56	76,029.11	-466,059.29	40.9	1.47%
August	365,986	1,992,662	0.183667	0.222112	0.038445	76,607.90	-319,268.83	-484.95	-70,667.51	76,122.95	-389,936.34	42.8	1.47%
September	640,247	3,750,957	0.170689	0.222112	0.051423	192,885.48	-126,383.35	-391.10	-71,058.61	192,494.38	-197,441.96	58.5	1.47%
October	365,986	1,992,662	0.183667	0.222112	0.038445	76,607.90	-49,775.45	-154.82	-71,213.43	76,453.08	-120,988.88	118.7	1.47%
November	370,215	1,934,834	0.191342	0.222112	0.030770	59,534.86	9,759.41	-60.97	-71,274.40	59,473.89	-61,514.99	202.7	1.47%
December	<u>381,097</u>	<u>1,992,662</u>	<u>0.191250</u>	0.222112	0.030862	<u>61,497.54</u>	<u>71,256.95</u>	<u>11.96</u>	<u>-71,262.44</u>	<u>61,509.50</u>	<u>-5.49</u>	<u>321.8</u>	1.47%
Total	4,647,829	25,323,275	0.183540			976,771.99	71,256.95	-7,019.40	-71,262.44	969,752.59	-5.49	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 Dec., 2014 year-to-date balance of (\$905,515.04) (See Schedule 2)
(2) Includes Dec., 2014 year-to-date balance of (\$64,243.04) (See Schedule 2)

NATURAL RESOURCE GAS LIMITED

COMPOSITION AND COST OF GAS BY SUPPLY SOURCE

PROJECTED TWELVE MONTH FORWARD PERIOD - JANUARY, 2015 TO DECEMBER, 2015

	<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>Oct-15</u>	<u>Nov-15</u>	<u>Dec-15</u>	<u>Total</u>
<u>Volumes (m3)</u>													
Local Production (A)	84,932	76,708	84,932	82,192	84,932	82,192	84,932	84,932	82,192	84,932	82,192	84,932	1,000,000
Local Production (B)	115,068	123,292	115,068	117,808	115,068	117,808	115,068	115,068	117,808	115,068	117,808	115,068	1,400,000
Dawn Delivery	679,947	614,146	679,947	658,013	679,947	658,013	679,947	679,947	658,013	679,947	658,013	679,947	8,005,828
Parkway Delivery	812,159	733,563	812,159	785,960	812,159	785,960	812,159	812,159	785,960	812,159	785,960	812,159	9,562,517
Western Delivery	300,556	271,470	300,556	290,861	300,556	290,861	300,556	300,556	290,861	300,556	290,861	300,556	3,538,808
Ontario Delivered Gas	0	0	0	0	0	0	0	0	<u>1,816,123</u>	0	0	0	<u>1,816,123</u>
Total	1,992,662	1,819,179	1,992,662	1,934,834	1,992,662	1,934,834	1,992,662	1,992,662	3,750,957	1,992,662	1,934,834	1,992,662	25,323,275

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)	0.218866	0.218866	0.218866	0.218866	0.218866	0.218866	0.218866	0.218866	0.218866	0.218866	0.218866	0.218866	
Dawn Delivery	0.172782	0.172253	0.172253	0.165156	0.165156	0.165156	0.165156	0.165156	0.165156	0.165156	0.174858	0.174858	
Parkway Delivery	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.171385	0.177803	0.177803	
Western Delivery	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.143299	0.154284	0.154284	
Ontario Delivered Gas	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.000000	0.156738	0.000000	0.000000	0.000000	

Total Gas Cost (\$)

Local Production (A)	25,582	23,104	25,582	24,756	25,582	24,756	25,582	25,582	24,756	25,582	24,756	25,582	301,200
Local Production (B)	25,184	26,984	25,184	25,784	25,184	25,784	25,184	25,184	25,784	25,184	25,784	25,184	306,412
Dawn Delivery	117,483	105,788	117,123	108,675	112,297	108,675	112,297	112,297	108,675	112,297	115,059	118,894	1,349,561
Parkway Delivery	139,192	125,722	139,192	134,702	139,192	134,702	139,192	139,192	134,702	139,192	139,746	144,404	1,649,129
Western Delivery	43,069	38,901	43,069	41,680	43,069	41,680	43,069	43,069	41,680	43,069	44,875	46,371	513,604
Ontario Delivered Gas	0	0	0	0	0	0	0	0	284,655	0	0	0	284,655
TCPL Transportation	<u>20,661</u>	<u>18,662</u>	<u>20,661</u>	<u>19,995</u>	<u>20,661</u>	<u>19,995</u>	<u>20,661</u>	<u>20,661</u>	<u>19,995</u>	<u>20,661</u>	<u>19,995</u>	<u>20,661</u>	<u>243,267</u>
Total	371,171	339,162	370,811	355,592	365,986	355,592	365,986	365,986	640,247	365,986	370,215	381,097	4,647,829

[illegible]

NATURAL RESOURCE GAS LIMITED

GAS PURCHASE REBALANCING ACCOUNT

JANUARY, 2014 THROUGH DECEMBER, 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 (\$s) P=M+O	Monthly Interest Rate
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	-372,584.25	0.001330	4,521.12	-390,324.16	-27.27	5,434.20	-384,889.96	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	-371,167.10	-478.15	4,956.05	-366,211.05	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	-361,625.81	-454.68	4,501.37	-357,124.44	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	-357,347.23	-442.99	4,058.38	-353,288.85	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	-353,082.76	-437.75	3,620.63	-349,462.13	1.47%
August	2,094,815	3,824,759	2,868,780	955,979	0	955,979	1,138,836	3,373,114	0.315237	0.00	0.009556	9,135.34	-343,947.42	-432.53	3,188.10	-340,759.32	1.47%
September	2,042,170	4,071,592	2,576,990	1,494,602	0	1,494,602	547,568	3,920,682	0.315237	-327,796.50	0.009556	14,282.42	-657,461.50	-421.34	2,766.76	-654,694.74	1.47%
October	1,981,011	4,908,332	2,982,611	1,925,721	0	1,925,721	55,290	3,975,973	0.231630	0.00	0.030284	58,318.53	-599,142.97	-805.39	1,961.37	-597,181.60	1.47%
November	1,934,834	6,421,595	2,807,687	3,613,908	0	3,613,908	-1,679,074	2,296,899	0.231630	0.00	0.030284	109,443.59	-489,699.38	-733.95	1,227.42	-488,471.96	1.47%
December	1,992,662	6,471,595	2,795,357	3,676,238	0	3,676,238	-1,683,576	613,323	0.231630	-5,837.61	0.030284	111,331.19	-384,205.80	-599.88	627.54	-383,578.26	1.47%
January	1,992,662	6,421,595	2,824,409	3,597,186	0	3,597,186	-1,604,524	-991,200	0.222112	0.00	0.014861	53,457.78	-330,748.02	-470.65	156.89	-330,591.13	1.47%
February	1,819,179	6,021,595	2,807,462	3,214,133	0	3,214,133	-1,394,954	-2,386,155	0.222112	0.00	0.014861	47,765.23	-282,982.79	-405.17	-248.28	-283,231.07	1.47%
March	1,992,662	5,721,595	2,744,961	2,976,634	0	2,976,634	-983,972	-3,370,126	0.222112	0.00	0.014861	44,235.76	-238,747.03	-346.65	-594.93	-239,341.96	1.47%
April	1,934,834	4,621,595	2,685,665	1,935,930	0	1,935,930	-1,096	-3,371,222	0.222112	0.00	0.014861	28,769.86	-209,977.17	-292.47	-887.40	-210,864.57	1.47%
May	1,992,662	3,621,595	2,661,298	960,297	0	960,297	1,032,365	-2,338,857	0.222112	0.00	0.014861	14,270.97	-195,706.20	-257.22	-1,144.62	-196,850.82	1.47%
June	1,934,834	3,171,595	2,638,035	533,560	0	533,560	1,401,274	-937,582	0.222112	0.00	0.014861	7,929.24	-187,776.96	-239.74	-1,384.36	-189,161.32	1.47%
July	1,992,662	3,171,595	2,646,622	524,973	0	524,973	1,467,689	530,107	0.222112	0.00	0.014861	7,801.62	-179,975.34	-230.03	-1,614.39	-181,589.73	1.47%
August	1,992,662	3,671,595	2,639,204	1,032,391	0	1,032,391	960,271	1,490,378	0.222112	0.00	0.014861	15,342.36	-164,632.98	-220.47	-1,834.86	-166,467.84	1.47%
September	3,750,957	4,161,595	2,699,547	1,462,048	0	1,462,048	2,288,909	3,779,288	0.222112	0.00	0.014861	21,727.50	-142,905.48	-201.68	-2,036.54	-144,942.02	1.47%
October	1,992,662	5,171,595	2,783,246	2,388,349	0	2,388,349	-395,687	3,383,601	0.222112	0.00	0.014861	35,493.25	-107,412.23	-175.06	-2,211.60	-109,623.83	1.47%
November	1,934,834	6,471,595	2,807,687	3,663,908	0	3,663,908	-1,729,074	1,654,527	0.222112	0.00	0.014861	54,449.34	-52,962.89	-131.58	-2,343.18	-55,306.07	1.47%
December	1,992,662	6,521,595	2,795,357	3,726,238	0	3,726,238	-1,733,576	-79,048	0.222112	0.00	0.014861	55,375.62	2,412.73	-64.88	-2,408.06	4.67	1.47%

(1) Includes balance of
(2) Includes balance of
(3) Includes balance of

-257,806 as of Dec., 2013
-32,558.74 as of Dec., 2013
5,534.66 as of Dec., 2013

NATURAL RESOURCE GAS LIMITED

RESIDENTIAL BILL COMPARISONS

QUARTERLY BILL IMPACT

	Quarter Starting 01-Jan-14 <u>EB-2013-0412</u>	Quarter Starting 01-Jan-15 <u>EB-2014-0358</u>	\$ Change	Percent Change
Average Residential Consumption for Quarter	894.6	894.6		
Monthly Charges	\$40.50	\$40.50	\$0.00	0.0%
Delivery Charges	\$140.10	\$140.10	\$0.00	0.0%
Total Commodity Charges	<u>\$165.84</u>	<u>\$212.32</u>	<u>\$46.48</u>	<u>28.0%</u>
Total Customer Charges	\$346.43	\$392.92	\$46.48	13.4%

ANNUAL BILL IMPACT

	01-Oct-14 <u>EB-2014-0206</u>	01-Jan-15 <u>EB-2014-0358</u>	\$ Change	Percent Change
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>\$527.02</u>	<u>\$476.90</u>	<u>(\$50.12)</u>	<u>-9.5%</u>
Total Customer Charges	\$1,003.69	\$953.58	(\$50.12)	-5.0%

RATES USED

	01-Jan-14 <u>EB-2013-0412</u>	01-Oct-14 <u>EB-2014-0206</u>	01-Jan-15 <u>EB-2014-0358</u>
Monthly charge	13.50	13.50	13.50
Delivery Charge	0.156601	0.156601	0.156601
Total Commodity Charge	0.185376	0.262277	0.237336

**APPENDIX “A” TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2014-0358
DATED DECEMBER 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: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

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: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

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: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

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: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

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: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

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: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

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-2014-0358)	22.2112 cents per m ³
GPRA Recovery Rate	(EB-2014-0358)	1.4861 cents per m ³
System Gas Fee	(EB-2010-0018)	<u>0.0363</u> cents per m ³
Total Gas Supply Charge		<u>23.7336</u> cents per m ³

Note:

PGCVA means Purchased Gas Commodity Variance Account

GPRA means Gas Purchase Rebalancing Account

Effective: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

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: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

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: January 01, 2015

Implementation: All bills rendered on or after January 01, 2015

EB-2014-0358

**APPENDIX “B” TO
DECISION AND INTERIM ORDER
BOARD FILE No. EB-2014-0358
DATED DECEMBER 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-2014-0358
DATED DECEMBER XX, 2014**

IMPORTANT INFORMATION ABOUT YOUR GAS BILL

On all bills rendered by NRG on or after January 1, 2015, the price we charge for the gas commodity and transportation portion of your bill will be decreasing by \$0.024941 per cubic meter to \$0.237336 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 December, 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 \$50 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.